

**Transmittal Letter**



December, 2022

The Clerk  
Sierra Leone House of Parliament  
Tower Hill  
Freetown

Dear Sir,

In accordance with Section 119 (4) of the 1991 Constitution of Sierra Leone, we have the pleasure and honour of submitting our report on the Accounts of Sierra Leone for the Financial Year ended 31st December, 2021.

Yours faithfully,

**Abdul Aziz**  
**ACTING AUDITOR-GENERAL**



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## LIST OF ABBREVIATIONS AND ACRONYMS

ACC	-	Anti-Corruption Commission
AFROSAI-E	-	African Organisation of English-speaking Supreme Audit Institutions
AGD	-	Accountant General's Department
ASSL	-	Audit Service Sierra Leone
BSL	-	Bank of Sierra Leone
CF	-	Consolidated Fund
COVID-19	-	Corona Virus Disease, 2019
DAO	-	District Agriculture Officer
DHMT	-	District Health Management Team
DMO	-	District Medical Officer
EDSA	-	Electricity Distribution and Supply Authority
EGTC	-	Electricity Generation and Transmission Company
GoSL	-	Government of Sierra Leone
GPFS	-	General Purpose Financial Statements
GST	-	Goods and Services Tax
HRMO	-	Human Resources Management Office
ICB	-	International Competitive Bidding
IFMIS	-	Integrated Financial Management Information System
IFRS	-	International Financial Reporting Standards
INTOSAI	-	International Organisation of Supreme Audit Institutions
IPSAS	-	International Public Sector Accounting Standards
ISSAIs	-	International Standards of Supreme Audit Institutions
LPO	-	Local Purchase Orders
MoF	-	Ministry of Finance
MDAs	-	Ministries, Departments and Agencies
MS	-	Medical Superintendent
NATCOM	-	National Telecommunications Commission
NCB	-	National Competitive Bidding
NMA	-	National Minerals Agency
NPPA	-	National Public Procurement Authority

NRA	-	National Revenue Authority
PAYE	-	Pay-As-You-Earn
RCB	-	Rokel Commercial Bank
PFMA	-	Public Financial Management Act
PFMR	-	Public Financial Management Regulations
PPR	-	Public Procurement Regulations
RFQ	-	Request for Quotations
SAI	-	Supreme Audit Institution
SLCB	-	Sierra Leone Commercial Bank
SLP	-	Sierra Leone Police

## **STATEMENT FROM THE ACTING AUDITOR-GENERAL**

Section 119(2) of the 1991 Constitution mandates us to audit the Public Accounts of Sierra Leone and thereafter report to Parliament. We are pleased to submit our Annual Report for the year ended 31st December, 2021.

This Report contains the overall result of our work for 2021. In keeping with our statutory obligations, we have conducted the audit of the Public Accounts, Ministries, Departments and Agencies (MDAs), as well as Diplomatic Missions, Local Councils and schools. The Report includes significant issues and matters which, in accordance with Section 119(4) of the 1991 Constitution, we wish to bring to the attention of Parliament through the Public Accounts Committee (PAC).

This year, there was a particular focus on service delivery, prompting MDAs to fulfil their duties to the citizens in an effective and reliable manner. This did not preclude our concern about the need to address the elements of internal control and cash management and the quality and accuracy of accounting procedures. In addition, we conducted a review of the management of the 2021 COVID-19 funds as part of our routine audit engagements.

Based on our desire to partner with stakeholders to improve and sustain public interest and confidence, we held several engagements with key stakeholders, including heads of MDAs, heads of diplomatic missions, provincial secretaries, chief administrators, and local authorities, among others.

Our engagements with stakeholders suggest that our auditees and the public should better understand our recommendations and the benefits of taking action on them. In this regard, we have worked with the World Bank and the Ministry of Finance (MoF) to develop Standard Operating Procedures to enhance the follow-up on audit recommendations.

In our quest to promote and uphold transparency and accountability, we have strengthened our relationship with other actors, including the Anti-Corruption Commission, the Internal Audit Department in the Ministry of Finance and the Public Financial Management Reform Unit.

We have come a long way in conducting performance audits and have observed the growing interest among civil society organisations in pertinent issues raised in these reports. In one of our citizens' engagement meetings, we agreed on selecting topics that are relevant to citizens' lives and created a platform for them to be involved in the planning of these audits. Since we started undertaking performance audits in 2007, we have produced 34 reports, 16 (47%) of which were issued in the last five years (2018 to date). This aspect of auditing is gradually gaining recognition among non-state actors and citizens across the globe.

We continue to receive support from donors to enhance the Information Systems (IS) Audit Division, established in 2020. Consequently, through the Accountability Governance for Basic Service Delivery Project funded by the World Bank, the Audit Service Sierra Leone (ASSL) has received support for the capacity building of IS auditors.

We continue to acknowledge the support of Parliament's Public Accounts Committee (PAC). That notwithstanding, we will provide continuous technical support and insight to enable them to take action on MDAs based on our audit recommendations. Two issues brought to the attention of the Committee are the non-submission of requested documents by auditees during the audit process, which are eventually submitted at the PAC hearings, and our performance audit reports that are not given the desired attention.

As an institution, we have experienced challenges in the payment of audit fees by some Public Enterprises (PEs). A number of these institutions have not been meeting their financial obligations in the payment of audit fees. The backlog of fees impacts the quality of our work and that of the private audit firms when we outsource some of our audit assignments.

We draw the attention of the Government to the slow pace of our office building project located at Tower Hill. We are currently tenants at the Freetown City Council and Youyi Buildings. We hope to occupy our property in the nearest future for proper supervision, control and management of staff.

In conclusion, we wish to register our profound gratitude to all staff of the ASSL for their hard work and support and to members of the ASSL Board for the invaluable advisory role they play.

## **EXECUTIVE SUMMARY**

This summary reflects significant issues in the main body of the report. The issues are presented in a similar order as they have been reported in the body of the report and are summarised in such a way that readers can rapidly become acquainted with the entire report without having to read all the detail.

### **Our Role**

We are the guardian of the public purse and Sierra Leone's economic security. In exercising our legitimate authority as the Supreme Audit Institution (SAI), and acting in a professional, ethical and transparent manner, we audit and report on the stewardship provided by the government over money received - whether from taxpayers, donors or others - and related expenditure from these funds.

Through the independent professional audit, we establish a reasonable level of assurance whether or not the government used public money in the manner intended by Parliament. We assess whether these funds are adequately controlled, clearly and accurately reported by the government and how they are used in terms of economy, efficiency and effectiveness.

We report to Parliament in the first instance, but also to the citizenry of Sierra Leone and other stakeholders.

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

Section 119(4) of the 1991 Constitution states that: "...The Auditor-General shall 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".

We classified irregularities during our audits under the following categories:

- payments without supporting documents;
- special imprest/advances not retired;
- payroll deficiencies;
- non-performance/supply as per contract agreements
- deficiencies in stores and assets management;
- revenue not brought to account; and
- statutory deductions and contributions (PAYE & NASSIT) not paid.

The overall irregularities with financial impact (Estimated Loss) identified in the course of our audit is indicated in Table 1:



Table 1									
Overall irregularities with Financial Impact (Estimated Loss)									
Year	GPFS	Ministries and Departments		Diplomatic Missions			Public Enterprises		Local Councils
	Le	Le	US\$	US\$	€	£	Le	US\$	Le
2017		-	-	7,000.00	-	-	1,517,963,285.25	-	-
2018		-	-	112,640.72	-	5,122.30	193,376,242.00	-	-
2019		2,748,496,132.94	-	391,348.00	3,634.88	8,933.25	673,778,832.48	-	-
2020		4,514,974,812.78	3,000.00	46,865.35	51,046.11	8,546.23	20,322,732,751.58	-	-
2021	19,198,716,461.98	108,779,502,052.99	1,432,416.56	7,519.52	4,543.60	7,378.07	37,541,420,431.34	132,000.00	5,619,661,699.64

As indicated in the table above, the figures relate to the year under review (FY2021) and other backlog audits covering the 2017, 2018, 2019 and 2020 financial years. The **Auditor-General's Opinion** on the GPFS relates **ONLY** to issues identified in the audit of **FY2021**.

## **PUBLIC ACCOUNTS**

### **Audit of the General-Purpose Financial Statements (GPFS) of the Consolidated Fund (CF)**

The Accountant General prepares the Financial Statements in accordance with Section 87 (1) of the Public Financial Management (PFM) Act, 2016 and submits them to the Auditor-General in accordance with Section 119(2) of the 1991 Constitution of Sierra Leone and Section 11 (1) of the Audit Service Act, 2014.

Section 16 of the PFM Act, 2016 further mandates the Auditor General to audit the Annual Financial Statements of the Consolidated Fund on an annual basis to enable him to give an opinion on whether they give a true and fair view and have been prepared in accordance with the applicable reporting framework.

This year, we have issued an Unqualified Opinion. This means that the auditors found no material misstatement in the accompanied Financial Statements and that the financial statements are correctly prepared in accordance with the accounting standards and applicable regulations.

We have identified control lapses in public financial management across government entities as the leading causes of poor audit outcomes. Similar control lapses over revenue, expenditure, cash and bank continue to attract public attention. A summary of these matters is set out below:

## **REVENUE**

The National Revenue Authority (NRA) has made efforts to automate the tax administration system. This system has greatly enhanced revenue assessment, collection, recording and reporting. That notwithstanding, we observed some irregularities highlighted below:

### **Tax liabilities due**

During the review and recalculation of taxpayers' liabilities, we noted that tax liabilities of Le524.78 billion were owed to the Government of Sierra Leone (GoSL).

### **Import GST not Traced to the ASYCUDA World**

A comparison between the ASYCUDA World and the VIPS or ITAS, in respect of import GST, revealed that import GST (VAT 2) transactions totalling Le42.3 billion as reported in the VIPS or ITAS could not be traced to the ASYCUDA World.

### **Documents not Submitted for Other Departmental Receipts**

Non-tax revenue of Le41.13 billion was disclosed in the GPFS in respect of the Sierra Leone Civil Aviation Authority. However, there was no evidence to determine the accuracy and completeness of this amount.

### **Revenue not traced to the Consolidated Fund**

Some commercial banks made transfers totalling Le233 million regarding the Sierra Leone Road Safety Authority's (SLRSA) revenue collected during 2021 to the Bank of Sierra Leone (BSL). However, we could not trace these transfers in the SLRSA's accounts held at the BSL. Furthermore, amounts totalling Le1.4 billion held at the transit banks were not transferred to the TSA at the end of the year.

### **Duty waivers and Concessions to Ineligible Entities**

We observed that the Ministry of Finance gave duty waivers of Le4.9 billion to NGOs that were not registered with the MoPED. In addition, GST and ECOWAS levies totalling Le14.29 billion and Le8.7 billion respectively were granted to taxpayers as duty waivers and concessions. However, these GST and ECOWAS levies granted to these taxpayers contradict the provisions in the gazette, ECOWAS protocols, Finance Act and GST Act 2009 regarding duty waivers.

### **Non-inclusion of revenue arrears in the GPFS**

We noted that arrears totalling US\$540,780 (approximately Le5.8 billion) and Le2.3 billion for the National Minerals Agency (NMA) and the Petroleum Regulatory Agency respectively were not included in the arrear figures in the GPFS.

### **Over/Understatement of revenue arrears in the GPFS**

Revenue arrears for the Sierra Leone Maritime Administration was understated by Le23.24 billion, while revenue arrears for National Telecommunications Commission (NATCOM) were overstated by Le66 billion in the GPFS.

## **RECURRENT EXPENDITURE**

Expenditure control continues to be very robust. Payment vouchers and supporting documents are available for a good number of transactions processed through the IFMIS. The implementation of these controls have improved the integrity of the payment process generally. Payment from imprest accounts, both standing and special imprest, is however challenged with insufficient and weak controls. In a few of the MDs sampled, payment vouchers were not raised when monies were disbursed from the imprest accounts. Some disbursements were not supported with documentation which is necessary to justify that the monies spent were utilised for their intended purposes.

### **Expenditures not supported by relevant documentary evidence**

Ministries and Departments sampled payments totalling Le8.9 billion were not supported by payment vouchers and other relevant documents such as receipts, delivery notes, expenditure returns, etc. In the absence of the original records and documentation, the purpose for which the expenditure was incurred could not be ascertained in the GPFS.

## **PUBLIC DEBT/DOMESTIC ARREARS**

### **Debt Clearance Strategy**

A debt clearance strategy is a plan that serves as a guide in settling domestic arrears. This plan had been formulated to implement the terms in the strategy, but the implementation had been very slow. Mostly, this plan was not consulted when domestic arrears were settled. There were cases where debts not in the debt clearance strategy were serviced.

Several payments totalling Le1.33 billion were made to suppliers/creditors who were not in the debt clearance strategy. We also noted a variance of Le527.5 million between the amount paid to suppliers and the amount stated in the strategy.

### **Payment Agreement between the ISU Engineering and the GoSL**

A payment agreement was signed between the ISU Engineering Company and the GoSL on 21st May, 2019. We noted a total amount of Le38.76 billion was paid to the contractor in 2021, even though our recommendation in the ASSL verification report in 2018 stated that IPCs 26 and 27 should not be honoured.

### **Payment of Domestic Arrears without Payment Vouchers and Supporting Documents**

As part of our audit, we verified expenditure incurred on domestic arrears to assess whether it was incurred for the intended purpose and in accordance with the PFM Act of 2016. We were however unable to conclude on the sum of Le18.73 billion due to lack of documentation. The transactions in respect of this expenditure did not have payment vouchers and other supporting documents.

### **Unpaid Loans**

Loans totalling Le15 billion were given as stimulus packages to three Public Enterprises (PEs). Based on the agreement, the first repayment should have been made at the end of January 2021. The PEs should have made a total repayment of Le3 billion at the end of December 2021. However, no documents were submitted to the auditor to confirm that these PEs had made any loan repayment.

### **Confirmation of External Debt**

Of the total external debt of Le20.99 trillion reported in the General-Purpose Financial Statements, Le19.09 trillion (91%) was confirmed. External creditors did not confirm Le1.9 trillion, which represents 9% of the total debt. However, the unconfirmed balances are accumulated debts dating far back between 1983 and 2017. We were able to verify and confirm all the disbursed outstanding debts (DODs) contract agreements relating to these unconfirmed balances during the audit.

### **Budgetary Control**

*Action plans not submitted by MDAs* - A comparison between the revised budget and actual expenditure revealed that some ministries, departments and agencies overspent a total of Le1.39 trillion during 2021, for which no evidence of action plans was submitted to the auditors to justify the amount overspent.

*Budgetary information not communicated to Parliament* - Based on information gathered from the IFMIS, transactions totalling Le37.68 billion and Le20.39 billion were posted under the contingencies fund and unallocated head of expenditure, but no evidence of quarterly reports to Parliament was submitted to the auditors. It is also worth noting that these amounts exceeded their budgeted amounts.

### **CASH AND BANK**

We noted with concern that some cheques were printed during 2021, for which payments were not done within the same year, thereby creating the risk of duplication of payment.

### **MINISTRIES, DEPARTMENTS AND DIPLOMATIC MISSIONS**

This year, in addition to selected areas of audits, procurement administration and contract management was considered the key subject matter in compliance audits conducted across Ministries and Departments (MDs). We also examined the operations of diplomatic missions in Europe, Asia and North America (2014 to 2021). The audit outcomes indicated that most MDs and diplomatic missions failed to fully implement our audit recommendations.

The identified irregularities derived from the audit are grouped into seven broad categories as follows:

- Payments without supporting documents
- Statutory deductions not paid
- Imprest not retired/accounted for
- Contract and procurement irregularities
- Assets and unaccounted stores
- Revenue irregularities
- Irregularities in payroll administration

The irregularities with financial impact (Estimated Loss) across MDs amount to Le2.74 billion, Le4.51 billion & US\$3,000, and Le108.77 billion & US\$1,432,416.56 for 2019, 2020, and 2021 respectively.

For Diplomatic Missions, the identified irregularities (Estimated Loss) are grouped into the following categories:

<b>Summary of irregularities (Estimated Loss) across Diplomatic Missions</b>			
<b>Nature of Irregularities</b>	<b>US\$</b>	<b>£</b>	<b>€</b>
Payments without Supporting Documents	126,296.64	29,979.85	19,083.12
Consular fees not accounted for	7,519.52		
Imprest not retired	133,331.50		40,141.47
Payroll	298,225.93		
<b>Total</b>	<b>565,373.59</b>	<b>29,979.85</b>	<b>59,224.59</b>

Details of these observations are found in Chapter II.

## **PUBLIC ENTERPRISES, COMMISSIONS AND DONOR-FUNDED PROJECTS**

This section gives a summary of the outcome of the audits of the annual financial statements of public enterprises (PEs), commissions and donor-funded projects. Section 86(1) of the PFM Act of 2016 states: “Within three months after the accounts of a financial year are closed at the end of a complementary period mentioned in section 44, the vote controller of every entity in subsection (3) of section 86 shall submit to the Auditor-General annual financial statements of the entity for the financial year.” This means that all PEs and commissions should submit their financial statements for audit to the Auditor-General, by the 31st of March. As of the stipulated date in 2022, a total of six PEs and commissions did not submit their accounts for FY2021, whereas 50 submitted their accounts after the stipulated deadline date of 31st March 2022.

We observed similar irregularities as listed in the MDs portion above with the financial impact of these cross-cutting issues amounting to Le1.51 billion; Le193.37 million; Le673.77 million; Le20.32 billion and Le37.54 billion & US\$132,000 for 2017, 2018, 2019, 2020 and 2021 respectively. Details of these observations are found in Chapter III.

During the audit, a number of ICT issues were observed in several institutions. Due to their sensitivity and security implications, these issues have been restricted to correspondence with the clients and Parliament.

## **LOCAL COUNCILS**

Local councils are responsible for promoting the development of the locality and the welfare of their people. They are financially supported by the central government through the Consolidated Revenue Fund Account and therefore, subject to audit by the Auditor-General in accordance with Section 119(2) of the Constitution of the Republic of Sierra Leone 1991, and Section 81(2) of the Local Government Act (LGA), 2004.

We conducted financial and compliance audits on the 22 Local Councils (LCs) covering the period between 1st January and 31st December 2021. We conducted the financial audit in accordance with the ASSL Manual which is based on the International Standards of Supreme Audit Institution (ISSAI) with the view of expressing an opinion on the Financial Statements submitted for the year ended 31st December 2021. These standards require that in the conduct of our work, we carry out risk assessments to focus resources on the areas of greatest audit risk. The compliance audit was a direct engagement. The subject matters, Procurement Management and Contract Administration, were evaluated against the criteria which were selected by the auditor who produced the subject matter information using the principles of ISSAI 100, 400 & 4000.

We noted that 21(95%) of the 22 LCs, got unqualified (clean) audit opinions. This performance materially increased by 18% when compared to 2020 in which the councils recorded 17(77%) unqualified audit opinions. The results reflect positive gradual progress by LCs.

Our review revealed that amounts totalling Le5.61 billion were a result of the irregularities identified in the audit of the LCs. Like MDs and PEs, the main irregularities identified were in the following areas: statutory deductions (Tax and NASSIT) not paid, procurement and contract, unaccounted stores and payments without supporting documents

The findings within these categories are presented in detail in Chapter IV, and in even greater detail, in the individual council reports submitted to the Minister of Local Government and Rural Development for submission to Parliament as stipulated in Section 81(8) of the Local Government Act, 2004.

## **SCHOOLS**

A review of sampled schools was conducted to ascertain their compliance with the legal regulatory framework in promoting the Free Quality Education scheme in Sierra Leone; which is the Government's flagship programme.

Three areas selected as subject matters were as follows:

- School Management and Infrastructure
- Payment of School Fee Subsidies and Public Examination Fees
- Financial Management and Control

The review covered a total of 102 secondary schools (JSS and SSS) across the country.

The government continues to pay subsidies to approved schools. The number of resources (teaching and learning materials (TLMs), furniture, etc., as well as subsidies) disbursed to approved schools are quite substantial since the advent of the Free Quality School Education (FQSE). However, delays in payment of government subsidies and supply of TLMs to approved schools negatively impacted the operations of some schools.

Forty-four (43%) of these schools lacked equipped laboratories with the relevant equipment and/or functioning libraries, and 20% undertook transactions without supporting documents.

Amidst all these challenges, the GoSL continues to pay for national examinations (BECE and WASSCE) and fee subsidies to all government-approved schools.

## INTRODUCTION

This Report reflects the outcomes of our audit of Ministries, Departments, Agencies and Diplomatic Missions as well as Local Councils. It presents our observations and insights from these audits for the financial year ended 31st December, 2021.

As part of our annual audit, we provide reasonable assurance on the reliability of the financial and performance reports of auditees, as well as on their compliance with rules, policies and legislations. We also audited the implementation of key central and local government programmes, focusing on the audit of contract management. We also considered the financial management of government's COVID-19 response for 2021 which will be reported separately to the House of Parliament in due course.

In this Report, we highlight audit outcomes which are favourable and unfavourable. We have provided insight into key issues that emanated from the audit outcomes that impacted service delivery and ultimately, the livelihood of the people of Sierra Leone. We have also provided recommendations for those charged with governance, oversight bodies and other stakeholders. These recommendations intend to improve the financial and performance managements across MDAs.

## PUBLIC SECTOR AUDITING

Government auditing is a cornerstone of good public sector governance. By providing unbiased, objective assessments of whether public resources are responsibly and effectively managed to achieve intended results, auditors help government institutions achieve accountability and integrity, improve operations, and instill confidence among citizens and other stakeholders. The role of the Auditor-General is to provide oversight, insight, and foresight in governance. Oversight addresses whether government entities are doing what they are supposed to do and serves to detect and deter corruption. Insight on the other hand, assists decision-makers by providing an independent assessment of government programmes, policies, operations, and results. While foresight identifies trends and emerging challenges. Auditors use methods such as financial, compliance and performance audits to fulfill each of these roles. The credibility of the ASSL could be enhanced through the following characteristics:

### 1. Mandate

For a SAI to be credible, its mandate must be enshrined in an appropriate constitutional provision and other existing laws and regulations. Section 119 of the 1991 Constitution deals with the establishment of the office of the Auditor-General and its functions.

Section 119 (2) of the 1991 Constitution of Sierra Leone states: "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 corporations, companies, or other bodies or organisations 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 access to all books, records, returns and other documents relating or relevant to those accounts."

Furthermore, Sections 11 & 12 of the Audit Service Act of 2014 and Section 16 (1a) of the Public Financial Management Act (PFMA) of 2016 reinforce the provisions of the 1991 Constitution of Sierra Leone.



In safeguarding accountability, Section 119 (5) of the 1991 Constitution arranges for Parliament to debate the report of the Auditor-General and appoints a committee in this case the Public Accounts Committee to deal with any matters arising therefrom.

## **2. Independence**

The report of the ASSL is key to the efficient and effective operation of the GoSL. The independence of the office is one of a number of important blocks on which credibility is built. Section 119 (6) of the 1991 Constitution of Sierra Leone, provides for the independence of the Auditor-General in the discharge of his responsibilities. This Section states that:

*“In the exercise of his functions under this Constitution or any other law, the Auditor-General shall not be subject to the direction or control of any person or authority.”*

This provision in the constitution is further reinforced in section 12 of the Audit Service Act of 2014.

Organizational independence allows the auditor to conduct work without interference by the entity under audit. Coupled with objectivity, organizational independence contributes to accuracy of the auditors’ work and the ability to rely on the results and report. The Office of the Auditor-General being considered the source of public trust, requires complete and untainted independence to enable it provide Parliament with accurate and independent audit information on public entities. The ASSL will continue to do its work independently without any interference from any person or authority.

### *Financial independence/ autonomy*

The ASSL must have sufficient funding relative to the size of its audit responsibilities. The budget size impacts the capacity of the organisation to carry out its duties. The office follows the budget process laid down by the MoF like all other MDAs. Even though, the ASSL receives from the Government through the MoF all monies allocated as part of the budget provisions, the ideal situation is wherein ASSL directly submits its budget to Parliament to ensure that adequate provision has been made for budgetary allocation to the ASSL and direct the MoF to ring-fence the approved budget for onward allocation to the ASSL.

### *Administrative independence*

The SAI should be free to decide on all its human resources requirement for its effective functioning. An efficient and credible SAI should have operational independence from the Legislature and the Executive in performing its duties. The audit activity needs a professional staff that collectively has the necessary qualifications and competence to conduct the full range of audits required by its mandate. As specified in Section 19 of the Audit Service Act of 2014, employees of the Audit Service shall not be subject to the authority of the Public Service Commission. This is evident in Section 3 of the ASSL Act of 2014 which states: “There is hereby established a body to be known as the Audit Service Board which shall be an advisory board responsible for the appointment of persons, other than the Auditor-General, to hold and act in offices as members of the Audit Service and to exercise disciplinary control over such persons, including the power to suspend or remove any of them, and to determine their terms and conditions of service.” Over the years, through the support of the Government, African Organisation of English-speaking SAIs (AFROSAI-E) and other donor organisations, the ASSL has benefited from capacity building programmes such as the ACCA scheme, seminars, academic and regular training. At the moment, the ASSL has a staff capacity of 31 Chartered Accountants, 45 Post

graduate degree holders in various disciplines; such as Auditing, Accountancy, Finance Business Administration and other IT Professionals.

### **3. Unrestricted Access**

Section 119 sub-section 2 of the 1991 Constitution provides that in the performance of his/her functions, the Auditor-General shall have access to all books, records, returns and other documents relating or relevant to those accounts. In addition, section 90 sub-section 1 of the PFMA 2016, also provides that the Auditor-General shall in the course of work have unrestricted access to information records, personnel and books of accounts.

One may ask why auditors would want to know a lot of other matters of the entity that appear unrelated to the financial statements and/or financial transactions. The financial statements, though expressed in figures and notes, is a distilled product of many aspects of the entity. Therefore, by gaining an understanding of other matters of the entity that may seem unrelated to the financial statements, the auditor understands the financial statements better. For example, studying the incidents report of the IT system in an MDA would enable the auditor to assess the strength of the IT controls and the controls over the processing of financial transactions by the entity's financial IT system. Therefore, it is important for management to fully co-operate and provide all the requested information.

### **4. Professional Auditing Standards**

Professional auditing standards provide a framework to promote quality audit work that is systematic, objective, and evidence based. Just as many governments have adopted internal control standards, either as requirements or guidance for public sector managers, the ASSL has over the years conducted all audit engagements in accordance with International Organisation of SAIs (INTOSAI) Standards. We are an active member of the INTOSAI, and in conducting our work, we comply with its professional and ethical standards known collectively as the International Standards of SAIs (ISSAIs). In addition to international standards, and as a way of improving the quality of work we do, AFROSAI-E conducts quality assurance reviews of the work of the SAI every two years.

### **5. Stakeholders Communication and Engagement**

Communication with stakeholders continues to be at the center of our work and is viewed internationally as essential among SAIs. The objective of our work is to increase transparency for the benefit of citizens through external auditing.

During INCOSAI 2010, INTOSAI recognised that:

*“The effectiveness with which SAIs fulfill their role of holding the government to account for the use of public money not only depends on the quality of their work, but also on how effectively they are working in partnership with the accountability functions of the legislature as well as the executive arm of government in making use of audit findings and enacting change.”*

The operations of the ASSL have been greatly improved through effective communication with citizens/stakeholders in the audit process. The ASSL has developed social media platforms like Facebook and WhatsApp as official channels to inform citizens on the work we do. These well-established social media platforms permit us to educate the public to better understand the work of the ASSL on issues of public accountability, transparency and good governance. In addition to our social media platforms, we also hold radio talk shows to further communicate our audit process to the citizens. These have been particularly useful in the sense that they help in making sure that our voice

is heard, increase the impact of our work, receive stakeholder feedback and enhance our brand presence.

Effective stakeholder engagement is crucial to the success of every SAI, and the ASSL is no exception. In recognising this, we held series of stakeholder engagements for FY2021 with various civil society organisations, local council administrators, chiefdom administrators and non-state actors across the country. The objective of these engagements was to clearly outline the diverse strategies used by the ASSL to increase citizens' awareness and understanding on how we conduct our audits. This was done to incorporate stakeholder opinions and insights in our work, so that high quality and impactful audit recommendations could be provided. The aforementioned groups, along with some of our internal stakeholders (employees) were invited to participate in fruitful discussions, focusing on pertinent issues concerning public financial management that would guide us in setting our audit plans.

In addition, we have also used this as an opportunity to bring senior and middle level management staff together in one room. Such engagements are meant to eliminate any ambiguities and unnecessary barriers between staff and management. It is also meant to build broken bridges and mend cracks if any, that may have existed within and amongst staff members. The ASSL has as part of its continuous monitoring of audit engagements instituted measures such as quarterly, mid-year and end of year reviews of our Annual Workplan. The objective is not to only monitor and evaluate the performance of the various divisions within ASSL, but is also meant to hear directly from our staff the challenges encountered and together map out strategies on how to mitigate these challenges.

Emerging from these meetings were areas where the ASSL could improve and build upon the collaborative partnerships and shared vision between the ASSL and stakeholders.

## **6. Integrity and Ethics**

The Code of Ethics is the principles and expectations governing staff of ASSL in the conduct of auditing. It describes the minimum requirements for conduct and behavioral expectations rather than specific activities. Integrity is the core value of a Code of Ethics. Staff of ASSL acquaint themselves with the policies, regulations and rules relating to integrity and are responsible for supporting and complying with them. This is confirmed by the signing of all policies by staff thereby agreeing to comply with the policies, regulations and rules and the consequence that follows on a breach.

Our staff have a duty to adhere to high standards of behavior in the course of our work and in our relationships with the staff of MDAs. In order to sustain public confidence, the conduct of staff is above suspicion and reproach.

Integrity requires staff of the ASSL to observe the principles of independence and objectivity, maintain standards of professional conduct, make decisions with the interest of the public in mind, and absolutely apply honesty in carrying out their work and in handling the resources of the Office of the Auditor General. To ensure that integrity controls remain current, the leadership and staff in the SAI have been participating fully in regular trainings, meetings and events to promote a culture of integrity and to learn about new risks and specific cases.

## **REPORT STRUCTURE**

This report is divided into three parts. Part I consists of Chapter I, Part II consists of Chapters II and III and Part III consists of Chapters IV and V.

In chapter I, we begin by reflecting on the overall summaries of significant findings on the General Purpose Financial Statements of the GoSL. This covers key areas of financial and performance management, revenue collection, recording and reporting, and compliance with key legislations. This is followed by the opinion on the same.

In chapter II, we draw the attention of those charged with governance on the audit outcomes, core programmes and projects of MDs in the general services, economic services, security services and social services sectors. We have also provided insights into areas of concern in financial, performance and procurement management; the ability of the sectors to deliver services in line with their mandate; and the effect of non-delivery.

In chapter III, we provide the understanding from our audits of public enterprises, commissions and donor funded projects underlining key challenges that continue to affect their governance, oversight and financial sustainability. We make available information on how these challenges negatively affect the entities themselves and by extension the economy. We have also zeroed in on vital information technology controls in this chapter, we further highlight the impact of these controls on the systems used to process financial data and service delivery.

Chapter IV provides an overview of the results of and reflections on each local councils. Areas of strength and areas for improvement within local councils have also been highlighted. Our perspective on the audits of local councils, are based on the key messages from audit work completed.

In Chapter V, we provide an insight on the efficiency and effectiveness with which schools are operated, as well as their compliance with laws, rules, regulations, policies, and procedures. We have also provided analyses concerning the adequacy of the systems of internal controls in schools and provided recommendations to prevent and detect such occurrences and to enhance schools' operations and processes.

### **Audit Conclusion**

Our conclusion on audit findings is based on the level of implementation of audit recommendations. The table below gives an interpretation of the level of implementation of our recommendations and their conclusions thereafter.

<b>Percentage Level of Implementation</b>	<b>Description of Conclusion on Recommendation(s)</b>
70 % and above	Substantially implemented
40% - 69%	Partially implemented / resolved
Below 40%	Not Implemented / unresolved

# PART I

**CHAPTER I – AUDITOR-GENERAL'S CERTIFICATION ON THE GENERAL-PURPOSE  
FINANCIAL STATEMENTS OF THE CONSOLIDATED FUND**

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## **MAIN POINT**

### **INTRODUCTION**

The General-Purpose Financial Statements comprises of the statement of cash receipts and payments, statement of comparison of budget and actual revenue and expenditure, statement of cash position and notes of the Consolidated Fund of the GoSL for the year ended 31st December 2021. The Accountant General prepared the Financial Statements in accordance with Sections 87 (1) of the Public Financial Management (PFM) Act 2016 and have been audited by the Auditor-General in accordance with Section 119(2) of the 1991 Constitution of the Republic of Sierra Leone and Section 11 (1) of the Audit Service Act, 2014. Section 16 of the PFM Act, 2016 further mandates the Auditor-General to audit the Annual Financial Statements of the Consolidated Fund on an annual basis to enable him to give an opinion on whether they show a true and fair view and have been prepared in accordance with the applicable reporting framework.

### **Why it is important**

The General- Purpose Financial Statements (GPFS) of the Consolidated Fund show the financial performance of the GoSL for the financial year ended 31st December, 2021. It is prepared based on funds received, held in or paid out of the consolidated fund. These financial statements are also an expression of the government's accountability to parliament and civil society on how well it has exercised its responsibilities as custodian of the public purse. They are a report on the extent to which the Government has complied with the intent of Parliament as no revenue or expenditure may be collected or spent except as authorised by a parliamentary vote. They also allow citizens to see how the Government is spending public funds.

Notably, the enactment of the PFM Act of 2016 put public financial management at the centre of PFM policy reform. The reforms are aimed at ensuring both fiscal efficiency and discipline in the use of public finances for the betterment of the people of Sierra Leone. The enactment of the PFM Act 2016 provides for the implementation of the Treasury Single Account, with the PFM Regulations 2018 giving clear procedures on its implementation. The Government, through the Accountant General's Department, operates a centralised treasury function that accounts for funds collected by the National Revenue Authority (NRA) and administers cash expenditures incurred by all Ministries, Department and Agencies (MDAs) with the exception of government business entities (public entities which do not receive allocations from government) during the financial year.

### **Key Major Reform**

In 2021, the Government instituted major Public Financial Management (PFM) Reforms, which include the following:

- The 2021 Finance Act was enacted to support revenue mobilisation and the implementation of provisions in the PFM Act of 2016.
- Upgrade the Integrated Financial Management Information System (IFMIS) application to FreeBalance Version 7. The new version will bring a lot of functionalities/ benefits to the IFMIS.
- The administration of the Integrated Tax Administration System (ITAS) for revenue collected by the Domestic Tax Department.
- The Electronic Cash Registration (ECR) was implemented during the year under review to support the Government revenue mobilisation drive.
- Ensuring all Public Workers in the payroll are registered with National Civil Registration Authority (NCRA) and have a valid National Identification Number (NIN)

## **Areas we examined**

### ***Domestic Revenue***

The Government revenue collected increased by 24% from Le5,974.4 billion in 2020 to Le7,394.4 billion in 2021. The audit covered revenue generated by the Domestic Tax Department, Customs Department, Non-Tax Department, Ministries, Departments and Agencies, and other outsourcing companies. Several key revenue streams are operated on a self-assessment system, with individuals and businesses completing their returns and making relevant tax liability payments. Our focus was to check the controls regarding the assessment, banking and reporting of revenue and compliance with the various tax laws and regulations by taxpayers and MDAs.

### ***Direct Budget Support***

Direct budget support grants received in 2021 increased by 243%, from Le302.4 billion in 2020 to Le1,037.8 billion. The direct budget support grants consist of HIPC Relief (Le16.5 billion) and the IMF under its Balance of Payment program to the Consolidated Revenue Fund through the Grant Assistance Relief for Catastrophic Containment Relief Trust. These include an amount of US\$17.19 million during the Financial Year, equivalent to Le188.5 billion. The GoSL also received US\$74.1 million an equivalent of Le832.7 billion from the International Development Association in December 2021. This was a direct budgetary support from the World Bank under the Development Policy Operations for Sierra Leone.

Direct budget support loan disbursements in 2021 decreased by 166%, from Le2,558.1 billion in 2020 to Le961.7 billion.

### ***Expenditure***

Government expenditure in 2021 increased by 17%, from Le9,182 billion in 2020 to Le10,708 billion. During the fiscal year, amounts expended on Non-Interest Recurrent Expenditure totalled Le7,197 billion, which comprised Wages, Salaries and Employees Benefits (Le3,769 billion), Non-Salary Non-Interest Recurrent Expenditure (Le3,093 billion), Transfers and Grants (Le302 billion), and Other Recurrent payments (Le33 billion). Capital expenditure in 2021 increased by 26%, from Le1,175 billion in 2020 to Le1,486 billion.

During the year, using the risk-based audit approach, the ASSL audited selected MDAs transactions from the Integrated Financial Management Information System (IFMIS) and MDAs imprest accounts to ascertain whether these transactions were in line with applicable laws and regulations.

### ***Public Debt***

The total outstanding public debts of the Government at the end of December 2021 was Le31,631 billion or 66% of GDP, comprising domestic debts of Le8,811 billion (Le7,002 billion – FY2020) and external debts of Le22,820 billion (Le20,139 billion – end FY2020).

The total domestic debts of Le8,811 billion at the end of December 2021 consist of short-term securities (with less than one-year maturity) in the form of treasury bills (Le7,196 billion) and Ways and Means Advances (Le17billion) and long-term securities of Le1,597 billion, mainly in the form of treasury bonds.

Debt Management Servicing in the annual recurrent budget represents a significant value and is therefore considered material in audit terms. Public debt is a major government liability and a key sustainability issue for the GoSL. It requires comprehensive, accurate and timely records for good management. Our audit procedures to confirm the completeness and accuracy of debts recorded in



the public accounts involved requesting confirmations from external creditors and obtaining schedules detailing the movement of individual debts during the year.

***Cash and Bank***

The total cash and bank balances at the end of the fiscal year 2021 stood at a negative balance of Le487.8 billion (FY2020 – negative Le191.9 billion). An overall cash deficit of Le295.9 billion was recorded in the financial year 2021, resulting in the movement in cash balances from negative Le191.9 billion at the end of FY2020 to negative Le487.8 billion at the end of the financial year 2021.

Our audit procedures to confirm the completeness and accuracy of cash and bank balances disclosed in the general purpose financial statements include vouching reconciling items to the subsequent month's bank statement and requesting confirmations from the Bank of Sierra Leone.

## 1.1. SUMMARY OF SIGNIFICANT FINDINGS ON THE AUDIT OF GENERAL-PURPOSE FINANCIAL STATEMENTS OF THE GOVERNMENT OF SIERRA LEONE

### Revenue

The National Revenue Authority has made extensive strides to automate the tax administration system. We believe these technological interventions will help tremendously in enhancing revenue assessment, collection and reporting. For instance, the introduction of the ASYCUDA World and ITAS have greatly improved the collection and recording of revenue generated by the customs and domestic tax departments. In 2021, all of the revenue operations that the Domestic Tax Department reported had been assimilated into the ITAS.

Notwithstanding the encouraging steps employed by the NRA to improve the revenue generation performance, we noted some irregularities in the assessment, collection, and reporting of revenue. These irregularities could be attributed mainly to the failure of the NRA to collect tax revenue and apply measures and sanctions against defaulters. Below are highlights of irregularities observed.

#### ***Tax liabilities due – Le524.78 billion***

During the review and recalculation of taxpayers' tax liabilities, we noted that tax liabilities of Le524.78 billion were owed to the GoSL. Therefore, we recommended that the management of the National Revenue Authority and other MDAs step up the collection of these tax liabilities. However, the NRA is still uploading taxpayers' records from the VIPS into the ITAS and has made payment plans with some taxpayers.

<b>Tax liabilities without evidence of payment</b>	
<b>Tax Type</b>	<b>Tax Liabilities due Le</b>
Good and Services Tax	49,529,936,564.67
Corporation Tax	9,356,953,102.00
Pay As You Earn	13,931,270,522.58
Personal Income Tax	830,084,846.70
Withholding Tax	351,670,918,692.56
Domestic Excise Tax	40,246,426,725.84
Extractive Industry (PAYE)	1,158,086,357.73
Debt – Custom Department	58,062,289,857.60
<b>Total</b>	<b>524,785,966,669.68</b>

#### ***Import GST Wrongly Claimed by Taxpayers***

A comparison between the ASYCUDA World and the VIPS or ITAS, in respect of import GST, revealed that import GST (VAT 2) transactions totalling Le42.3 billion as reported in the VIPS or ITAS could not be traced to the ASYCUDA World. The management of the NRA is currently investigating taxpayers who are on the list of making false claims on their GST declarations.

#### ***Other Departmental Receipts not Supported by Documentation***

Non-tax revenue of Le41.13 billion in respect of the Sierra Leone Civil Aviation Authority was disclosed in the General- Purpose Financial Statements. However, there was no evidence to determine the accuracy and completeness of this amount. Moreover, we received no management response on this issue during the audit process.

### ***Revenue not paid in the Consolidated Fund***

We observed that some commercial banks made transfers totalling Le233 million regarding the Sierra Leone Roads Safety Authority's (SLRSA) revenue collected during 2021 to the Bank of Sierra Leone (BSL). However, we could not trace these transfers in the SLRSA's accounts held at the BSL. Furthermore, amounts totalling Le1.40 billion held at the transit banks were not transferred to the TSA at the end of the year.

### ***Duty Waivers and Concessions given to Individuals/Institutions who did not meet the Eligibility Criteria***

1. Any Non-Governmental Organisation given duty-free concession must be registered with the Ministry of Planning and Economic Development (MoPED). From data obtained from the ASYCUDA world, we observed that the Ministry of Finance gave duty waivers of Le 4.9 billion to NGOs, not in the MoPED's NGO gazette. Therefore, we concluded that these NGOs were not eligible for duty waiver concessions.
2. Duty waivers and concession were granted to taxpayers in respect of GST and ECOWAS levies totalling Le14.29 billion and Le8.7 billion respectively. These waivers and concessions granted to these taxpayers in respect of the GST and ECOWAS levies contradict the Finance Acts and the Goods and Services Tax Act of 2009 and ECOWAS protocols regarding duty waivers.

### **Non-inclusion of revenue arrears in the GPFS**

We noted that arrears totalling US\$540,780 (approximately Le5.8 billion) and Le2.3 billion for the National Minerals Agency (NMA) and the Petroleum Regulatory Agency respectively were not included in the arrear figures in the GPFS.

### **Over/Understatement of revenue arrears in the GPFS**

Revenue arrears for the Sierra Leone Maritime Administration was understated by Le23.24 billion, while revenue arrears for National Telecommunications Commission (NATCOM) were overstated by Le66 billion in the GPFS.

## **RECURRENT EXPENDITURE**

Expenditure control continues to be very robust. Payment vouchers and supporting documents are available for a good number transactions processed through the IFMIS system. The implementation of these controls has improved the integrity of the payment process generally. Payment from imprest accounts, both standing and special imprest, is however challenged with insufficient and weak controls. In few of the MDs sampled, payment vouchers were not raised when monies were disbursed from the imprest accounts. Some disbursements were not supported with documentation which is necessary to justify that the monies spent are utilised for their intended purposes.

### ***Expenditures not Supported with Relevant Documentary Evidence***

We reviewed withdrawals from the imprest and project accounts and transfers made to other institutions by Ministries to assess whether they were spent for the intended purposes and in accordance with the Public Financial Management (PFM) Act, 2016. We however noted that transactions totalling Le8,950,729,050.24 were not supported by the relevant documentary evidence such as payment vouchers, receipts, delivery notes, expenditure returns, etc. In the absence of the original records and documentation, the purpose for which the expenditure was incurred could not be ascertained in the General-Purpose Financial Statements.

Details	Amount Le	MDAs
Bank withdrawals without payment vouchers and relevant supporting documents	554,944,740.24	MoFAIC
Bank withdrawals without payment vouchers and relevant supporting documents	4,989,292,775.00	MOHS
Bank withdrawals without payment vouchers and supporting documents	184,841,535.00	MBSSE
Payments without expenditure returns-Technical Vocational Educational Institutions	3,221,650,000.00	MTHE
<b>Total</b>	<b>8,950,729,050.24</b>	

## PUBLIC DEBT/DOMESTIC ARREARS

There has been an immense improvement in managing and reporting public debts for domestic arrears and external loans. However, the level of both external and domestic loans remains very high. The Government in 2018 prepared a debt clearance strategy, which is a plan that should serve as a guide in settling domestic arrears that have piled up over the preceding years. The debt clearance strategy was vital for managing the old debts and the government's commitment to settling outstanding arrears. Although this strategy has been formulated, the implementation of the terms in the strategy has been very slow. For the most part, it has not been consulted when domestic arrears are settled. We observed cases where debts that are not in the debt clearance strategy have been settled. We noted during the audit that through the advice of the IMF, priorities have been given to arrears that are accruing interest and attracting fines. Notwithstanding, Government must continue to ensure that the debt clearance strategy is implemented as practicable as possible. Hence, we observed the following during the audit of the General Purpose Financial Statements:

### *Payment Agreement between the ISU Engineering and the GoSL*

A payment agreement was signed between the ISU Engineering Company and the GoSL on 21st May 2019. We noted that amount totalling Le38,761,521,047 was paid to the contractor in 2021, even though our recommendation in the ASSL verification report in 2018 stated that IPC 26 and IPC 27 should not be honoured.

### *Domestic Arrears Payments*

1. Section 26 (1) of the PFMA of 2016 requires the spending of public monies only when expressly authorised by the Constitution, an Act of Parliament, or an appropriation under an Appropriation Act. As part of our audit, we verified expenditure incurred on domestic arrears to assess whether it was incurred for the intended purpose, and in accordance with the Public Financial Management (PFM) Act of 2016. We were however unable to conclude on the sum of Le18.73 billion due to lack of documentation. The transactions in respect of this expenditure did not have payment vouchers and other supporting documents. The Accountant General should ensure that all payments made out of the Consolidated Fund are supported by appropriate documentation and in accordance with the PFM Act of 2016.
2. We also noted several payments totalling Le1.33 billion made to suppliers/creditors that were not on the debt clearance strategy. In addition, we noted a variance of Le527.5 million between the amount paid to suppliers and the amount stated in the debt clearance strategy.

### ***Loans given to Public Enterprises***

Loans totalling Le15 billion were given as stimulus packages to Public Enterprises (PEs). Sierra Leone Airports Authority -Le7 billion, Sierra Leone Postal Services Le3 billion and Sierra Leone Road Transport Corporation -Le5 billion. Based on the agreement, the first repayment should have been made at the end of January 2021. The PEs should have made a total repayment of Le3 billion at the end of December 2021. However, no documents were submitted to the auditor to confirm that these PEs have made any repayments on these loans.

### ***Confirmation of External Debt***

Our audit procedure to ascertain the accuracy of External Public Debt relating to multilateral and bilateral creditors recorded in the General-Purpose Financial Statements was to carry out third party confirmation. Of the total External Debt of Le20.99 trillion reported in the General-Purpose Financial Statements, Le19.09 trillion, which accounts for 91% were confirmed; external creditors did not confirm Le1.9 trillion, which represents 9% of the total debt. However, the unconfirmed balances are accumulated debts dating far back between 1983 and 2017. We were able to verify and confirm all the DODs contract agreements relating to these unconfirmed balances during the course of the audit.

## **BUDGETARY CONTROL**

The budgeting process has remained quite in line with the rules and regulations stipulated by the PFMA of 2016 and the PFMR of 2018. The major challenge has been the delay in the allocation of resources to the MDAs. This undermines the effective and efficient performance of the MDAs that do not receive the budgeted resources needed to carry out their activities as planned. For the year under review, we also noted some challenges with disclosing budget information in the General Purpose Financial Statements. Some records pertaining to the budget proposals for some MDAs were also not submitted for review. These concerns are detailed below:

### ***Action Plans not Submitted by MDAs***

Section 30 (1) and (2) of the PFMRs of 2018 state that:

(1) “A vote controller of a budgetary agency shall not incur or settle any commitment for which public money has not been provided by the State budget or authorised to be charged on the Consolidated Fund.

(2) When a budgetary agency has overspent a head or subhead of expenditures under the State budget or made unbudgeted expenditure, the Minister shall require the head of the budgetary or sub-vented agency to submit an action plan under paragraph (b) of subsection (2) of section 120 of the Act, as soon as practicable after the end of a financial year.”

A comparison between the revised budget and actual expenditure revealed that some ministries, departments and agencies overspent a total of Le1.39 trillion during 2021, for which no evidence of action plans was submitted to the auditors to justify the amount overspent.

### ***Budgetary Information not Communicated to Parliament***

Section 37 (6) and 39 (2) of the PFMA, 2016 states that: “Every quarter, the Minister shall submit to Parliament a report which includes information about the withdrawal of the Contingencies Fund under subsection (3)”. “Every quarter, the Minister shall submit to Parliament a report which includes information about expenditures which have been charged against the unallocated head of expenditures under subsection (2).” Based on information gathered from the IFMIS, transactions totalling Le37.68 billion and Le20.39 billion were posted under the contingencies fund and unallocated head of expenditure, but no evidence of quarterly reports to Parliament was submitted to the auditors. It is also worth noting that these amounts exceeded their budgeted amounts.

## **CASH AND BANK**

### **Cheque Administration**

Performing bank reconciliation between the bank statement and the cashbook is one of the critical controls required to safeguard an organisation's assets and an effective future cash flow forecast. The Accountant-General has, over the years, instituted a robust regime of bank reconciliation. We noted with concern that some cheques were printed during 2021, for which payment were not done within the same year. When the Accountant General continues to print cheques even when those printed earlier have not been honoured, there is the risk of duplication of payment.

## **1.2. AUDITOR-GENERAL'S OPINION ON THE GENERAL-PURPOSE FINANCIAL STATEMENTS OF THE CONSOLIDATED FUND.**

### **Opinion**

We have audited the General-Purpose Financial Statements of the Consolidated Fund for the year ended 31st December, 2021. These Financial Statements comprise the Statement of Cash Receipts and Payments of the Consolidated Fund, Statement of Comparison of Budget and Actual Revenue and Expenditure Statement of Cash Position for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the cash position of the GoSL as at 31st December, 2021 and its cash performance for the year then ended in accordance with International Public Sector Accounting Standards.

### **Basis for Opinion**

We conducted this audit in accordance with the International Standards for SAIs (ISSAIs). Our responsibilities under these standards are further described in the 'Auditor's responsibilities for the Audit of the Financial Statements section' of our report. We are independent of the entity in accordance with the Code of Ethics for SAI together with the ethical requirements that are relevant to our audit of the financial statements of Sierra Leone, and we have fulfilled our other responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter**

#### ***Accuracy and Completeness of Revenue Reported in Other Departmental Receipts in the Financial Statements***

We draw attention to Note 11 in the General-Purpose Financial Statements, which describes Other Departmental Receipts. We were however not provided with sufficient and appropriate audit evidence to confirm the accuracy and completeness of revenue totalling **Le41.13 billion** relating to the Sierra Leone Civil Aviation Authority (SLCAA).

Our opinion is not modified in respect of this matter.

### **Key Audit Matter**

A key audit matter is that which in our professional judgment, is of most significance in our audit of the Financial Statements of the current period. We have determined the matter described below as the key audit matter to be communicated in our report.

#### ***Outstanding Cheques for the Year Ended 31st December, 2021***

We noted with concern that some cheques were printed during the year for which payments were not done in 2021. When the Accountant General continues to print cheques even when those printed earlier have not been honoured, there is the risk of duplication of payment.

### **Other Matters**

#### ***Domestic Revenue – Loss of Revenue***

Non-Governmental Organisation (NGOs) and or taxpayers were exempted from import duty and Goods and Services Tax (GST) totalling **Le4.9 billion and Le14.29 billion** respectively, but these NGOs were not on the gazette of registered NGOs submitted by the Ministry of Planning and Economic Development, which is in contravention of the rules governing the operations of NGOs.

### ***Inconsistencies among the VIPS, the ITAS, and the ASYCUDA World Data***

Differences of **Le42.3 billion** were noted between deductible inputs (input GSTs) recorded in the Virtual Information Processing Systems (VIPS+), the Integrated Tax Administration System (ITAS) and the Automated Systems for Customs Data (ASYCUDA) world. The differences were as a result of input GST recorded in the VIPS+ and ITAS but not recorded in the ASYCUDA World data.

### ***Non-Compliance with Laws and Regulations***

- Section 30 (1&2) of the PFMR of 2018 requires that:  
*(1) 'A vote controller of a budgetary agency shall not incur or settle any commitment for which public money has not been provided by the State budget or authorised to be charged on the Consolidated Fund'.*
- *(2) '...the Minister shall require the head of the budgetary or sub-vented agency to submit an action plan...'*

However, we observed a budget overrun totalling Le1.39 trillion for some MDAs for which action plans were not submitted to justify the overspending.

- Sections 37 (5&6) and 39 (4&5) of the PFMA of 2016 require that the Minister of Finance shall submit reports to Parliament when expenditures are charged against the unallocated head of expenditures and when withdrawals are made from the contingent funds. These provisions also require the subsequent approval of these expenditures by Parliament. However, we noted from the General Ledger that transactions totalling Le37.68 billion and Le20.39 billion were posted under contingencies fund and unallocated head of expenditure respectively, but were not reported to Parliament as required by the Act.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with requirements of the Public Financial Management (PFM) Act, 2016 and comply with the International Public Sector Accounting Standard - Financial Reporting under the Cash Basis of Accounting (Cash Basis IPSAS) and legislation, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concerned and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards for SAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards for SAIs, we exercise professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain

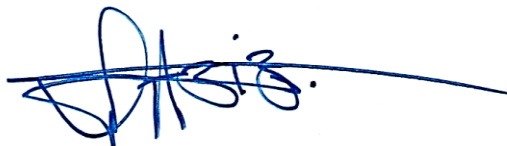


audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit in order to design audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

A handwritten signature in blue ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.

**ACTING AUDITOR-GENERAL**

### 1.3. GENERAL-PURPOSE FINANCIAL STATEMENTS (GPFS)

#### STATEMENT A

#### STATEMENT OF CASH RECEIPTS AND PAYMENTS OF THE CONSOLIDATED FUND FOR THE YEAR ENDED 31ST DECEMBER, 2021

Amounts in millions of Leones

	Note	FY2021	FY2020
<b>REVENUE AND GRANT RECEIPTS</b>			
<b>Domestic Revenue</b>			
<i>Income Tax Receipts</i>	6	2,430,663	1,998,200
<i>Goods and Services Tax (GST) Receipts</i>	7	1,213,032	1,021,400
<i>Customs and Excise (C &amp; E) Receipts</i>	8	1,564,036	1,503,888
<i>Mineral Resources</i>	9	523,254	258,041
<i>Fisheries</i>	10	153,697	156,299
<i>Other Departmental Receipts</i>	11	1,297,968	923,113
<i>Road User Charges</i>	12	211,839	112,595
<b>Total Domestic Revenue Receipts</b>		<b>7,394,488</b>	<b>5,973,537</b>
<b>Receipts from Foreign Grants (Direct Budgetary Support - Grants)</b>			
<i>HIPC Debt Relief Assistance</i>	13	16,549	12,976
<i>Other Grants and Aid</i>	14	1,021,302	289,485
<b>Total Direct Budgetary Support Grants</b>		<b>1,037,851</b>	<b>302,461</b>
<b>TOTAL REVENUE AND GRANTS RECEIPTS</b>		<b>8,432,339</b>	<b>6,275,998</b>
<b>EXPENDITURE PAYMENTS</b>			
<b>Recurrent Operations</b>			
<i>Wages, Salaries and Employee Benefits</i>	15	3,769,446	3,102,675
<i>Use of goods and services</i>	16	3,092,591	2,901,125
<b>Transfers and Grants</b>			
<i>Grants to Tertiary Educational Institutions</i>	17	9,238	439
<i>Transfers to the Road Fund</i>	18	210,045	113,349
<i>Transfers to Local Councils</i>	19	82,405	118,488
<i>Other Grants</i>	20	183	22,029
<b>Other Recurrent Payments</b>	21	33,467	58,640
<b>Interest Payments</b>			
<i>Financing Costs – Domestic Interest Payments</i>	22	1,132,678	1,089,183
<i>Financing Costs – External Interest Payments</i>	23	102,879	120,094
<b>Total Interest Payments</b>		<b>1,235,557</b>	<b>1,209,277</b>
<b>Total Recurrent Expenditure Payments</b>		<b>8,432,934</b>	<b>7,526,022</b>
<b>Domestic Capital / Development Expenditure</b>	24	1,485,621	1,175,279
<b>Arrears Payments</b>	26	789,409	481,123
<b>TOTAL EXPENDITURE PAYMENTS</b>		<b>10,707,963</b>	<b>9,182,424</b>
<b>CASH SURPLUS / (DEFICIT), INCLUDING GRANTS</b>		<b>(2,275,624)</b>	<b>(2,905,505)</b>

## STATEMENT A

### STATEMENT OF CASH RECEIPTS AND PAYMENTS OF THE CONSOLIDATED FUND FOR THE YEAR ENDED 31ST DECEMBER, 2021

Amounts in millions of Leones

	Note	FY2021	FY2020
<b>FINANCING ITEMS</b>			
External Borrowing (Loans)	27	961,752	2,558,196
External Debt Amortization	28	(622,664)	(631,269)
Domestic Borrowing (Net)	29	1,638,856	1,614,256
Staff Loans and Advances (Net)	31	1,706	488
<b>Other Items (Net)</b>			
<i>Returned Payments</i>		50	20
<b>Total Other Items (Net)</b>		<b>50</b>	<b>20</b>
<b>OVERALL CASH SURPLUS / (DEFICIT)</b>		<b>(295,925)</b>	<b>636,186</b>
<b>Cash Balance at 1st January, 2021</b>	32	(191,941)	(828,127)
<b>Cash Balance at 31st December, 2021</b>	32	<b>(487,866)</b>	<b>(191,941)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of these financial statements.

**Richard S. Williams**  
Accountant General  
Government of Sierra Leone

Date: 28th March, 2022

## STATEMENT B

### STATEMENT OF COMPARISON OF BUDGET AND ACTUAL REVENUE AND EXPENDITURE FOR THE YEAR ENDED 31ST DECEMBER 2021

Amounts in millions of Leones

	Budget Estimates	FY2021 Actual	Surplus / (Shortfall)	FY2020 Actual
<b>Domestic Revenue</b>				
Income Tax Receipts	2,405,901	2,430,663	24,762	1,998,200
Goods and Services Tax (GST) Receipts	1,218,064	1,213,032	(5,032)	1,021,400
Customs and Excise (C & E) Receipts	1,450,563	1,564,036	113,473	1,503,888
Mineral Resources	275,448	523,254	247,805	258,041
Fisheries	116,996	153,697	36,702	156,299
Other Departmental Receipts	824,276	1,297,968	473,692	924,034
Road User Charges	124,947	211,839	86,891	112,595
<b>Total Domestic Revenue</b>	<b>6,416,195</b>	<b>7,394,488</b>	<b>978,293</b>	<b>5,974,457</b>
<b>Total Direct Budgetary Support Grants</b>	<b>1,721,837</b>	<b>1,037,851</b>	<b>(683,986)</b>	<b>302,461</b>
<b>Total Revenue and Grant Receipts</b>	<b>8,138,031</b>	<b>8,432,339</b>	<b>294,308</b>	<b>6,276,919</b>
<b>EXPENDITURE PAYMENTS</b>				
Wages, Salaries and Employees Benefits	3,510,274	3,769,446	(259,172)	3,102,675
Non-Salary, Non-Interest Recurrent Expenditure	2,097,396	3,092,591	(995,196)	2,901,125
<b>Transfers and Grants</b>				
Grants to Tertiary Educational Institutions	100,000	9,238	90,762	439
Transfers to the Road Fund	124,947	210,045	(85,098)	113,349
Transfers to Local Councils	120,006	82,405	37,600	118,488
Other Grants	0	183	(183)	22,029
<b>Other payments</b>	<b>0</b>	<b>33,467</b>	<b>(33,467)</b>	<b>58,640</b>
<b>Total Non-Interest Recurrent Expenditure Payments</b>	<b>5,952,623</b>	<b>7,197,377</b>	<b>(1,244,754)</b>	<b>6,316,745</b>
Capital / Development Expenditure	1,749,403	1,485,621	263,782	1,175,279
Financing Costs – Domestic Interest Payments	1,139,197	1,132,678	6,519	1,089,183
Financing Costs – External Interest Payments	138,413	102,879	35,534	120,094
<b>Arrears Payments</b>	<b>0</b>	<b>789,409</b>	<b>(789,409)</b>	<b>481,123</b>
<b>Total Expenditure Payments</b>	<b>8,979,636</b>	<b>10,707,963</b>	<b>(1,728,327)</b>	<b>9,182,424</b>
<b>Cash Surplus/(Deficit) from operations</b>	<b>(841,605)</b>	<b>(2,275,624)</b>	<b>2,022,634</b>	<b>(2,905,505)</b>
External Borrowing (Loans)	1,282,087	961,752		2,558,196
External Debt Amortization	(633,300)	(622,664)		(631,269)
Domestic Borrowing (Net)	1,695,209	1,638,856		1,614,256
Staff Loans and Advances (Net)	0	1,706		488
Other Items (Net)	0	50		20
<b>Net Financing Flows</b>	<b>2,343,996</b>	<b>1,979,700</b>		<b>3,541,691</b>
<b>Overall Cash Surplus / (Deficit)</b>	<b>1,502,391</b>	<b>(295,925)</b>		<b>636,186</b>

## STATEMENT B

### STATEMENT OF COMPARISON OF BUDGET AND ACTUAL REVENUE AND EXPENDITURE FOR THE YEAR ENDED 31ST DECEMBER 2021

Amounts in millions of Leones

		FY2021		FY2020
	Budget Estimates	Actual	Surplus / (Shortfall)	Actual
<b>Reconciliation to Fiscal Profile</b>				
Cash Surplus / (Deficit) from operations	(841,605)			
External Borrowing (Loans)	(1,282,087)			
Contingency	(19,931)			
Arrears Payments	0			
<b>Overall Deficit / Surplus (Fiscal Profile)</b>		<b>(2,143,623)</b>		

**Note:** The overdrafts held at bank represent overdraft balances in Treasury Accounts held at the Bank of Sierra Leone.

## STATEMENT C

### STATEMENT OF CASH POSITION AS AT 31ST DECEMBER, 2021

Amounts in millions of Leones

	As At 31st December 2021	As At 31st December 2020	Change in Balances
<b>CONSOLIDATED FUND</b>			
<b>CASH AND CASH EQUIVALENTS</b>			
Treasury Ways & Means Advances Account	196,194	213,569	(17,375)
Strategic Petroleum Fund Account	2,017	2,017	0
Road Maintenance Fund (RMFA)	1,793	0	1,793
Cargo Tracking	705	0	705
Anti-Corruption Commission	0	78	(78)
Fish Protection Stats Res	1,761	875	886
Donation To Free Health Care	0	1,513	(1,513)
GST-Refund	34,326	17,312	17,013
COI Special Recovery	3,009	365	2,645
Civil Aviation Authority Escrow	1,256	0	1,256
Petroleum Regulatory Agency	268	0	268
Petroleum Directorate Account	3	0	3
Environmental Protect Agency	519	0	519
National Tel. Commission Account	4,717	0	4,717
SL Maritime Administration Account	1,908	0	1,908
SL Roads Safety Authority	1,250	0	1,250
USL Teaching Hospital Complex	44	0	44
Multi Donor Free Quality Education SLL	502	0	502
Local Council Development Project	552	0	552
SL Content Development Fund	1	0	1
ISS SLPA GoSL Cargo Tracking	1,748	0	1,748
NATCOM Bradcorp Gateway Revenue	7,050	0	7,050
CTN Fees Forex	1,777	0	1,777
National Water Resources Management Agent	2	0	2
NACOVERC Lab Fees USD	573	0	573
Vehicle Loan Scheme A/C	1,493	0	1,493
Departmental Bank A/C	332,444	266,686	65,758
COVID-19 Emergency Response	39,131	33,471	5,660
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>635,043</b>	<b>535,886</b>	<b>99,156</b>
<b>OVERDRAFTS HELD AT BANK</b>			
Treasury Main Account	(346,825)	(276,536)	(70,289)
Other Charges Account	(384,232)	(175,229)	(209,003)
Salaries Account	(296,002)	(195,784)	(100,218)
Pensions Accounts	(12,028)	(12,506)	477
External Debt Service Payment A/C	(152)	0	(152)
Departmental Bank O/D A/C	(83,669)	(67,772)	(15,897)
<b>TOTAL BANK OVERDRAFT HELD</b>	<b>(1,122,909)</b>	<b>(727,828)</b>	<b>(395,081)</b>
<b>NET CASH AND BANK BALANCES - CONSOLIDATED FUND</b>	<b>(487,866)</b>	<b>(191,941)</b>	<b>(295,925)</b>

**Note:** The overdrafts held at bank represent overdraft balances in Treasury Accounts held at the Bank of Sierra Leone.

## 1.4. NOTES OF EXPLANATIONS AND ELABORATION TO THE PUBLIC ACCOUNTS

The numbered notes that follow relate directly to the content of the financial statements above and are numbered accordingly.

### 1. General Information

The financial statements are for the Consolidated Fund of the GoSL, as specified in Section 111 of the Constitution of Sierra Leone 1991 and the PFMA of 2016.

The Unaudited Financial Statements presented above reflect the Cash Receipts and Payments of the Consolidated Fund of the GoSL for the financial year ended 31st December 2021 predominantly on the basis of monies received by, held in or paid out by the Accountant General during the year under review. The Government, through the Accountant General's Department (known as the Treasury) operates a centralised treasury function that accounts for monies either received directly by the treasury or collected by the National Revenue Authority (NRA) and administers cash expenditures incurred by all ministries, departments and agencies (MDAs) during the financial year. The amounts appropriated to the MDAs are not controlled by the MDAs but are deployed on their behalf by the Treasury on presentation of appropriate documentation and authorisation. Thus, the amounts reported as allocations/appropriations in the *STATEMENT OF COMPARISON OF BUDGET AND ACTUAL REVENUE AND EXPENDITURE FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2021* are those the Treasury has expended for the benefit of the MDAs. These also include adjustments for expenditure payments and cash balances for three self-accounting entities within the FreeBalance Accountability Suite used by the Government. These self-accounting entities are the Ministry of Defence (MOD), the Sierra Leone Police (SLP) and the Sierra Leone Correctional Service. The list for entities included in the accounts is provided for in **Appendix 1**

In effect, the Annual Financial Statements of the Consolidated Fund of the Government of Sierra Leone include the results of transactions and financial operations of all its Ministries, Departments and Agencies that were processed through the National Treasury and the Self-accounting entities. As far as Subvented Agencies are concerned, these Financial Statements only capture transfers coming out of the Consolidated Fund. The subvented and other public sector entities that are outside of the Consolidated Fund will separately produce their own financial statements for audit. These audited financial statements will thereafter be combined by the Accountant General with those of the Consolidated Fund in producing the annual financial statements of the central government, as required by Section 89 of the PFM Act of 2016, covering all entities included in the central government.

The use of public resources by the Government is primarily governed by the 1991 Constitution (as amended), the Public Financial Management (PFM) Act of 2016 (and its attendant Regulations), and the National Public Procurement Act of 2016 (and its attendant Regulations).

The principal address of the Accountant General's Department of the Ministry of Finance, is Ministerial Building, George Street, Freetown, Sierra Leone. Website: [www.mof.gov.sl](http://www.mof.gov.sl), Email: [agd@mof.gov.sl](mailto:agd@mof.gov.sl) and [info@mof.gov.sl](mailto:info@mof.gov.sl).

### 2. Summary of Significant Accounting Policies

The following accounting policies have been applied consistently in dealing with items considered material in relation to the Statement of Public Accounts.

#### a. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with the requirements of the Public Financial Management (PFM) Act, 2016 and comply with the International Public Sector Accounting Standard - Financial Reporting under the Cash Basis of Accounting

(Cash Basis IPSAS). The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below.

The financial statements have been prepared on the cash basis using the Government's standard chart of accounts.

The accounting policies adopted have been consistently applied to all the years presented.

**b. Reporting Currency**

The financial statements are presented in Leones, the functional and reporting currency of the GoSL.

**c. Reporting Period**

The reporting period for these financial statements is twelve months, starting on 1st January 2021 to 31st December 2021, as specified in Section 1 of the PFM Act, 2016.

**d. Receipts**

Receipts are cash inflows within the financial year, comprising of receipts from Statutory/Authorized Allocations, Taxes, External Assistance (Bilateral and Multilateral Agencies), Other Aid and Grants, other borrowings, Capital receipts (Sale of Assets etc.), Receipts from Trading activities, fines, levies, and other receipts.

These items shall be disclosed in summary on the face of the Statement of Cash Receipts and Payments for the year in accordance with the standardised GPFS. Notes shall be provided with a detailed Statement of Revenues collected during the year by the source of revenue and by line item accounts code. A Statement of Arrears of Revenues at end of the financial year shall also be provided by the source of revenue and by line item accounts code.

Disposal proceeds from the sale of assets are recognised as receipts at the time of disposal.

**e. Interest Received**

Interest received during the financial year shall be treated as a receipt under item 'Other Receipts'.

**f. Government Business activities**

Cash receipts from trading activities shall be recorded net in the GPFS (after deducting direct expenses) unless otherwise provided for by law or policy in force. Total net receipts from all trading activities shall be disclosed in the Statement of cash receipts and payments under 'trading activities' item.

Wherein gross revenue is recorded, corresponding payments shall be charged under a corresponding payment item head 'Government Business activities' in the Statement of Cash Receipts and Payments.

**g. Payments**

Payments are recurrent and capital cash outflows made during the financial year and shall be categorised either by major economic categories/programme (activities) and/or by function in the statement of cash receipts and payment.

Payments for the purchase of items of capital nature shall be expensed in the year in which the item has been purchased. It shall be disclosed under capital payments. Investments shall also be treated in the same way as capital purchases.



Prepaid expenses are amounts paid in advance of receipt of goods/services or work done (under contractual arrangements) and are charged directly to the individual expenditure item in the payment period.

**h. Interest on Loans**

Actual interest on loans and other bank commissions charged on bank accounts during the year shall be treated as payments and disclosed under interest payment in the Statement of Cash Receipts and Payments.

**i. Foreign Currency Translation**

Cash flows arising from foreign currency transactions are translated into Leones using the spot exchange rates prevailing at the date of payment/receipt.

Foreign currency balances, as at the year-end, shall be translated at the exchange rates prevailing on that date (closing spot rate or year-end exchange rate).

Foreign exchange gains and losses resulting from the settlement of foreign transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Cash Receipts and Payments accordingly, as receipts/payments.

**j. Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at the bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. These comprise mainly bank account balances; include amounts held at the Bank of Sierra Leone and at various commercial banks, cash imprests and other short-term highly liquid investments held at the end of the financial year.

**k. Imprests and Advances**

The Government policy specifically states that all imprests and advances shall be retired before the end of the financial year. However, should circumstances occur (including an emergency) where either an imprest/advance is given out close to the financial year-end or an imprest/advance already given could not be accounted for, such an imprest/advance (or balance outstanding) shall be treated as cash equivalent since there shall be no proof that such funds have been utilised.

**l. Budget**

The budget is developed on the same accounting basis (cash basis), the same account classification basis, and for the same period as the financial statements.

The Budget Figures are the amounts approved by the Legislature in accordance with the Appropriation Act (annual budget and supplementary budget) and as detailed in the GoSL Budget Printed Estimates.

At the level of legislative approval, an assessment of the actual budgetary performance against the comparable budget for the financial year under review has been included as Statement B of these Financial Statements.

**m. Contingencies**

In addition to those items recognised/accounted for in the Annual Financial Statements, there are a number of liabilities or assets that may arise in the future but are not recognised

/accounted for. This is because they are dependent on uncertain future events occurring or the liability/asset cannot be measured reliably. Where these contingencies are to crystallize, there will be an associated impact on cash transactions that will be reflected on cash basis of accounting being used.

In that regard, contingent liabilities (including guarantees) are recorded in the Statement of Contingent Liabilities (on a memorandum basis) when the contingency becomes evident and under the cash accounting method they are recognised only when the contingent event occurs and payment is made. Contingent assets are not recognised and were not probable or disclosed.

#### **n. Unpaid (Outstanding) Commitments**

Unpaid (Outstanding) Commitments including operating and capital commitments arising from non-cancellable contractual or statutory obligations are in the Statement of Unpaid (Outstanding) Commitments (shown on a memorandum basis – as additional disclosure).

### **3. Authorisation Date**

The un-audited Financial Statements were authorised for issue on 25th March 2021 by Mr. Dennis K. Vandi, Minister of Finance of the GoSL.

### **4. The National Budget Approved**

The approved national budget is developed on the same accounting basis (cash basis), same classification basis, and for the same period (1st January to 31st December 2021) as for the financial statements. The Appropriation Act of FY2021 was adopted and passed into law by Parliament in November 2020. Following that, the Appropriation Act for FY2021 was signed into law by the President of the Republic of Sierra Leone in December 2020. This Government Budget and Statement of Economic and Financial Policies for the 2021 Financial Year, with the theme “Economic Recovery for Job Creation and Human Capital Development”. The key objectives of the 2021 Government Budget include the pursuing of fiscal consolidation to ensure fiscal and debt sustainability, accelerate investments in human capital in order to improve the wellbeing of current and future generation. It also focuses on expanding social protection programmes to mitigate the impact of the liberalization of fuel prices to ensure inclusive growth and poverty reduction.

The total amount of the approved Appropriation from the Legislature for FY2021 is Le10,261,723 million of which the Recurrent Expenditure amounted to Le7,230,233 million representing Wages, Salaries and Employees Benefits (Le3,510,274 million), Non-Salary Non-Interest Recurrent Expenditure (Le2,442,349 million) and Public Debts Charges (Le1,277,611 million). Devolved Functions (Le120,006 million), Development Expenditure (Le1,181,369 million) and Contingency Fund (Le19,931 million).

### **5. Comparative Information**

Certain comparative figures have been reclassified to conform to the current year’s presentation. In particular, the provisions of the recently enacted PFM Act, 2016 require that the annual financial statements of the Consolidated Fund be prepared and submitted within three months of the end of a financial year, separate from those of budgetary and sub-vented agencies and other entities of the Central Government. However, Section 89 of the PFM Act, 2016 further required that the Accountant General prepare and submit to the Auditor-General the Annual Financial Statements of the Central Government, which cover all entities included in the Central Government, not later than ten months after the end of a financial year.

## 6. Income Tax Receipts

The total Income Tax Receipts collected during the 2021 fiscal year amounted to Le2,430,663 million (Le1,998,200 million - FY2020). The summary details of the income tax receipts are presented in the table below:

<b>Income Tax Receipts (In millions of Leones)</b>				
	<b>Budget Estimates FY 2021</b>	<b>Actual FY 2021</b>	<b>Surplus/ (Shortfall) FY 2021</b>	<b>Actual FY 2020</b>
Corporate Tax	398,651		(398,651)	
Personal Income Tax	<b>2,007,249</b>	<b>1,874,178</b>	(133,072)	<b>1,556,729</b>
PAYE- Government Employees		454,180	454,180	348,672
Withholding Tax-Govt. Contractors		93,715	93,715	85,428
Withholding Tax-Free Health Care		8,591	8,591	7,371
<b>Total Income Tax Receipts</b>	<b>2,405,901</b>	<b>2,430,663</b>	<b>423,413</b>	<b>1,998,200</b>

The total amount of Domestic Revenue (Tax) Arrears as at 31st December 2021 amounted to Le653.5 billion (Le346.6 billion-FY 2020). Further details are presented in Appendix 2 - Statement of Domestic Revenue Arrears.

## 7. Goods and Services Tax (GST) Receipts

The amount of Goods and Services Tax (GST) Receipts collected during the fiscal year 2021 amounted to Le1,213,032 million (Le1,021,400 million - FY2020). The summary details of the Goods and Services Tax receipts are presented in the table below:

<b>Goods and Services Tax (GST) Receipts (In millions of Leones)</b>				
	<b>Budget Estimates FY 2021</b>	<b>Actual FY 2021</b>	<b>Surplus / (Shortfall) FY 2021</b>	<b>Actual FY 2020</b>
Import GST	516,413	1,196,018	679,606	1,004,087
Domestic GST	701,651		(701,651)	
GST Refund		17,013	17,013	17,312
<b>Total GST Receipts</b>	<b>1,218,064</b>	<b>1,213,032</b>	<b>(5,032)</b>	<b>1,021,400</b>

## 8. Customs and Excise (C & E) Receipts

The total amount of Customs and Excise (C & E) Receipts collected during the fiscal year 2021 amounted to Le1,564,036 million (Le1,503,888 million - FY2020), with further details shown below:

<b>Custom and Excise (C &amp; E) Receipts (In millions of Leones)</b>				
	<b>Budget Estimates FY 2021</b>	<b>Actual FY 2021</b>	<b>Surplus/ (Shortfall) FY 2021</b>	<b>Actual FY 2020</b>
Import Duties	757,968	1,186,102	428,134	1,142,816
Petroleum Fuel Oils Excise Duty	619,435	375,633	(243,802)	356,042
Other Excise Duties	73,160		(73,160)	
Duty Waiver Income		2,301	2,301	5,030
<b>Total C &amp; E Receipts</b>	<b>1,450,563</b>	<b>1,564,036</b>	<b>113,473</b>	<b>1,503,888</b>

## 9. Mineral Resources

The total receipts from mineral resources for FY2021 amounted to Le523,254 million (Le258, 041 million - FY2020), with further details shown below:

**Mineral Receipts (In millions of Leones)**

	Budget Estimates FY 2021	Actual FY 2021	Surplus / (Shortfall) FY 2021	Actual FY 2020
Royalty on Rutile	76,182		(76,182)	
Royalty on Bauxite	16,943		(16,943)	
Royalty on Diamond and Gold	36,592	7,586	(29,006)	7,773
Royalty on Iron Ore	33,492		(33,492)	
Licences	112,239		(112,239)	
Miscellaneous		515,668	515,668	250,269
<b>Total Mineral Receipts</b>	<b>275,448</b>	<b>523,254</b>	<b>247,805</b>	<b>258,041</b>

**10. Fisheries**

The total receipts from fisheries for FY2021 amounted to Le153,697 million, (Le156,299 million - FY2020), with further details shown below:

**Fisheries Receipts (In millions of Leones)**

	Budget Estimates FY 2021	Actual FY 2021	Surplus/ (Shortfall) FY 2021	Actual FY 2020
Reg'n Artisanal Fish Vessels	116,996	80,066	(36,930)	95,866
Freight Levy Maritime		72,745	72,745	59,557
Fish Health Certificates		886	886	875
<b>Total Fisheries Receipts</b>	<b>116,996</b>	<b>153,697</b>	<b>36,702</b>	<b>156,299</b>

**11. Other Departmental Receipts**

The total amount of Other Departmental Receipts collected during the fiscal year 2021 amounted to Le1,297,968 million (Le924,034 million - FY2020), with further details shown below:

**Other Departmental Receipts (In millions of Leones)**

	Budget Estimates FY 2021	Actual FY 2021	Surplus / (Shortfall) FY 2021	Actual FY 2020
Issuance of National ID Cards				25
Passports	28,077	5,922	(22,156)	5,555
Pharmacy Board Licence	1,786	12,122	10,335	1,086
Rent Received from Gov't Qtrs.		153	153	167
Strategic Petroleum Income	14,408	27,321	12,913	15,855
Petroleum Directorate	16,062	5,383	(10,679)	838
Forest Produce Licences	299,668	36,269	(263,399)	32,874
Export Licences		316,514	316,514	229,605
EPA Monitoring Fees	31,042	41,711	10,670	28,804
Standards Bureau Import Inspection Fees		1,540	1,540	1,516
NATCOM Bradcorp Gateway Revenue	197,877	170,282	(27,595)	137,838
SLRSA Vehicle Licences	73,617	91,866	18,248	72,839
SLCAA Aircrafts Certificates	37,281	41,132	3,851	28,219
Penalties		2,645	2,645	365
Auctioneer Licence		470	470	2,162
Donations to Free Health Care		6,064	6,064	1,455
Hospital Fees	210	2,458	2,249	479
Produce Licence		12,512	12,512	1,277

**Other Departmental Receipts (In millions of Leones)**

	Budget Estimates FY 2021	Actual FY 2021	Surplus / (Shortfall) FY 2021	Actual FY 2020
NPPA Sale of Bidding		655	655	
ASSL Audit Fees		856	856	
National Water Resources Fees		871	871	
NACOVERC Lab Fees and Fines		80,000	80,000	
NACOVERC Lab Fees USD		10,573	10,573	
CTN Fees		1,777	1,777	
Privatisation Receipt		39,069	39,069	
Local Content Development Fund		1	1	
Receipt Development Grant (CAPITAL)		3,217	3,217	
Miscellaneous Receipts	124,247	386,584	262,337	363,076
<b>Total Other Departmental Receipts</b>	<b>824,276</b>	<b>1,297,968</b>	<b>473,692</b>	<b>924,034</b>

The total amount of Miscellaneous Receipts of Le386,584 million for fiscal year 2021, (Le363,076 million – FY2020) comprises, as follows:

**MISC RECEIPTS - FY2021**

MDA Code	Description	FY2021 Le' m	FY2020 Le' m
105	Ministry of Political and Public Affairs	0	0
107	Ministry of Local Govt. and Rural Development	3,074	0
110	Secretary to the President	8,606	5,941
112	Office of the Vice President	33,708	18,591
117	Cabinet Secretariat	52	555
118	The Judiciary	10,163	6,051
120	High Court	0	0
122	Human Resource Management Office	911	152
124	Law Officers' Department	8,356	12,168
127	Ministry of Planning and Economic Development	3,314	4,252
128	Ministry of Foreign Affairs and International Coop.	8,509	5,341
129	Ministry of Finance	13,236	32,308
130	National Revenue Authority (NRA)	136,755	105,499
132	Accountant General's Department	43,719	7,123
133	Ministry of Information and Communication	2,374	5,673
141	Government Printing Department	1,649	540
201	Ministry of Defence	26,586	27,196
205	Ministry of Internal Affairs	699	20
206	Sierra Leone Police	30,630	41,505
207	Sierra Leone Correctional Services	476	708
208	National Fire Authority	54	60
211	Immigration Department	1,047	1,158
301	Ministry of Education Science and Technology	4,940	9,916
302	Ministry of Sports	25	156
303	Ministry of Tourism and Cultural Affairs	1,866	1,374
304	Ministry of Health and Sanitation	27,108	19,855
305	Ministry of Social Welfare Gender and Children Affairs	569	118
306	Ministry of Lands Country Planning and Environment	833	1,175
310	Ministry of Youth Affairs	1,040	1,201
401	Ministry of Agriculture, Forestry and Food Security	12,354	5,706
402	Ministry of Fisheries and Marine Resources	391	184
403	National Minerals Agency	0	0

**MISC RECEIPTS - FY2021**

<b>MDA Code</b>	<b>Description</b>	<b>FY2021 Le' m</b>	<b>FY2020 Le' m</b>
404	Ministry of Transport and Aviation	533	680
406	Ministry of Energy	615	658
407	Ministry of Labour and Social Security	626	130
408	Ministry of Works Housing and Infrastructure	622	4,412
409	Ministry of Trade and Industry	501	33
411	Road Maintenance Fund	0	0
412	National Telecommunications Commission (NATCOM)	0	0
414	Ministry of Water Resources	572	1,430
610	Contingency (Donations to NERCOVERC)	0	41,208
614	NERCOVERC)	70	0
<b>Total</b>		<b>386,584</b>	<b>363,076</b>

**12. Road User Charges**

Receipts collected from Road User Charges totalled Le 211, 839 million (Le112, 595 million – FY2020).

**Road User Charge Receipts (In millions of Leones)**

	<b>Budget Estimates FY 2021</b>	<b>Actual FY 2021</b>	<b>Surplus/ (Shortfall) FY 2021</b>	<b>Actual FY 2020</b>
<b>Road User Charges</b>	124,947	211,839	86,891	112,595
<b>Total Road User Charge Receipts</b>	<b>124,947</b>	<b>211,839</b>	<b>86,891</b>	<b>112,595</b>

These amounts are collected and transferred to the Road Maintenance Fund under the Road Maintenance Fund Administration (RMFA).

**13. HIPC Debt Relief**

The total amount of debt relief granted in FY2021 under the Highly-Indebted Poor Countries (HIPC) programme was Le16,549 million (Le12,976 million – FY2020), with details as shown below

**HIPC Debt Relief Assistance (In millions of Leones)**

	<b>Budget Estimates FY 2021</b>	<b>Actual FY 2021</b>	<b>Surplus/ (Shortfall) FY 2021</b>	<b>Actual FY 2020</b>
IFAD		7,251		4,543
EEC		9,298	9,298	8,433
<b>Total HIPC Debt Relief Assistance</b>	<b>0</b>	<b>16,549</b>	<b>9,298</b>	<b>12,976</b>

**14. Receipts from External Donor Grants (Direct Budgetary Support - Grants)**

The total amount of foreign (external) grants received during FY2021 was Le1,021,302 million (Le289,485 million – FY2020), with details as shown below:

**Other Grants and Aid (In millions of Leones)**

	<b>Budget Estimates FY 2021</b>	<b>Actual FY 2021</b>	<b>Surplus / (Shortfall) FY 2021</b>	<b>Actual FY 2020</b>
World Bank -IDA		832,715		
EU State Building Contract				289,485
International Monetary Fund (IMF)		188,588		
Other Grant and Aid	1,721,837		(1,721,837)	
<b>Total Other Grants and Aid</b>	<b>1,721,837</b>	<b>1,021,302</b>	<b>(1,721,837)</b>	<b>289,485</b>

The IMF provided an amount of US\$11.1 million during the second quarter of the Financial Year equivalent of Le121.8 billion. This was also followed up by another tranche in the fourth quarter of 2021 amounting to US\$6.09 million equivalent to Le66.7 billion. These were all part of its Catastrophe Containment and Relief Trust within the Poverty Reduction and Growth Facility. The GoSL also received US\$74.1 million from The International Development Association in the December of 2021. This was a direct budgetary support from the World Bank under the Development Policy Operations for Sierra Leone, an equivalent of Le832.7 billion was credited into the Treasury Main Account held at the Bank of Sierra Leone.

**15. Wages, Salaries and Employee Benefits**

The actual total amount of Wages, Salaries and Employee Benefits paid during FY2021 was Le3,769,446 million (Le3,102,675 million – FY2020), excluding Wages and Salaries Arrears Payments of Le18,359 million (Le14,459 million – FY2020) made during the year.

Details of Wages, Salaries and Employees Benefits expended during the financial year being analysed by Object Code are presented below:

**Wages, Salaries and Employee Benefits by Object Code (In millions of Leones)**

	<b>Actual FY 2021</b>	<b>Actual FY 2020</b>
2111 Basic Salaries	1,993,901	1,526,995
2112 Salary Grants	679,734	568,169
2114 Travelling Claim To Retirement	251	397
2121 Transport Allowance	91,085	87,545
2122 Medical Allowance	26,410	22,057
2123 Rent Allowance	92,011	68,959
2126 Domestic Servant Allowance	81	68
2127 Fuel Allowance	72	72
2128 Risk Allowance	43,135	37,374
2130 Clothing Allowance	579	342
2131 Responsibility Allowance	324	219
2132 Remote Allowance	54,709	46,682
2133 Acting Allowance	7,316	9,680
2136 Travel Bonus	204	176
2139 Other Allowances	69,619	49,738
2140 Late Allowance	7	13
2142 Taxation Allowance	0	0
2145 Entertainment Allowance	831	679
2149 Leave Allowance	165,900	120,512
2152 Special Acting Allowance	413	189

**Wages, Salaries and Employee Benefits by Object Code (In millions of Leones)**

		<b>Actual FY 2021</b>	<b>Actual FY 2020</b>
2153	Representation Allowance	62	91
2155	Children Allowance	1,036	1,041
2156	Education Allowance	157	157
2158	On-call Medical Allowance	67,926	57,946
2160	Maintenance Allo.Vehicle Loan	209	0
2181	Emp Cont To Social Security Pen	218,198	216,602
2182	Gratuities	150,463	200,837
2183	Pensions	51,027	60,950
2184	Death Gratuities	14,991	24,949
2185	2%NASSIT for Army Early Retire	2,543	0
2186	2.5% Initial Cost NASSIT Scheme	36,253	0
2199	Unallocated Personnel Exp	0	235
<b>Total Wages, Salaries and Employee Benefits</b>		<b>3,769,446</b>	<b>3,102,675</b>

Further details on Wages, Salaries and Employee Benefits paid by the Government during FY2021 are available in Appendix 3 below, analysed by Ministry, Department and Agency (MDA).

**16. Use of Goods and Services**

Use of Goods and Services expended during the financial year totalled Le3,092,591 million (Le2,901,125 million – FY2020) and these include such items as Stationery, Communications, Water and Sewage, Fuel and Lubricants for Vehicles, Fuel for Generators, Specialised Medical Equipment etc.

Details of Use of Goods and Services expended during the financial year being analysed by Object Code are presented below:

**Use of goods and services (In millions of Leones)**

		<b>Actual FY 2021</b>	<b>Actual FY 2020</b>
2211	Local Travelling	6,194	2,061
2212	Overseas Travelling	24,710	27,482
2221	Electricity	3,645	4,047
2222	Water	1,452	3,074
2223	Telephone & Other Comm.	4,647	5,195
2241	Office & General	841,335	541,817
2242	Stationery	9,846	6,338
2243	Official Receipt, Ent. & Hosp.	1,215	487
2244	Office Cleaning	2,830	3,245
2245	Office Stores/Supplies	17,973	6,570
2246	Computer Running Costs	4,013	2,328
2247	Cleaning - Others	28,914	2,945
2251	Advertisements	59	12
2252	Publications	522	35,451
2253	Printing (General)	107	394
2255	Public Relations Expenses	144	27
2261	Building Maintenance	7,433	7,987
2263	Road Maintenance	558	
2262	Machinery & Equip Maintenance	983	1,003
2264	Vehicle Maintenance	5,206	9,628



**Use of goods and services (In millions of Leones)**

		<b>Actual FY 2021</b>	<b>Actual FY 2020</b>
2265	Generator Running Cost	79	369
2267	Insurance-Motor Vehicles/Cycle	248	18
2268	Insurance-Machine & Equipment	6,415	
2270	Rice For Officers & Other Rank	85,757	86,055
2272	Medical Consumables	0	853
2277	Imprest	11,588	24,337
2291	Bank Charges	50,843	41,235
2292	Misc Operational Expenses	14,015	9,264
2293	Honoraria & Other Allowances	0	0
2294	'Freight/Port Charges	843	1,815
2299	Stock Price Adjustment	0	5,357
2311	Recruitment	2,949	
2312	Training Local	4,428	1,482
2313	Training Overseas	8,007	5,063
2314	Local Conferences	804	109
2315	Professional Fees/Consultancy	46,753	31,367
2317	Legal Expenses	0	20
2318	Medical Expenses	17,983	12,407
2321	Uniforms/Protective Clothing	15,410	18,773
2322	Text Books	0	0
2323	Teaching & Learning Materials	0	3,619
2324	Diets & Feeding	50,682	95,797
2325	Drugs & Medical Supplies	8,160	35,082
2326	Tools & Laboratory Items	50	30,315
2328	Fuel & Oil (Vehicles)	84,667	67,870
2332	Essential Drugs	2,234	21,722
2333	Medical Supplies	170	70,962
2334	Other Consumables	50	0
2339	Other Funeral Expenses	558	
2341	Rent For Office Accomodation	30,755	11,182
2342	Rent For Residential Accomodation	0	0
2344	Rates	2,649	2,950
2346	State House & Pres. Lodge Exp	21,855	11,186
2351	Research Expenses	0	0
2361	Social events	0	8
2364	Sports Competitions	56,692	19,847
2365	Fuel For Emergency Power	220,968	147,673
2383	Official Receptions/Hosp	651	100
2385	Diplomatic Corp Activities	1,616	1,471
2391	Defence Expenses	0	2,033
2392	State Security Expenses	26,017	41,014
2393	Agricultural Expenses	4,382	130,045
2394	Agricultural Input	0	580
2411	Current Grants Gen. Govn Bodies	1,247,645	915,693
2415	Grant-In Aid	555	
2418	Donations	702	
2419	Other Contributions	900	
2423	Youth Development Prog.	0	0
2446	Ration For Officers	0	209
2611	Acquisition Of Land	0	4,200
2613	Furn,Office Equip,Safes	4,791	7,762
2614	Computers And Ancillary Equip	6,035	6,103
2615	Vehicles	72,762	276,035

**Use of goods and services (In millions of Leones)**

		<b>Actual FY 2021</b>	<b>Actual FY 2020</b>
2616	Intangible Assets	195	
2619	Science Equipments	0	0
2621	Feasibility Study, Proj. Design	99	6,760
2623	Motor Vehicles	453	1,330
2624	Bicycles And Tricycles	0	36,432
2631	Plant, Equipment & Machinery	10,775	52,720
2632	Const'N/Reconst'N Of Buildings	2,150	1,239
2633	Rehabilitation Of Buildings	5,467	575
<b>Total Use of goods and services</b>		<b>3,092,591</b>	<b>2,901,125</b>

Further details are available in Appendix 4, comparing the Budget Estimates and Actual Expenditure Payments at the MDA Level and providing Spending Analysis by Object Code.

**17. Grants to Tertiary Educational Institutions**

The total amount expended during the financial year on Grants to Tertiary Educational Institutions was Le9,238 million (Le439 million – FY2020).

**18. Transfers to the Road Maintenance Fund**

The total amount accounted for as Road User Charges and transferred to the Road Maintenance Fund under the control of the Road Maintenance Fund Administration (RMFA) was Le210,045 million (Le113,349 million – FY2020).

**19. Transfers to Local Councils**

The total amounts paid in respect of Transfers to Local Councils and school fee subsidies for FY2021 was Le120,006 million (Le118,488 million – FY2020).

**Transfers to Local Councils (In millions of Leones)**

<b>Local Councils</b>	<b>Particulars</b>	<b>Budget Estimates FY 2021</b>	<b>Actual FY2021</b>	<b>Actual FY2020</b>
701	<b>Direct Transfers to Local Councils</b>	51,906	30,642	47,823
702	Kailahun District	5,087	3,830	4,043
703	Kenema City Council	1,389	1,056	1,735
704	Kenema District Council	2,690	2,115	2,884
705	Koidu New Sembenhun City Council	3,063	2,201	3,094
706	Kono District Council	2,652	2,041	2,819
707	Makeni City Council	1,208	934	1,390
708	Bombali District Council	2,149	1,705	2,343
709	Kambia District Council	4,037	3,067	5,199
710	Koinadugu District Council	3,416	2,607	3,354
711	Port Loko District Council	4,720	3,606	4,795
712	Tonkolili District Council	4,713	3,591	4,933
713	Bo City Council	1,356	1,046	1,685
714	Bo District Council	2,825	2,378	3,020
715	Bonthe Municipal Council	1,925	1,425	1,825
716	Bonthe District Council	2,004	1,430	2,042
717	Moyamba District Council	4,192	3,298	4,100
718	Pujehun District Council	4,239	3,103	4,173
719	Western Area Rural District Council	2,572	2,149	3,039
720	Freetown City Council	8,796	6,239	8,716
721	Port Loko City Council	944	725	1,088

**Transfers to Local Councils (In millions of Leones)**

Local Councils	Particulars	Budget Estimates FY 2021	Actual FY2021	Actual FY2020
722	Karene District Council	2,315	1,821	2,465
723	Falaba District Council	1,807	1,401	1,925
		<b>120,006</b>	<b>82,405</b>	<b>118,488</b>
	<b>Indirect Transfers to Local Councils</b>			
	School Fees Subsidy		0	0
	Local Government Development Grant		0	0
		<b>120,006</b>	<b>82,405</b>	<b>118,488</b>

**20. Other Grants (Payments)**

The Other Grants (Payments) made in FY2021 totalled Le183 million (Le22,029 million - FY2020), as outlined below:

**Other Grants (In millions of Leones)**

	Actual FY 2021	Actual FY 2020
Grants to Educational Units	183	1,633
Exams Subsidy to WAEC		20,396
<b>Total Other Grants</b>	<b>183</b>	<b>22,029</b>

**21. Other Recurrent Payments**

The Other Recurrent payments made in FY2021 totalled Le33,467 million (Le58,640 million - FY2020), as outlined below:

**Other Recurrent Payments (In millions of Leones)**

	Actual FY 2021	Actual FY 2020
Social Benefits	850	1,706
Other Contributions		
Subscription to International Org.	31,265	56,863
Consolidated Act Based Expense	1,352	72
<b>Total Other Recurrent Payments</b>	<b>33,467</b>	<b>58,640</b>

**22. Financing Costs – Domestic Interest Payments**

The Financing Costs for Domestic Borrowing held in FY2021 (Domestic Interest Payments) amounted to Le1,132,678 million (Le1,089,183 million - FY2020) representing interest payments actually made during the period on various domestic debts of the Government, as outlined below:

**Financing Costs - Domestic Interest Payments (Amounts In millions of Leones)**

	Budget Estimates FY 2021	Actual FY 2021	Surplus/ (Shortfall) FY 2021	Actual FY 2020
Interest on Treasury Bills	960,060	972,664	(12,604)	922,590
Interest on Treasury Bonds	107,910	154,349	(46,439)	155,043
Ways and Means Interest	19,317	5,665	13,652	11,550
<b>Total Domestic Interest Payments</b>	<b>1,087,287</b>	<b>1,132,678</b>	<b>(45,391)</b>	<b>1,089,183</b>

Further details available in Note 28 and Appendices 6-8

### 23. Financing Costs – External Interest Payments

The Financing Costs for External Borrowing held in FY2021 (External Interest Payments) amounted to Le102,879 million (Le120,094 million - FY2020) representing interest payments made during the period to external creditors, as outlined below:

<b>Financing Costs - External Interest Payments (Amounts in millions of Leones)</b>				
	<b>Budget Estimates FY 2020</b>	<b>Actual FY 2021</b>	<b>Surplus/ (Shortfall) FY 2021</b>	<b>Actual FY 2020</b>
Multilateral Debts	138,413	95,446	42,968	106,005
Bilateral Debts		7,434	(7,434)	14,089
Commercial Debts		0	0	
<b>Total External Interest Payments</b>	<b>138,413</b>	<b>102,879</b>	<b>35,534</b>	<b>120,094</b>

Further details available in Note 27 and Appendix 9

### 24. Capital/Development Expenditure

The total amount of Le1,485,621 million (Le1,175,279 million – FY2020) for Domestic Development Expenditure represents the Government's contribution to various Development Projects.

Further details are available in Appendix 5, with Actual Expenditure Payments at the MDA Level.

#### Development Project Operations

The total receipts recorded for Donor-Funded Projects for the year under review amounted to Le568,028 million (Le625,570 million – FY2020) while total payments made by these projects stood at Le549,974 million (Le565,226 million – FY2020), resulting in a surplus of Le18,045 million (surplus Le60,344 million – FY2020). Summary details are provided in the analysis below:

#### Development Project Operations

Amounts in millions of Leones

	<b>FY2021</b>	<b>FY2020</b>
Project Receipts	568,028	625,570
Project Payments	549,974	565,226
Loss/Gains on Exchange	1,608	(8,479)
<b>Development Project Operations (Net Flows)</b>	<b>19,663</b>	<b>51,865</b>

Further details are available in Appendix 5a, Development Project Fund Flow

### 25. In-kind contributions/third party payments

During the Fiscal Year under review, the Government received from various sources In-kind contributions as donations made in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. However, it is not currently possible to identify and reliably ascertained the financial value received for such contributions.

### 26. Arrears Payments

The Arrears Payments made in FY2021 totalled Le789, 409 million (Le481, 123 million – FY 2020), as outlined below:

**Arrears Payments (In millions of Leones)**

	<b>Actual FY 2021</b>	<b>Actual FY 2020</b>
Wages and Salaries Arrears	18,359	14,549
Domestic Arrears	771,050	466,574
<b>Total Arrears Payments</b>	<b>789,409</b>	<b>481,123</b>

**27. Receipts from External Borrowings (Direct Budgetary Support - Loans)**

The total amount of foreign (external) loans disbursed during FY2021 as direct budgetary support was Le961,752 million (Le2,558, 196 million – FY2020), with details as shown below:

**External Borrowing (Loans) (In millions of Leones)**

	<b>Budget Estimates FY 2021</b>	<b>Actual FY 2021</b>	<b>Surplus/ (Shortfall) FY 2021</b>	<b>Actual FY 2020</b>
World Bank			0	831,043
African Development Bank			0	126,143
International Monetary Fund (IMF)	1,282,087	961,752	(320,335)	1,601,010
<b>Total External Borrowing (Loans)</b>	<b>1,282,087</b>	<b>961,752</b>	<b>(320,335)</b>	<b>2,558,196</b>

The total amount of direct budget support loan disbursements during FY2021 was Le 961.7 billion (Le2,558.1 billion – FY2020). This mainly consists of the various amounts received from the International Monetary Fund (IMF). Firstly, in March of 2021 the amount of Le507.6 billion as part of it support to the COVID 19 response under the replenishment of the revolving fund COVID 19 response programme through its Rapid Credit Facility.

The IMF in July of 2021 provided its budget support to the Government through the Bank of Sierra Leone totalling Le454.0 billion. This amount is comprised as a form of the on-lending budget finance from the IMF under its Extended Credit Facility (ECF) programme.

**28. External Public Debt Amortization - Repayment of principal on Foreign Loans**

The total amount of External Debt Payments made during the financial year was Le571,144 million (Le709,152 million – FY2020), comprising Principal Loan Repayments of Le468,235 million (Le589,058 million – FY2020) and Interest Payments of Le102,879 million (Le120,094 million – FY2020). As part of the debt repayment, there is an amount of Le154,430 million representing payments made in respect of Loans to other units of the General Government.

**External Public Debt Amortization - Repayment of principal on Foreign Loans with External Interest Payments (In millions of leones)**

	FY2021			FY2020		
	Loan Repayment During the Year	Interest Payments	Total Payments	Loan Repayment During the Year	Interest Payments	Total Payments
<b>MULTILATERAL DEBTS</b>						
International Development Association	65,701	37,568	103,269	48,320	27,852	76,172
African Development Fund (ADF)	14,507	12,776	27,283	11,678	12,897	24,575
Opec Fund For International Development	67,315	11,572	78,888	55,572	18,848	74,420
International Fund For Agricultural Development (IFAD)	14,004	3,719	17,723	10,769	2,860	13,629
Islamic Development Bank	58,491	3,710	62,200	138,614	15,783	154,398
Arab Bank For Economic Development Bank	10,236	1,764	12,001	11,144	1,300	12,444
European Investment Bank	18,284	16,548	34,832	6,393	14,587	20,979
ECOWAS Regional Development Fund	5,913	2,486	8,399	11,811	3,155	14,967
ECOWAS Bank For Investment Development	18,064	5,302	23,365	21,131	8,723	29,854
<b>Total Multilateral Debts (A)</b>	<b>272,515</b>	<b>95,446</b>	<b>367,960</b>	<b>315,433</b>	<b>106,005</b>	<b>421,438</b>
<b>BILATERAL DEBTS</b>						
Saudi Fund For Development	0	0	0	4,462	2,429	6,891
Kuwait Fund	73,260	4,610	77,871	13,184	4,763	17,947
China	0	2,795	2,795	14,579	3,183	17,762
Exim Bank Of India	0	28	28	22,112	3,714	25,826
<b>Total Bilateral Debts (B)</b>	<b>73,260</b>	<b>7,434</b>	<b>80,694</b>	<b>54,336</b>	<b>14,089</b>	<b>68,425</b>
<b>COMMERCIAL DEBTS (C)</b>						
Commercial & Suppliers Credit	122,460	0	122,460	219,289	0	219,289
<b>TOTAL EXTERNAL PUBLIC DEBTS PAYMENTS</b>	<b>468,235</b>	<b>102,879</b>	<b>571,114</b>	<b>589,058</b>	<b>120,094</b>	<b>709,152</b>

Further details are available in Appendix 9.

**29. Domestic Borrowing (Net)**

Domestic Borrowing issued during FY2021 totalled Le7,966,629 million (Le6,204,833 million – FY2020) and this comprises:

**Domestic Borrowing - Net (Amounts In millions of Leones)**

	Issues FY 2021	Repayments FY 2021	Net Flows FY 2021	Issues FY 2020	Repayments FY 2020	Net Flows FY 2020
<b>Short term Securities (Less than one year)</b>						
Treasury Bills	7,237,540	5,806,430	1,431,110	5,936,452	4,347,676	1,588,776
Bridging Loan			0			
Ways and Means	17,375	21,165	(3,790)	21,165	117,162	(95,997)
<b>Total Short term Securities</b>	<b>7,254,915</b>	<b>5,827,595</b>	<b>1,427,320</b>	<b>5,957,617</b>	<b>4,464,838</b>	<b>1,492,779</b>
<b>Long term Securities</b>	<b>711,714</b>	<b>690,879</b>	<b>20,835</b>	<b>247,216</b>	<b>288,184</b>	<b>(40,968)</b>
<b>Total Domestic Borrowing</b>						
<b>Payments</b>	<b>7,966,629</b>	<b>6,518,474</b>	<b>1,448,155</b>	<b>6,204,833</b>	<b>4,753,022</b>	<b>1,451,811</b>

**Treasury Bills** – The amount of Le7,237,540 million (Le5,936,452 million – FY2020) represents total amount of treasury bills issued during the year as 91-Day, 182-Day and 364-Day Treasury Bills. The total worth of Treasury Bills redeemed during the year amounted to Le5,806,430 million (Le4,347,676 million – FY2020). The total amount of treasury bills at the end of FY2021 is Le7,196,473 million (Le5,765,363 million – end FY2020). Further details are available in the Table below (**Summary Schedule of Domestic Public Debts**) and in **Appendix 6** for 91-Day Treasury Bills, **Appendix 7** for 182-Day Treasury Bills and **Appendix 8** for 364-Day Treasury Bills.

**One-year Treasury Bonds** – There are no further issues of one-year bond during the period and all outstanding have been redeemed in the previous years

**Bridging Loan** - Bridging Loans obtained from the Bank of Sierra Leone during FY2021 were repaid during the course of the year leaving no outstanding balances as at the end of the financial year

**Ways and Means advances** – The net decrease in Ways and Means given by the Bank of Sierra Leone to finance Government's operations) was Le3,790 million, taking the net position during the course of the fiscal year to Le17,375 million and arriving at a closing bank balance of Le196.1 million repayable in the ensuing year.

**Long Term Securities (with more than one-year maturity)** - A total amount of Le711,714million (Le247,216 million – FY2020) represents long-term securities issued in the form of treasury bonds during the year ended FY2021. The total worth of Long-term securities redeemed during the year amounted to Le690, 879 million (Le288,184 million – FY2020).

The total outstanding amount of long-term securities held as 1.5-Year, 2-Year, 5-Year and 10-Year Treasury Bonds at the end of FY2021 is Le1,597,219 million (Le1,576,385 million – end FY2020) held by the Bank of Sierra Leone (Le936,653 million) and NASSIT (Le126,559 million). The Special Marketable Securities held by the Bank of Sierra Leone totalling Le1,279,622 million as at 31<sup>st</sup> December 2021, comprises: 3-Year Treasury Bonds Le358,874 million, 5-Year Treasury Bonds Le367,990 million and 10-Year Treasury Bond Le552,758 million. The treasury bonds are held by the Bank of Sierra Leone following a Memorandum of Understanding with the Government dated 14th October 2006 converting Non-Marketable, Non-Interest Bearing Securities to Special Marketable Securities for capitalization of the Bank and for monetary purposes. The interest cost of financing the operations and the total amount payable at redemption will be borne by the Government.

Further details are available in the Table below (**Summary Schedule of Domestic Public Debts**).

## Summary Schedule of Domestic Public Debts – Domestic Borrowing, Redemption and Financing Costs

Summary Statement of Outstanding Domestic Public Debts as at 31 st December 2021													
	Outstanding Balance 01-Jan-21	Issued During the PRD	Matured During the PRD	Outstanding Balance 31-Dec-21	Interest Payments FY2021	Interest Payments FY2020	Issue Date	Maturity Date	Interest Due Period				
	Le' m	Le' m	Le' m	Le' m	Le' m	Le' m							
<b>Short term Securities (with one year or less maturity)</b>													
91-Day Treasury Bills	20,324	7,447	27,771	-0	239	3,703							
182-Day Treasury Bills	128,181	35,550	161,801	1,930	6,563	626							
364-Day Treasury Bills	5,616,859	7,194,543	5,616,859	7,194,543	958,110	918,260							
<b>Total Treasury Bills</b>	<b>5,765,363</b>	<b>7,237,540</b>	<b>5,806,430</b>	<b>7,196,473</b>	<b>964,912</b>	<b>922,590</b>							
NB-Treasury Bills are recorded at Issued Values, excluding outstanding interests													
Bridging Loans - Bank of Sierra Leone (BSL)	0	0	0	0		0							
Ways and Means Advances	21,165	17,375	21,165	17,375	5,665	11,550							
<b>Total Short Term Securities</b>	<b>5,786,528</b>	<b>7,254,915</b>	<b>5,827,595</b>	<b>7,213,848</b>	<b>970,577</b>	<b>934,140</b>							
<b>1.5-Year Treasury Bonds</b>													
1.5-yr UBA Bond	29,259	0	29,259	0	7,315	3,657	02-Mar-20	30-Aug-21	25.0%				
<b>Total 1.5-Year Treasury Bonds</b>	<b>97,531</b>	<b>0</b>	<b>97,531</b>	<b>0</b>	<b>24,383</b>	<b>12,191</b>	04-Mar-20	01-Sep-21	25.0%				
<b>2-Year Treasury Bonds</b>													
2-Year Treasury Bond (NASSIT)													
2-Year Treasury Bond (RCB, CMB & GTB)	40,487	40,487	40,487	40,487	6,109	6,496	29-May-17	23-May-19	13.0%				
2-Year Treasury Bond (RCB)							11-Jun-21	09-Jun-23	16.0%				
2-Year Treasury Bond (SLCB)					0	1,100	22-Feb-18	20-Feb-20	22.0%				
2-Year Treasury Bond, Securiport Bond (USD 5.7 Million)					0	1,681	01-Mar-18	27-Feb-20	22.4%				
2-Year Treasury Bond (Tricon)					0	0	04-Jul-18	30-Jun-20	Zero Coupon Bond				
2-yr Bond (Le28.00 bn issued in Sept, 2019)	28,000	28,000	28,000	28,000	6,160	2,476	26-Jul-18	23-Jul-20	22.0%				
2-yr Bond (Le20.00 bn issued in Sept, 2019)	20,000	0	20,000	0	4,800	4,800	24-Sep-21	22-Sep-23	19.0%				
2-yr Bond (Le42.499 bn issued in Sept, 2019)	42,499	0	42,499	0	9,350	9,350	25-Sep-19	22-Sep-21	24.0%				
2-yr Bond (Le19.013 bn issued in Oct, 2019)	19,013	0	19,013	0	4,183	4,183	02-Oct-19	29-Sep-21	22.0%				
2-yr Bond (Le23.00 bn issued in Dec, 2019)	23,000	0	23,000	0	5,520	5,520	11-Oct-19	08-Oct-21	18.0%				
2-yr Bond (Le45.00 bn issued in Dec, 2019)	45,000	0	45,000	0	11,025	11,025	23-Dec-19	20-Dec-21	24.0%				
2-yr Bond (Le13.38 bn issued in Sept, 2020)	13,384	0		13,384	2,008	1,004	31-Dec-19	28-Dec-21	24.0%				
2-yr Bond (Le4.5 bn issued in Dec, 2020)	4,500	0	0	4,500	495	0	10-Mar-20	08-Mar-22	15.0%				
2-Year Treasury Bond		10,000	0	10,000	1,000		18-Mar-21	16-Mar-23	20.0%				
2-Year Treasury Bond (NASSIT)		20,000	0	20,000			05-Aug-21	03-Aug-23	16.0%				
2-Year Treasury Bond (SLCB)		27,000	0	27,000			26-Aug-21	24-Aug-23	18.0%				
2-Year Treasury Bond (UBA)		31,388	0	31,388			30-Aug-21	28-Aug-23	18.0%				
2-Year Treasury Bond (UBA)		32,057	0	32,057			29-Sep-21	27-Sep-23	18.0%				
2-Year Treasury Bond (ECOBANK)		16,029	0	16,029			29-Sep-21	27-Sep-23	20.0%				
2-Year Treasury Bond (UBA)		21,514	0	21,514			07-Oct-21	05-Oct-23	18.0%				
2-Year Treasury Bond (UBA)		73,239	0	73,239			01-Sep-21	30-Aug-23	18.0%				
<b>Total 2-Year Treasury Bonds</b>	<b>235,884</b>	<b>299,713</b>	<b>218,000</b>	<b>317,598</b>	<b>50,650</b>	<b>55,758</b>							
<b>Bank of Sierra Leone (BSL) 3-Year Capitalisation Bonds</b>													
3-Year BSL Capitalisation Bond (NNIB Converted 2014)	81,801	81,801	81,801	81,801	4,908	4,908	30-Mar-17	26-Mar-20	6.0%				
3-Year BSL Recap Bond (2010 W & M)	62,013	62,013	62,013	62,013	5,581	5,581	10-Sep-21	06-Sep-24	11.0%				
3-Year Treasury Bond (RCB)	37,405	0	37,405	0	4,192	8,383	25-Jan-18	21-Jan-21	22.4%				
3-Year Treasury Bond (SLCB)	22,442	0	22,442	0	2,515	5,029	01-Feb-18	28-Jan-21	22.4%				
3-Year Treasury Bond (SLCB/Hajj A/C)	14,590	0	14,590	0	1,167	2,334	06-Feb-18	02-Feb-21	16.0%				
3-Year Treasury Bond (SLCB)	11,220	0	11,220	0	1,257	2,514	09-Feb-18	05-Feb-21	22.4%				
3-Year Treasury Bond (Ecobank)	30,047	0	30,047	0	3,367	6,734	15-Feb-18	11-Feb-21	22.4%				
3-Year Treasury Bond (Fimet Benton Villa)	30,205	0	17,260	12,945	4,746	8,198	25-Jul-19	21-Jul-22	20.0%				
3-Year Treasury Bond (NASSIT)	15,000	0	0	15,000	2,454	2,427	14-Jun-19	10-Jun-22	19.5%				
3-Year Treasury Bond (NASSIT)	10,000	0	0	10,000	1,317	1,672	26-Jul-19	22-Jul-22	19.5%				
3-Year Treasury Bond		30,197	0	30,197	2,265		21-Jan-21	18-Jan-24	15.0%				
3-Year Treasury Bond		37,500	0	37,500	2,813		28-Jan-21	25-Jan-24	15.0%				
3-Year Treasury Bond		25,850	0	25,850	2,068		04-Feb-21	01-Feb-24	16.0%				
3-Year Treasury Bond		83,569	0	83,569	8,357		31-Mar-21	27-Mar-24	20.0%				
<b>Total 3-Year BSL Capitalisation Bonds</b>	<b>314,722</b>	<b>320,929</b>	<b>276,778</b>	<b>358,874</b>	<b>47,006</b>	<b>47,781</b>							
<b>5-Year Treasury Bonds</b>													
	50,000	0	0	50,000	4,500	4,500	18-Dec-17	18-Dec-22	9.0%				
5-Year BSL (Converted from NNIB) Bonds	65,000	0	0	65,000	5,850	5,850	20-Dec-18	14-Dec-23	9.0%				
	50,000	0	0	50,000	5,850	5,850	20-Jun-19	13-Jun-24	9.0%				
	50,000	0	0	50,000	4,500	4,500	20-Dec-19	13-Dec-24	9.0%				
5-Year NASSIT Bond	50,000	50,000	50,000	50,000	4,500	4,500	26-Jun-15	19-Jun-20	9.0%				
5-Year BSL (Ways and Means) Bond	41,072	41,072	41,072	41,072	5,955	5,955	04-Oct-21	28-Sep-26	15.0%				
<b>Total 5-Year Treasury Bonds</b>	<b>367,990</b>	<b>91,072</b>	<b>91,072</b>	<b>367,990</b>	<b>36,786</b>	<b>36,786</b>	10-May-17	04-May-22	12%				
CSE Bond	534,008	0	0	534,008	0	0	31-Oct-17	18-Nov-24	Zero Coupon Bond				
10-Year BSL Capitalisation Bond	26,250	0	7,500	18,750	1,950	2,550	05-Jan-14	18-Apr-24	8.0%				
<b>Total Long Term Securities</b>	<b>1,576,385</b>	<b>711,714</b>	<b>690,879</b>	<b>1,597,219</b>	<b>160,774</b>	<b>155,066</b>							
<b>TOTAL OUTSTANDING DOMESTIC PUBLIC DEBTS</b>	<b>7,362,913</b>	<b>7,966,629</b>	<b>6,518,474</b>	<b>8,811,068</b>	<b>1,131,351</b>	<b>1,089,205</b>							

The Treasury Bills are marketable securities of the Government based on a 91-day period, 182-day period and 364-day period. The Treasury Bonds on the other hand are Marketable Securities on one-year, two-year, five-year and ten-year basis.

Further details on Treasury Bills and the Treasury Bonds can be obtained from Appendices 6-8.



### 30. Privatization Receipts

Privatization Receipts during the fiscal year 2021 arising as a result of government's share of concession fees has been recorded as part of other departments' revenue.

### 31. Staff Loans and Advances (Net)

The net position staff loans and advances during FY2021 stood at Le1,706 million (Le488 million – FY2020). This includes the amount paid as advances through the vehicle loan scheme.

### 32. Cash and Cash Equivalents

The net amount of Cash and Cash Equivalents totalled a negative balance of Le297.5 billion taking into account Le190.2 million of project cash balances (Negative Le21.3 billion – FY2020), most of which are held with the Bank of Sierra Leone, net of project balances of Le170.6.

#### Cash and Bank Balances

As at	31st Dec-21	31st Dec-20	Change
	Le' million	Le' million	Le' million
Cash held at Bank	635,043	535,886	99,156
Overdraft with Bank	(1,122,909)	(727,828)	(395,081)
<b>Net Cash and Bank Balance</b>	<b>(487,866)</b>	<b>(191,941)</b>	<b>(295,925)</b>
<b>Cash Balance at 31st December 2021</b>	<b>190,286</b>	<b>170,623</b>	

### 33. Previous Year Adjustment

An adjustment was done to the Financial Statements for the year 2020 to effect the inclusion of opening balance in respect to the Donation to Free Health Care Account which was not zero at the end of 2019 Fiscal Year.

## 1.5. ADDITIONAL NOTES TO THE ACCOUNTS

### 34. Investments – Public Enterprises

The Government has participating equity interests in several Public Enterprises (as State-owned Enterprise – SoEs), as presented in Appendix 10 below.

### 35. Contingent Liabilities and Contingent Assets

Contingent liabilities are:

- costs that the government will have to face if a particular event occurs, or
- present liabilities that cannot be measured with sufficient reliability to be captured in the financial statements (unquantifiable liabilities).

The contingent liabilities typically consist of guarantees and indemnities, and through legal disputes and claims (particularly through financial litigations).

Contingent assets are possible assets that have arisen from past events but the amount of the asset, or whether it will eventuate, will not be confirmed until a particular event occurs.

#### Pending financial litigations:

Contingent liabilities as at year-end, relating to pending financial litigations against the GoSL, amounted to Le8,564 billion, as presented below:

SUMMARY OF PENDING FINANCIAL RELATED LITIGATIONS 2021		
NATURE	AMOUNT (Le)	AMOUNT (US\$)
Damages In Tort		10,000
Damages In Tort		101,925,879
Damages for Termination of Contract		85,000
Damages for Termination of Contract		2,259,902
Damages for Termination of Contract	558,849,000	
Damages for Termination of Contract		,257,200,000
Damages for Termination of Contract		2,571,000
Violation of Human Rights	315,865,000	
Violation of Human Rights		14,000,000
<b>Amounts in Leones (Le) &amp; (US\$)</b>	<b>874,714,000</b>	<b>2,378,051,781</b>
<b>Total Amount in Leones (Le)</b>	<b>8,564,594,919,649</b>	
<b>Note:</b> The Exchange Rate As At 31st December 2021 is \$ 1 = Le 10,800		

#### Guarantees and indemnities:

Guarantees are legally binding promises made by the Government to assume responsibility for a debt, or performance of an obligation of another party, should that party default. Indemnities are legally binding promises in which the Government undertakes to accept the risk of loss or damage that another party may suffer and hold the other party harmless against loss caused by a specific stated event.

The Government guarantees against bank loans contracted by state-owned or public enterprises and local councils. Total guarantees amount to Le254.2 billion as at December 2021. In the event of public enterprises or local councils' fail to pay the loan on time, the guarantees would be invoked and the liabilities for payment will be passed on to Government. Consequently, the guarantees would eventually become debt to Government. An examination of the stock of current guarantees indicates that risks emanating from guarantees are minimal at the moment. Should they materialize, the impact on public debt would be small

The List of Guarantees provided by the Government as of 31<sup>st</sup> December 2021 is as follows:

#### SCHEDULE OF GUARANTEES ISSUED BY GoSL

Name of Institution	Amount Outstanding as at end 2021 (Le'mn)	Remarks
Sierra Leone State Lottery	1,000	Loan
National Telecommunications Commission	50,000	Loan
Electricity Distribution and Supply Authority (EDSA)	85,000	Loan
Electricity Distribution and Supply Authority (EDSA)	70,000	Letter of Credit
Sierra Leone Telecommunications Company Ltd.	2,000	Loan
Sierra Leone Road Transport Corporation	37,220	Loan
Sierra Leone Ports Authority	9,000	Loan
<b>Total</b>	<b>254,220</b>	

#### Contingent Assets:

There are no Contingent Assets recorded.

## 1.6. SUPPLEMENTARY DISCLOSURES IN APPENDICES

### APPENDIX 1: LIST OF TREASURY AND DEPARTMENTAL BANK ACCOUNTS

MDA name	Bank name	Accounts name
Consolidated Revenue Fund	Bank of Sierra Leone	Consists of (89) Treasury Accounts
Ministry of Local Government & Community Development	Bank of Sierra Leone	Ministry of Local Government Head Office Imprest
Ministry of Foreign Affairs & International Co-operation	Bank of Sierra Leone	Ministry of Foreign Affairs Imprest Account.
Ministry of Finance	Bank of Sierra Leone	Local Government Finance Department (Imprest)
	Bank of Sierra Leone	Ministry of Finance Imprest Account
	Bank of Sierra Leone	ECOWAS National Coordinating Committee Account
	SL Commercial Bank	ECOWAS National Unit Account
	Bank of Sierra Leone	Duty Waiver Joint Monitoring Fund
	SL Commercial Bank	Duty Waiver Joint Monitoring Fund
Ministry of Information and Broadcasting	Bank of Sierra Leone	Ministry of information and Communication
Ministry of Internal Affairs	Bank of Sierra Leone	Ministry of Internal Affairs Imprest Account
Ministry of Education, Science & Technology	Bank of Sierra Leone	Imprest
	Bank of Sierra Leone	Education Management Information System
Ministry of Tourism and Culture (Culture Division)	Bank of Sierra Leone	Imprest
Ministry of Social Welfare, Gender & Children's Affairs	Bank of Sierra Leone	Ministry of Social Welfare Gender a/c
Ministry of Mines and Mineral Resources	Bank of Sierra Leone	Mines and Mineral Resources Imprest Account
Ministry of Transport and Aviation	Bank of Sierra Leone	Imprest Account
Ministry of Works , Housing and Infrastructure	Bank of Sierra Leone	Imprest and General Administration
	Bank of Sierra Leone	Miatta Conference Centre
Ministry of Trade and Industry	Bank of Sierra Leone	Imprest
	Bank of Sierra Leone	Registrar for Cooperative Account
Immigration Department	Bank of Sierra Leone	Immigration Dept Imprest Account
Cabinet Secretariat	Bank of Sierra Leone	Cabinet Secretariat
Human Resource Management Office	Bank of Sierra Leone	Human Resources Management Office Imprest Account
SL Correctional Services	Bank of Sierra Leone	SL Correctional Service Quarterly
Ministry of Defence	Bank of Sierra Leone	Min of Defence Quarterly Allocation
	Bank of Sierra Leone	RSLAF Personnel
	Bank of Sierra Leone	RSLAF Other Charges
SL Police	Bank of Sierra Leone	SL Police Other Charges
	Bank of Sierra Leone	Sierra Leone Police Imprest Account
	Bank of Sierra Leone	Sierra Leone Police Salaries Account
	Bank of Sierra Leone	Sierra Leone Police General
Accountant General's Department	Bank of Sierra Leone	Accountant General's Department Imprest
Ministry of Parliamentary and Political Affairs	Bank of Sierra Leone	Political and Public Affairs Account
Office of the President	Bank of Sierra Leone	OVERSEAS AND LOCAL TRAVELLING

MDA name	Bank name	Accounts name
		Secretary to President Imprest A/c
		Office of the First Lady
Office of the Vice President	Bank of Sierra Leone	Office of the Vice President Account
High Court	Bank of Sierra Leone	Judiciary Imprest Account
		Master & Registrar High Court A/C
Law Officers' Department	Bank of Sierra Leone	Solicitor-General (Imprest )
Administrator and Registrar General	Bank of Sierra Leone	Administrator and Registrar General Imp
Ministry of Planning and Economic Development	Bank of Sierra Leone	Ministry of Planning and Economic Development Imprest
	Bank of Sierra Leone	National Monitoring and Evaluation Department
Government Printing Department	Bank of Sierra Leone	Government Printing Department Imprest
National Fire Authority	Bank of Sierra Leone	National Fire Authority
Ministry of Sports	Bank of Sierra Leone	Ministry of Sport Imprest Account
Ministry of Health and Sanitation	Bank of Sierra Leone	Ministry of Health and Sanitation Imprest
Ministry of Lands, Country Planning and the Environment	Bank of Sierra Leone	Ministry of Lands Imprest Account
Ministry of Youth Affairs	Bank of Sierra Leone	Ministry of Youth Affairs Account
Ministry of Agriculture, Forestry and Food Security	Bank of Sierra Leone	Ministry of Agriculture Imprest Account
Ministry of Fisheries and Marine Resources	Bank of Sierra Leone	Ministry of Fisheries Imprest
Ministry of Energy and Power	Bank of Sierra Leone	Ministry of Energy Imprest
Ministry of Labour, Industrial Relations and Social Security	Bank of Sierra Leone	Office of the Permanent Secretary
Ministry of Water Resources	Bank of Sierra Leone	Ministry of Water Resources imprest

**APPENDIX 2: REVENUE ARREARS AS AT 31ST DECEMBER, 2021**

Amounts in millions of Leones

	<b>Revenue Arrears 31st Dec 2021</b>	<b>Revenue Arrears 31st Dec. 2020</b>
<b>Arrears as per Domestic Tax Department</b>		
Large Tax Office (LTO)	256,287	259,058
Small and Medium Tax Office (Company)	6,212	7,738
Small and Medium Tax Office (Trade)	1,661	2,621
Extractive Industry Revenue Unit	511	12,023
<b>Total for Domestic Taxes Department</b>	<b>264,672</b>	<b>281,440</b>
<b>Arrears as per Custom and Excise Department</b>		
Debt Management Unit	33,633	64,682
<b>Total for Customs and Excise Department</b>	<b>33,633</b>	<b>64,682</b>
<b>Arrears as per Non Tax Revenue</b>		
Non Tax Revenue Collection	355,212	515
<b>Total for Non Tax Revenue</b>	<b>355,212</b>	<b>515</b>
<b>Total Revenue Arrears</b>	<b>653,517</b>	<b>346,637</b>

**APPENDIX 3 – COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS FOR WAGES, SALARIES AND EMPLOYEES BENEFITS BY MDA**  
for the financial year ended 31st December 2021

Amounts in millions of Leones

<b>MDA Code</b>	<b>Description</b>	<b>Budget Estimates FY 2021</b>	<b>Actual FY 2021</b>	<b>Surplus / (Shortfall) FY 2021</b>	<b>Actual FY 2020</b>
101	Charged Emoluments	137,842	161,745	(23,903)	133,169
105	Ministry of Political and Public Affairs	3,048	2,851	197	3,053
106	Office of the Chief of Staff	20,199	22,078	(1,879)	16,349
107	Ministry of Local Government & Rural Development	7,435	17,153	(9,717)	26,670
108	Sierra Leone Small Arms Commission	2,639	3,831	(1,192)	2,037
110	Office of the Secretary to the President	98,370	108,080	(9,711)	91,520
112	Office of the Secretary to the Vice President	12,667	22,333	(9,666)	12,067
116	Parliamentary Service Commission	33,079	33,791	(712)	31,271
117	Cabinet Secretariat	7,564	6,640	924	7,691
118	Supreme Court	39,735	28,810	10,925	16,588
120	High Court	0	0	0	160
121	Audit Service Sierra Leone	38,478	41,412	(2,934)	29,924
122	Human Resource Management Office	11,921	15,915	(3,994)	11,967
123	Public Service Commission	7,860	5,371	2,489	5,453
124	Law Officers' Department	29,037	(98,459)	127,496	29,756
125	Local Court's Administration	3,740	20,404	(16,663)	5,204
126	Independent Police Complaints Board	1,885	1,744	141	1,706
127	Ministry of Planning and Economic Development	15,210	14,051	1,159	13,596
128	Ministry of Foreign Affairs & International Co-operation	219,197	280,608	(61,411)	222,244
129	Ministry of Finance and Economic Development	100,831	130,978	(30,147)	102,282
131	Revenue Appellate Board	2,597	2,224	372	2,442
132	Accountant General's Department	19,130	28,660	(9,531)	19,776
133	Ministry of Information and Communications	26,801	25,834	966	24,712
134	National Electoral Commission of Sierra Leone	28,619	32,465	(3,846)	21,980
137	National Commission for Democracy	5,174	4,356	817	4,950
138	Statistics Sierra Leone	20,920	17,971	2,950	15,360
139	National Commission for Privatisation	3,373	7,352	(3,980)	3,183
140	Mass Media Services (SLBC Staff)	11,614	7,606	4,007	7,879
141	Government Printing Department	888	678	210	770
142	National Public Procurement Authority	8,858	8,871	(13)	7,840
144	National Commission for Human Rights	17,648	19,142	(1,494)	16,816
145	Rights to Access Information Commission	3,223	3,579	(356)	3,155
201	Ministry of Defence:	187,137	322,200	(135,063)	28,297
203	National Civil Registration Authority	45,414	39,502	5,912	39,332
205	Ministry of Internal Affairs	909	427	482	754
206	Sierra Leone Police	274,997	272,940	2,057	222,343
207	Sierra Leone Correctional Services	39,012	37,821	1,191	32,453
208	National Fire Authority	8,926	7,272	1,653	6,518
209	Central Intelligence and Security Unit	10,926	9,691	1,236	7,842

**APPENDIX 3 – COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS FOR WAGES, SALARIES AND EMPLOYEES BENEFITS BY MDA**  
for the financial year ended 31st December 2021

Amounts in millions of Leones

<b>MDA Code</b>	<b>Description</b>	<b>Budget Estimates FY 2021</b>	<b>Actual FY 2021</b>	<b>Surplus / (Shortfall) FY 2021</b>	<b>Actual FY 2020</b>
210	Office of National Security	17,725	14,338	3,387	12,594
211	Immigration Department	5,169	5,651	(482)	4,855
212	National Drugs Law Enforcement Agency	1,238	1,433	(195)	886
300	Ministry of Technical and Higher Education	249,347	265,175	(15,828)	234,926
301	Ministry of Basic and Senior Secondary Education	738,316	763,877	(25,561)	639,471
302	Ministry of Sports	5,773	6,483	(709)	7,104
303	Ministry of Tourism and Cultural Affairs	892	736	156	853
304	Ministry of Health and Sanitation	427,432	465,307	(37,875)	400,455
305	Ministry of Social Welfare, Gender & Children's Affairs	7,383	7,284	100	10,045
306	Ministry of Lands, Country Planning and the Environment	5,092	5,900	(808)	4,620
307	National Pharmaceutical Procurement Unit	5,406	5,540	(133)	4,871
308	National Commission for Social Action	17,028	16,016	1,012	16,077
310	Ministry of Youth Affairs	3,564	4,607	(1,043)	3,345
311	Health Service Commission	2,041	945	1,095	983
312	Teaching Service Commission	10,659	12,481	(1,821)	10,523
313	National Youth Service	4,250	5,010	(761)	3,734
314	National HIV and AIDS Commission	6,771	3,034	3,737	3,001
315	Teaching Hospital Complex Administration	2,000	0	2,000	235
317	SL Council for Post Grad Colleges Health Specialist	7,500	481	7,019	204
318	Ministry of Environment	3,000	2,447	553	
319	Ministry of Gender & Children's Affairs	5,610	4,949	661	
320	National Sports Authority	3,043	3,239	(196)	
341	Pensions, Gratuities and Retirement Benefits	192,581	228,225	(35,644)	299,482
345	Pharmacy Board Services	4,763	2,601	2,162	2,947
401	Ministry of Agriculture, Forestry and Food Security	17,861	17,266	595	18,995
402	Ministry of Fisheries and Marine Resources	2,438	2,515	(77)	2,380
403	Ministry of Mines and Mineral Resources	33,611	34,209	(599)	33,264
404	Ministry of Transport and Aviation	4,081	3,521	560	3,090
405	Ministry of Tourism and Cultural Affairs (National Tourist Board and Relics Commission)	9,006	9,226	(220)	7,855
406	Ministry of Energy	7,164	5,792	1,372	6,253

**APPENDIX 3 – COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS FOR WAGES, SALARIES AND EMPLOYEES BENEFITS BY MDA**  
for the financial year ended 31st December 2021

Amounts in millions of Leones

<b>MDA Code</b>	<b>Description</b>	<b>Budget Estimates FY 2021</b>	<b>Actual FY 2021</b>	<b>Surplus / (Shortfall) FY 2021</b>	<b>Actual FY 2020</b>
407	Ministry of Employment Labour and Social Security	4,482	3,959	523	3,809
408	Ministry of Works, Housing and Infrastructure	4,554	3,998	556	3,753
409	Ministry of Trade and Industry	30,684	27,354	3,330	26,162
410	National Protected Area Authority	15,192	18,857	(3,664)	11,196
411	Road Maintenance Fund Administration (SLRA Staff)	29,166	28,452	714	24,993
413	Sierra Leone Electricity and Water Regulatory Commission	6,019	4,640	1,380	4,966
414	Ministry of Water Resources	20,233	17,523	2,710	14,664
417	Nuclear Safety and Radiation Protection Authority	4,000	3,572	428	2,775
418	Sierra Leone Agricultural Research Institute	16,490	15,787	703	15,079
419	Sierra Leone Local Content Agency	2,785	3,338	(554)	2,164
421	Small and Medium Enterprises Development Agency	2,784	6,963	(4,179)	2,418
422	Sierra Leone Meteorological Agency	4,936	5,317	(382)	3,971
426	Sierra Leone Seed Certification Agency	1,000	1,924	(924)	
427	National Fertilizer Regulatory Agency	1,000	967	33	
602	Public Debt Charges	0	0	0	12
612	Unallocated Head Exp	0	0	0	40
701	Transfers to Local Councils	59,302	60,581	(1,279)	24,513
<b>Grand Total</b>		<b>3,510,274</b>	<b>3,769,446</b>	<b>(259,172)</b>	<b>3,102,675</b>



**APPENDIX 4 - COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS FOR USE OF GOODS AND SERVICES BY MDA**  
**for the financial year ended 31st December 2021**

Amounts in millions of Leones

<b>MDA Code</b>	<b>Description</b>	<b>Budget Estimates FY 2021</b>	<b>Actual FY 2021</b>	<b>Surplus/ (Shortfall) FY 2021</b>	<b>Actual FY 2020</b>
105	Ministry of Political and Public Affairs	2,424	3,314	(890)	2,070
106	Office of the Chief of Staff	13,958	21,294	(7,336)	13,445
107	Ministry of Local Government & Rural Development	15,783	23,472	(7,688)	13,856
108	Sierra Leone Small Arms Commission	1,000	882	118	966
110	Office of the President	52,322	56,028	(3,706)	63,241
112	Office of the Vice President	15,506	129,334	(113,829)	52,460
116	Parliament	21,905	52,959	(31,054)	45,147
117	Cabinet Secretariat	3,147	3,425	(278)	3,323
118	Supreme Court	14,000	13,690	310	15,765
120	High Court	0	0	0	0
121	Audit Service Sierra Leone	10,411	11,267	(856)	7,242
122	Human Resource Management Office	3,000	4,164	(1,164)	3,914
123	Public Service Commission	3,097	2,558	540	1,995
124	Law Officers' Department	18,494	42,715	(24,221)	47,608
125	Local Courts	494	0	494	0
126	Independent Police Complaints Board	1,251	1,250	0	729
127	Ministry of Planning and Economic Development	14,890	17,358	(2,469)	15,909
128	Ministry of Foreign Affairs & International Co-operation	94,853	110,186	(15,333)	98,365
129	Ministry of Finance and Economic Development	62,131	81,401	(19,270)	113,718
130	National Revenue Authority (NRA)	188,737	188,360	377	154,068
131	Revenue Appellate Board	932	500	432	664
132	Accountant General's Department	25,000	25,693	(693)	16,647
133	Ministry of Information and Communication	4,000	7,427	(3,427)	9,981
134	National Electoral Commission (NEC)	150,000	22,010	127,990	11,252
137	National Commission for Democracy	1,000	1,751	(751)	3,691
138	Statistics - Sierra Leone	6,000	8,200	(2,200)	5,640
139	National Commission for Privatisation (NCP)	2,000	47,227	(45,227)	17,171
140	Mass Media Services	3,000	2,759	241	994
141	Government Printing Department	2,416	4,770	(2,354)	1,594
142	National Public Procurement Authority (NPPA)	3,500	5,895	(2,395)	4,769
143	Justice and Legal Service Commission	466	0	466	0
144	Human Rights Commission Sierra Leone	1,500	2,300	(800)	1,765
145	Rights to Access Information Commission	1,000	974	26	1,447
201	Ministry of Defence	108,900	115,192	(6,293)	270,692
203	National Civil Registration Authority	5,197	5,620	(423)	15,063
205	Ministry of Internal Affairs	1,023	4,000	(2,977)	2,579
206	Sierra Leone Police	96,307	203,658	(107,351)	187,989
207	Sierra Leone Correctional Services	58,665	100,285	(41,620)	73,249
208	National Fire Authority	5,982	12,004	(6,022)	5,788

**APPENDIX 4 - COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS FOR USE OF GOODS AND SERVICES BY MDA**  
**for the financial year ended 31st December 2021**

Amounts in millions of Leones

<b>MDA Code</b>	<b>Description</b>	<b>Budget Estimates FY 2021</b>	<b>Actual FY 2021</b>	<b>Surplus/ (Shortfall) FY 2021</b>	<b>Actual FY 2020</b>
209	Central Intelligence & Security Unit	8,202	14,000	(5,798)	10,206
210	Office of National Security	7,501	9,915	(2,413)	7,222
211	Immigration Department	7,335	8,359	(1,024)	6,220
212	National Drugs Law Enforcement Agency	796	897	(101)	370
300	Ministry of Technical Higher Education	142,375	117,870	24,505	59,848
301	Ministry of Education, Science and Technology	30,285	13,561	16,723	69,047
302	Ministry of Sports	3,685	1,889	1,797	23,288
303	Ministry of Tourism and Cultural Affairs	3,576	3,746	(170)	6,786
304	Ministry of Health and Sanitation	55,782	99,563	(43,781)	81,510
305	Ministry of Social Welfare, Gender & Children's Affairs	15,160	8,236	6,923	9,074
306	Ministry of Lands, Country Planning and the Environment	3,010	6,219	(3,209)	4,059
307	National Pharmaceutical Procurement Unit (NPPU)	64,781	3,269	61,512	27,424
308	National Commission for Social Action	2,880	2,200	680	1,635
309	Dental and Medical Board	628	298	330	56
310	Ministry of Youth Affairs	5,802	6,130	(327)	6,282
311	Health Service Commission	1,201	838	363	476
312	Teaching Service Commission	2,656	2,516	140	2,604
313	National Youth Service	2,500	5,315	(2,815)	1,733
314	National HIV and AIDS Commission	2,000	949	1,051	1,754
315	Teaching Hospital Complex Administration	2,000	3,763	(1,763)	926
316	Civil Service Training College	683	610	73	424
317	Post Graduate College of Health Specialist	2,754	2,306	448	500
318	Ministry of Environment	3,837	1,678	2,160	565
319	Ministry of Gender & Children's Affairs	4,010	2,678	1,332	
320	National Sports Authority	25,206	58,844	(33,639)	
345	Pharmacy Board Services	4,000	3,140	860	2,267
401	Ministry of Agriculture, Forestry and Food Security	31,529	31,287	242	156,930
402	Ministry of Fisheries and Marine Resources	14,631	7,469	7,162	6,681
403	Ministry of Mines and Mineral Resources	3,916	1,421	2,495	3,960
404	Ministry of Transport and Aviation	54,589	23,515	31,075	71,626
405	Ministry of Tourism and Cultural Affairs	8,964	6,571	2,393	7,149
406	Ministry of Energy	187,003	225,147	(38,143)	150,018
407	Ministry of Labour and Social Security	4,947	3,875	1,072	2,686
408	Ministry of Works, Housing and Infrastructure	12,664	17,406	(4,741)	17,110
409	Ministry of Trade and Industry	16,238	14,083	2,154	11,642
410	National Protected Area Authority	3,261	2,956	305	2,729
411	Road Maintenance Fund	124,947	468	124,479	0

**APPENDIX 4 - COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS FOR USE OF GOODS AND SERVICES BY MDA**  
**for the financial year ended 31st December 2021**

Amounts in millions of Leones

<b>MDA Code</b>	<b>Description</b>	<b>Budget Estimates FY 2021</b>	<b>Actual FY 2021</b>	<b>Surplus/ (Shortfall) FY 2021</b>	<b>Actual FY 2020</b>
412	National Telecommunications Commission	132,578	113,766	18,812	116,986
413	Sierra Leone Electricity and Water Regulatory Commission	954	0	954	0
414	Ministry of Water Resources	15,737	11,693	4,044	9,880
415	Sierra Leone Maritime Administration	40,651	57,592	(16,941)	47,715
416	Civil Aviation Authority	27,961	30,861	(2,900)	27,622
417	Nuclear Safety and Radiation Protection Authority	2,270	2,233	37	1,500
418	Sierra Leone Agricultural Research Institute (SLARI)	3,700	986	2,714	1,802
419	Local Content Agency	3,000	2,623	377	2,437
420	Sierra Leone Environmental Protection Agency	24,833	34,561	(9,727)	25,203
421	Small and Medium Enterprises Development Agency	1,671	1,666	6	2,503
422	Sierra Leone Meteorological Agency	1,636	1,276	360	997
423	Sierra Leone Petroleum Regulatory Agency	12,968	28,365	(15,397)	11,605
424	Sierra Leone Petroleum Directorate	6,000	24,110	(18,110)	17,770
425	Sierra Leone Road Safety Authority	66,256	90,616	(24,360)	76,235
426	Sierra Leone Seed Certification Agency	1,000	1,743	(743)	
427	National Fertilizer Regulatory Agency	1,500	1,403	98	
501	Miscellaneous Services	0	0	0	39,226
509	Change in Arrears	149,374	98	149,276	5,597
601	Public Debt Charges	1,366,250	50,388	1,315,863	2,010
610	Contingency Expenditure	11,365	36,980	(25,615)	460,883
611	Special Warrants of the President	4,283	24,739	(20,456)	2,186
612	Unallocated Head of Expenditure	4,283	17,279	(12,997)	9,367
614	National CoronaVirus Emergency Response Center (NaCOVERC)	100,000	512,705	(412,705)	
<b>Grand Total</b>		<b>3,757,898</b>	<b>3,092,591</b>	<b>765,307</b>	<b>2,901,125</b>

**APPENDIX 5 – COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS FOR DOMESTIC CAPITAL/ DEVELOPMENT EXPENDITURE BY MDA**  
for the financial year ended 31st December 2021

Amounts in millions of Leones

MDA Code	Description	Budget Estimates FY 2021	Actual FY 2021	Surplus/ (Shortfall) FY 2021	Actual FY 2020
106	Office of the Chief Minister	0	0	0	0
107	Ministry of Local Government & Rural Development	4,500	2,328	2,172	400
110	Office of the President	15,280	7,000	8,280	5,000
116	Parliament	0	0	0	0
117	Cabinet Secretariat and Head of the Civil Services (CS&HOCS)	550	0	550	0
118	The Judiciary	400	0	400	0
121	Audit Service Sierra Leone	4,500	0	4,500	4,750
122	Human Resource Management Office	0	0	0	1,251
124	Law Officers' Department	1,200	165	1,035	0
127	Ministry of Planning and Economic Development	11,500	3,926	7,574	0
128	Ministry of Foreign Affairs & International Co-operation	10,000	6,314	3,686	0
129	Ministry of Finance and Economic Development	5,500	11,964	(6,464)	6,985
133	Ministry of Information and Communications	12,500	4,130	8,370	7,346
134	National Electoral Commission (NEC)	3,000	2,778	222	1,047
138	Statistics - Sierra Leone	3,000	70,487	(67,487)	4,000
201	Ministry of Defence	6,300	11,617	(5,317)	20,623
203	National Civil Registration Authority	12,000	103,453	(91,453)	17,960
205	Ministry of Internal Affairs	5,500	(700)	6,200	700
206	Sierra Leone Police	5,000	1,581	3,419	0
207	Sierra Leone Correctional Services	0	0	0	0
208	National Fire Authority	0	0	0	0
209	Central Intelligence & Security Unit	2,000	12,982	(10,982)	19,029
300	Ministry of Technical Higher Education	18,200	11,193	7,007	18,089
301	Ministry of Education, Science and Technology	284,837	306,605	(21,768)	92,164
303	Ministry of Tourism and Cultural Affairs	1,400	0	1,400	1,161
304	Ministry of Health and Sanitation	30,600	114,151	(83,551)	152,301
305	Ministry of Social Welfare, Gender & Children's Affairs	4,000	500	3,500	500
306	Ministry of Lands, Country Planning and the Environment	1,000	500	500	0
308	National Commission for Social Action	9,700	4,950	4,750	7,461
310	Ministry of Youth Affairs	27,000	11,415	15,585	11,140
313	Health Service Commission	2,000	2,000	0	1,010
314	National HIV and AIDS Commission	0	0	0	1,000
318	Ministry of Environment	16,000	9,173	6,827	23,646
319	Ministry of Gender & Children's Affairs	6,500	1,458	5,042	
401	Ministry of Agriculture, Forestry and Food Security	111,800	137,191	(25,391)	39,015
402	Ministry of Fisheries and Marine Resources	15,900	(9,363)	25,263	20,653
404	Ministry of Transport and Aviation	5,000	7,979	(2,979)	4,435

**APPENDIX 5 – COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS FOR  
DOMESTIC CAPITAL/ DEVELOPMENT EXPENDITURE BY MDA  
for the financial year ended 31st December 2021**

Amounts in millions of Leones

<b>MDA Code</b>	<b>Description</b>	<b>Budget Estimates FY 2021</b>	<b>Actual FY 2021</b>	<b>Surplus/ (Shortfall) FY 2021</b>	<b>Actual FY 2020</b>
405	Ministry of Tourism and Cultural Affairs	7,700	1,500	6,200	1,040
406	Ministry of Energy	45,500	75,386	(29,886)	39,910
407	Ministry of Employment Labour and Social Security	900	500	400	0
408	Ministry of Works, Housing and Infrastructure	282,940	437,218	(154,278)	584,640
409	Ministry of Trade and Industry	52,000	30,808	21,192	468
410	National Protected Area Authority	1,500	0	1,500	2,223
413	Sierra Leone Electricity and Water Regulatory Commission	0	0	0	0
414	Ministry of Water Resources	113,662	65,613	48,049	82,009
417	Nuclear Safety and Radiation Protection Authority	1,000	300	700	0
422	Sierra Leone Meteorological Services	0	0	0	0
701	Transfers to Local Councils	39,500	38,517	983	3,325
<b>Grand Total</b>		<b>1,181,369</b>	<b>1,485,621</b>	<b>(304,252)</b>	<b>1,175,279</b>

**APPENDIX 5 (A) – DEVELOPMENT PROJECT FUNDS FLOWS**

Amounts in millions of Leones

	<b>FY2021</b>	<b>FY2020</b>
<b>Project Revenue Receipts</b>		
GoSL Budget Transfer - Salaries	270,891	171,719
GoSL Budget Transfer - Expenses	160,172	315,835
External Grants	69,087	76,651
O/W EXt Grants-DP	7,816	1,092
O/W EXt Grants-Loan	-	-
Earmarked Revenue	1,632	5,985
Other Revenue	34,704	33,815
Sales of Goods Services	23,725	20,472
<b>Total Project Revenue Receipts</b>	<b>568,028</b>	<b>625,570</b>
<b>Project Expenditure Payments</b>		
Wages Salaries	167,792	133,862
O/W W&S-DP-Grant	-	664
O/W W&S-DP-Loan	-	-
Others	47,368	46,230
Goods Services	294,877	352,720
Capital Development	35,212	27,223
Grants Paid	4,687	4,527
Interest	37	-
<b>Total Expenditure</b>	<b>549,974</b>	<b>565,226</b>
<b>Overall Cash Surplus/(Deficit)</b>	<b>18,055</b>	<b>60,344</b>
Loss/Gains on Exchange	1,608	(8,479)
<b>Cash Balance at 1st January 2021</b>	<b>170,623</b>	<b>118,758</b>
<b>Cash Balance at 31st December 2021</b>	<b>190,286</b>	<b>170,623</b>

**APPENDIX 6: STATEMENT OF MOVEMENTS IN 91-DAY TREASURY BILLS**  
**during the financial year ended 31st December 2021**

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31/12/2021	Interest Paid in FY2021	Interest Rate
08-Oct-20	825,589,375.00	07-Jan-21	825,589,375.00		12,760,625.00	2%
15-Oct-20	529,242,750.00	14-Jan-21	529,242,750.00		7,907,250.00	1%
22-Oct-20	1,172,649,800.00	21-Jan-21	1,172,649,800.00		16,650,200.00	1%
29-Oct-20	347,688,000.00	28-Jan-21	347,688,000.00		3,512,000.00	1%
05-Nov-20	435,049,000.00	04-Feb-21	435,049,000.00		3,951,000.00	1%
12-Nov-20	1,452,084,900.00	11-Feb-21	1,452,084,900.00		8,765,100.00	1%
19-Nov-20	10,881,390,140.00	18-Feb-21	10,881,390,140.00		68,459,860.00	1%
26-Nov-20	3,696,556,800.00	25-Feb-21	3,696,556,800.00		35,443,200.00	1%
03-Dec-20	200,082,900.00	04-Mar-21	200,082,900.00		1,817,100.00	1%
10-Dec-20	305,921,700.00	11-Mar-21	305,921,700.00		2,778,300.00	1%
10-Sep-20	24,949.15	10-Dec-20	24,949.15		-	0%
17-Dec-20	-	18-Mar-21	-		-	
24-Dec-20	477,859,000.00	25-Mar-21	477,859,000.00		4,641,000.00	1%
31-Dec-20	-	01-Apr-21	-		-	
	20,324,139,314.15		20,324,139,314.15		-	
					-	
31-Dec-20		01-Apr-21			-	
07-Jan-21	1,339,972,925.00	08-Apr-21	1,339,972,925.00		12,877,075.00	1%
14-Jan-21	1,104,159,875.00	15-Apr-21	1,104,159,875.00		10,590,125.00	1%
21-Jan-21	1,063,259,664.81	22-Apr-21	1,063,259,664.81		10,240,335.19	1%
28-Jan-21	11,583,000.00	29-Apr-21	11,583,000.00		117,000.00	1%
04-Feb-21	184,231,250.00	06-May-21	184,231,250.00		1,868,750.00	1%
11-Feb-21	990,370,230.18	13-May-21	990,370,230.18		10,329,769.82	1%
18-Feb-21	19,700,000.00	20-May-21	19,700,000.00		300,000.00	2%
25-Feb-21	-	27-May-21	0.00		-	
04-Mar-21	-		0.00		-	
11-Mar-21	-		0.00		-	
18-Mar-21	44,595,000.00	17-Jun-21	44,595,000.00		405,000.00	1%
25-Mar-21	559,469,050.00	24-Jun-21	559,469,050.00		5,080,950.00	1%
01-Apr-21	-	01-Jul-21	0.00		-	
08-Apr-21	15,013,650.00	08-Jul-21	15,013,650.00		136,350.00	1%
15-Apr-21	510,117,250.00	15-Jul-21	510,117,250.00		4,632,750.00	1%

**APPENDIX 6: STATEMENT OF MOVEMENTS IN 91-DAY TREASURY BILLS**  
**during the financial year ended 31st December 2021**

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31/12/2021	Interest Paid in FY2021	Interest Rate
22-Apr-21	544,500,000.00	22-Jul-21	544,500,000.00		5,500,000.00	1%
29-Apr-21	515,047,500.00	29-Jul-21	515,047,500.00		5,202,500.00	1%
06-May-21		05-Aug-21			-	
13-May-21		12-Aug-21			-	
20-May-21		19-Aug-21			-	
27-May-21		26-Aug-21			-	
03-Jun-21		02-Sep-21			-	
10-Jun-21		09-Sep-21			-	
17-Jun-21		16-Sep-21			-	
24-Jun-21		23-Sep-21			-	
01-Jul-21		30-Sep-21			-	
29-Jul-21	544,500,000.00	28-Oct-21	544,500,000.00		5,500,000.00	1%
	7,446,519,394.99		27,770,658,709.14		239,466,240.01	
<b>FY2021</b>						
<b>SUMMARY</b>						
Outstanding Balance FY2020		20,324,139,314				
Issued FY2021		7,446,519,395				
Matured FY2021			27,770,658,709			
Outstanding Balance FY2021				-		
<b>Total for FY2021</b>		<b>27,770,658,709</b>	<b>27,770,658,709</b>	-		



**APPENDIX 7: STATEMENT OF MOVEMENTS IN 182-DAY TREASURY BILLS**  
**during the financial year ended 31st December 2021**

<b>Issued Date</b>	<b>Issued at Nominal Value</b>	<b>Maturity Date</b>	<b>Matured at Nominal Value</b>	<b>Balance as at 31/12/2021</b>	<b>Interest Paid in FY2021</b>	<b>Interest Rate</b>
09-Jul-20	249,978,400.00	07-Jan-21	249,978,400.00		15,921,600.00	6%
16-Jul-20	366,694,000.00	14-Jan-21	366,694,000.00		23,406,000.00	6%
23-Jul-20	89,817,000.00	21-Jan-21	89,817,000.00		5,733,000.00	6%
30-Jul-20	668,716,000.00	28-Jan-21	668,716,000.00		42,684,000.00	6%
06-Aug-20	465,545,550.00	04-Feb-21	465,545,550.00		28,804,450.00	6%
13-Aug-20	4,870,598,000.00	11-Feb-21	4,870,598,000.00		222,802,000.00	5%
20-Aug-20	41,807,612,695.00	18-Feb-21	41,807,612,695.00		1,630,987,305.00	4%
27-Aug-20	35,902,237,300.00	25-Feb-21	35,902,237,300.00		1,322,662,700.00	4%
03-Sep-20	16,885,128,000.00	04-Mar-21	16,885,128,000.00		793,222,000.00	5%
10-Sep-20	10,222,754,850.00	11-Mar-21	10,222,754,850.00		522,795,150.00	5%
17-Sep-20	115,029,750.00	18-Mar-21	115,029,750.00		5,420,250.00	5%
24-Sep-20	1,021,824,600.00	25-Mar-21	1,021,824,600.00		44,225,400.00	4%
01-Oct-20	94,227,000.00	01-Apr-21	94,227,000.00		3,773,000.00	4%
08-Oct-20	394,384,200.00	08-Apr-21	394,384,200.00		14,915,800.00	4%
15-Oct-20	184,738,400.00	15-Apr-21	184,738,400.00		6,861,600.00	4%
22-Oct-20	1,286,470,500.00	22-Apr-21	1,286,470,500.00		45,279,500.00	4%
29-Oct-20	920,544,400.00	29-Apr-21	920,544,400.00		29,655,600.00	3%
30-Apr-20	45,899	29-Oct-20	45,899.40			0%
05-Nov-20	852,538,000.00	06-May-21	852,538,000.00		25,462,000.00	3%
12-Nov-20	903,023,400.00	13-May-21	903,023,400.00		25,876,600.00	3%
19-Nov-20	998,960,775.00	20-May-21	998,960,775.00		25,089,225.00	3%
26-Nov-20	2,885,262,200.00	27-May-21	2,885,262,200.00		69,537,800.00	2%
03-Dec-20	139,815,000.00	03-Jun-21	139,815,000.00		3,585,000.00	3%
10-Dec-20	5,138,250,000.00	10-Jun-21	5,138,250,000.00		131,750,000.00	3%
17-Dec-20	1,479,607,000.00	17-Jun-21	1,479,607,000.00		36,993,000.00	3%
24-Dec-20	41,892,780.00	24-Jun-21	41,892,780.00		1,057,220.00	3%
31-Dec-20	195,000,000.00	01-Jul-21	195,000,000.00		5,000,000.00	3%
	128,180,695,699.40		128,180,695,699.40			
07-Jan-21	905,823,750.00	08-Jul-21	905,823,750.00		23,226,250.00	3%
14-Jan-21	970,616,645.89	15-Jul-21	970,616,645.89		25,981,000.00	3%

**APPENDIX 7: STATEMENT OF MOVEMENTS IN 182-DAY TREASURY BILLS**  
during the financial year ended 31st December 2021

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31/12/2021	Interest Paid in FY2021	Interest Rate
14-Jan-21	352,354.11	15-Jul-21	352,354.11			0%
21-Jan-21	1,998,492,372.60	22-Jul-21	1,998,492,372.60		63,900,000.00	3%
28-Jan-21	567,928,400.00	29-Jul-21	567,928,400.00		18,471,600.00	3%
04-Feb-21	2,901,570,500.00	05-Aug-21	2,901,570,500.00		95,379,500.00	3%
11-Feb-21	866,869,600.00	12-Aug-21	866,869,600.00		36,230,400.00	4%
18-Feb-21	5,065,275,900.00	19-Aug-21	5,065,275,900.00		232,224,100.00	5%
25-Feb-21	0.00	26-Aug-21	0.00		-	
04-Mar-21	14,310,000,000.00	02-Sep-21	14,310,000,000.00		690,000,000.00	5%
11-Mar-21	436,000,800.00	09-Sep-21	436,000,800.00		21,199,200.00	5%
18-Mar-21	95,400,000.00	16-Sep-21	95,400,000.00		4,600,000.00	5%
25-Mar-21	148,613,900.00	23-Sep-21	148,613,900.00		7,386,100.00	5%
01-Apr-21	230,384,000.00	30-Sep-21	230,384,000.00		11,616,000.00	5%
08-Apr-21	753,490,675.00	07-Oct-21	753,490,675.00		35,759,325.00	5%
15-Apr-21	1,164,656,225.00	14-Oct-21	1,164,656,225.00		57,443,775.00	5%
22-Apr-21	421,252,300.00	21-Oct-21	421,252,300.00		19,897,700.00	5%
29-Apr-21	200,067,000.00	28-Oct-21	200,067,000.00		9,933,000.00	5%
06-May-21	-	04-Nov-21	-			0%
13-May-21	1,028,561,275.00	11-Nov-21	1,028,561,275.00		50,188,725.00	5%
20-May-21	646,797,600.00	18-Nov-21	646,797,600.00		32,852,400.00	5%
27-May-21	143,100,000.00	25-Nov-21	143,100,000.00		6,900,000.00	5%
03-Jun-21	60,069,500.00	02-Dec-21	60,069,500.00		2,830,500.00	5%
10-Jun-21	447,799,500.00	09-Dec-21	447,799,500.00		21,100,500.00	5%
17-Jun-21	100,561,500.00	16-Dec-21	100,561,500.00		4,738,500.00	5%
24-Jun-21	136,339,825.00	23-Dec-21	136,339,825.00		6,260,175.00	5%
	33,600,023,622.60		33,600,023,622.60			0%
01-Jul-21	20,007,250.00	30-Dec-21	20,007,250.00		942,750.00	5%
08-Jul-21	0.00	06-Jan-22		0.00		
15-Jul-21	699,967,250.00	13-Jan-22		99,967,250.00		
22-Jul-21	-	13-Jan-22		-		
22-Jul-21	32,392,372.60	20-Jan-22		32,392,372.60		

**APPENDIX 7: STATEMENT OF MOVEMENTS IN 182-DAY TREASURY BILLS**  
during the financial year ended 31st December 2021

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31/12/2021	Interest Paid in FY2021	Interest Rate
29-Jul-21	30,034,750.00	20-Jan-22		30,034,750.00		
05-Aug-21	0.00	03-Feb-22		0.00		
12-Aug-21	9,550,000.00	10-Feb-22		9,550,000.00		
19-Aug-21	168,718,650.00	17-Feb-22		168,718,650.00		
26-Aug-21	0.00	24-Feb-22		0.00		
02-Sep-21	0.00	03-Mar-22		0.00		
09-Sep-21	0.00	10-Mar-22		0.00		
16-Sep-21	250,019,000.00	17-Mar-22		250,019,000.00		
23-Sep-21	-	24-Mar-22		-		
30-Sep-21	-	31-Mar-22		-		
07-Oct-21	-	07-Apr-22		-		
14-Oct-21	20,001,300.00	14-Apr-22		20,001,300.00		
21-Oct-21	0.00	21-Apr-22		-		
28-Oct-21	50,012,300.00	28-Apr-22		50,012,300.00		
04-Nov-21	-	05-May-22		0.00		
11-Nov-21	59,961,000.00	12-May-22		59,961,000.00		
18-Nov-21	644,800.00	19-May-22		644,800.00		
25-Nov-21	-	26-May-22		0.00		
02-Dec-21	171,035,500.00	02-Jun-22		171,035,500.00		
09-Dec-21	108,100,000.00	09-Jun-22		108,100,000.00		
16-Dec-21	187,154,000.00	16-Jun-22		187,154,000.00		
23-Dec-21	132,862,000.00	23-Jun-22		132,862,000.00		
30-Dec-21	9,400,000.00	30-Jun-22		9,400,000.00		
	35,549,883,795.20		161,800,726,572.00	1,929,852,922.60	6,562,561,700.00	
<b>FY2021</b>				-		
<b>SUMMARY</b>				-		
Outstanding Balance FY2020		128,180,695,699				
Issued FY 2021		35,549,883,795				

**APPENDIX 7: STATEMENT OF MOVEMENTS IN 182-DAY TREASURY BILLS**  
**during the financial year ended 31st December 2021**

<b>Issued Date</b>	<b>Issued at Nominal Value</b>	<b>Maturity Date</b>	<b>Matured at Nominal Value</b>	<b>Balance as at 31/12/2021</b>	<b>Interest Paid in FY2021</b>	<b>Interest Rate</b>
Matured FY 2021			161,800,726,572			
Outstanding Balance FY 2021				1,929,852,923		
<b>Total for FY2020</b>		<b>163,730,579,495</b>	<b>161,800,726,572</b>	<b>1,929,852,923</b>		

**APPENDIX 8: STATEMENT OF MOVEMENTS IN 364-DAY TREASURY BILLS**  
during the financial year ended 31st December, 2021

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31/12/2021	Interest Paid in FY2021	Interest Rate
02-Jan-20	51,507,359,835.00	31-Dec-20	51,507,359,835			0%
03-Jan-19	4,478,260,393.92	02-Jan-20	4,478,260,394			0%
09-Jan-20	107,544,563,280.79	07-Jan-21	107,544,563,281		26,789,636,719.21	25%
10-Jan-19	1,791,908,210.71	09-Jan-20	1,791,908,211			0%
16-Jan-20	95,869,891,245.00	14-Jan-21	95,869,891,245		23,958,208,755.00	25%
17-Jan-19	11,832,511,636.42	16-Jan-20	11,832,511,636			0%
23-Jan-20	88,725,872,455.00	21-Jan-21	88,725,872,455		22,163,477,545.00	25%
24-Jan-19	6,208,122,693.93	23-Jan-20	6,208,122,694			0%
30-Jan-20	119,686,896,034.89	28-Jan-21	119,686,896,035		29,903,853,965.11	25%
31-Jan-19	8,347,831,451.99	30-Jan-20	8,347,831,452			0%
06-Feb-20	155,450,658,655.00	04-Feb-21	155,450,658,655		38,795,941,345.00	25%
07-Feb-19	3,644,752,477.31	06-Feb-20	3,644,752,477			0%
13-Feb-20	127,265,509,685.00	11-Feb-21	127,265,509,685		31,799,790,315.00	25%
14-Feb-19	59,356,000,000.00	13-Feb-20	59,356,000,000			0%
14-Feb-19	6,366,539,094.91	13-Feb-20	6,366,539,095			0%
20-Feb-20	128,620,394,715.00	18-Feb-21	128,620,394,715		32,152,705,285.00	25%
21-Feb-19	19,205,694,431.71	20-Feb-20	19,205,694,432			0%
22-Feb-18	91,764,634,085.00	25-Feb-21	91,764,634,085		22,940,065,915.00	25%
28-Feb-19	6,234,391,436.86	27-Feb-20	6,234,391,437			0%
05-Mar-20	70,135,236,235.00	04-Mar-21	70,135,236,235		17,522,213,765.00	25%
07-Mar-19	6,826,908,057.55	05-Mar-20	6,826,908,058			0%
12-Mar-20	114,008,830,590.00	11-Mar-21	114,008,830,590		28,496,619,410.00	25%
14-Mar-19	17,999,521,739.04	12-Mar-20	17,999,521,739			0%
19-Mar-20	75,110,544,295.64	18-Mar-21	75,110,544,296		18,773,405,704.36	25%
21-Mar-19	2,893,675,263.95	19-Mar-20	2,893,675,264			0%
26-Mar-20	123,159,546,080.00	25-Mar-21	123,159,546,080		30,766,903,920.00	25%
28-Mar-19	6,535,615,686.09	26-Mar-20	6,535,615,686			0%
02-Apr-20	80,966,042,849.30	01-Apr-21	80,966,042,849		20,237,657,150.70	25%
04-Apr-19	3,321,711,465.05	02-Apr-20	3,321,711,465			0%
09-Apr-20	135,608,728,375.00	08-Apr-21	135,608,728,375		33,900,921,625.00	25%
11-Apr-19	195,594,988.27	09-Apr-20	195,594,988			0%

**APPENDIX 8: STATEMENT OF MOVEMENTS IN 364-DAY TREASURY BILLS**  
during the financial year ended 31st December, 2021

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31/12/2021	Interest Paid in FY2021	Interest Rate
16-Apr-20	118,800,631,215.00	15-Apr-21	118,800,631,215		29,694,118,785.00	25%
18-Apr-19	16,311,462,626.19	16-Apr-20	16,311,462,626			0%
23-Apr-20	57,762,389,335.00	22-Apr-21	57,762,389,335		14,439,710,665.00	25%
25-Apr-19	6,320,026,639.11	23-Apr-20	6,320,026,639			0%
30-Apr-20	65,677,493,700.00	29-Apr-21	65,677,493,700		16,414,706,300.00	25%
02-May-19	3,573,757,155.30	30-Apr-20	3,573,757,155			0%
07-May-20	74,244,599,135.00	06-May-21	74,244,599,135		18,558,100,865.00	25%
09-May-19	4,653,350,364.91	07-May-20	4,653,350,365			0%
14-May-20	66,546,866,121.00	13-May-21	66,546,866,121		16,626,533,879.00	25%
16-May-19	2,798,500,333.09	14-May-20	2,798,500,333			0%
21-May-20	44,629,616,970.00	20-May-21	44,629,616,970		11,154,233,030.00	25%
23-May-19	4,132,531,934.53	21-May-20	4,132,531,935			0%
28-May-20	96,731,070,560.00	27-May-21	96,731,070,560		24,180,479,440.00	25%
30-May-19	6,667,795,962.59	28-May-20	6,667,795,963			0%
04-Jun-20	49,561,247,275.00	03-Jun-21	49,561,247,275		12,387,902,725.00	25%
06-Jun-19	1,278,878,980.24	04-Jun-20	1,278,878,980			0%
11-Jun-20	62,906,138,325.00	10-Jun-21	62,906,138,325		14,946,661,675.00	24%
13-Jun-19	3,644,988,479.40	11-Jun-20	3,644,988,479			0%
18-Jun-20	66,541,676,910.00	17-Jun-21	66,541,676,910		16,242,973,090.00	24%
20-Jun-19	8,256,028,228.61	18-Jun-20	8,256,028,229			0%
25-Jun-20	108,852,821,599.38	20-Jun-21	108,852,821,599		26,219,278,400.62	24%
01-Jul-19	10,791,287,172.59	29-Jun-20	10,791,287,173			0%
04-Jul-20	150,969,844,260.00	02-Jul-21	150,969,844,260		36,289,205,740.00	24%
04-Jul-19	7,453,490,738.50	02-Jul-20	7,453,490,739			0%
11-Jul-20	122,310,145,200.00	09-Jul-21	122,310,145,200		27,632,104,800.00	23%
11-Jul-19	5,422,405,248.16	09-Jul-20	5,422,405,248			0%
18-Jul-20	150,386,541,400.00	16-Jul-21	150,386,541,400		33,576,458,600.00	22%
18-Jul-19	13,108,858,828.95	16-Jul-20	13,108,858,829			0%
25-Jul-20	135,851,896,530.00	23-Jul-21	135,851,896,530		28,358,253,470.00	21%
25-Jul-19	18,968,532,722.69	23-Jul-20	18,968,532,723			0%
01-Aug-20	103,046,623,750.00	30-Jul-21	103,046,623,750		18,901,626,250.00	18%

**APPENDIX 8: STATEMENT OF MOVEMENTS IN 364-DAY TREASURY BILLS**  
during the financial year ended 31st December, 2021

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31/12/2021	Interest Paid in FY2021	Interest Rate
01-Aug-19	3,838,211,862.16	30-Jul-20	3,838,211,862			0%
04-Jul-20	83,439,315,950.00	02-Jul-21	83,439,315,950		11,382,634,050.00	14%
08-Aug-19	1,966,681,018.05	06-Aug-20	1,966,681,018			0%
11-Jul-20	71,426,057,000.00	09-Jul-21	71,426,057,000		7,036,643,000.00	10%
15-Aug-19	1,256,359,999.99	13-Aug-20	1,256,360,000			0%
18-Jul-20	36,792,304,550.00	16-Jul-21	36,792,304,550		3,026,519,188.97	8%
22-Aug-19	4,449,481,616.47	20-Aug-20	4,449,481,616			0%
25-Jul-20	55,249,970,000.00	23-Jul-21	55,249,970,000		4,772,806,261.03	9%
29-Aug-19	3,056,544,396.96	27-Aug-20	3,056,544,397			0%
03-Sep-20	49,382,221,650.00	02-Sep-21	49,382,221,650		5,069,228,350.00	10%
05-Sep-19	6,768,975,329.74	03-Sep-20	6,768,975,330			0%
10-Sep-20	78,116,930,500.00	09-Sep-21	78,116,930,500		9,076,619,500.00	12%
12-Sep-19	1,472,600,779.91	10-Sep-20	1,472,600,780			0%
17-Sep-20	83,286,724,735.00	16-Sep-21	83,286,724,735		9,787,375,265.00	12%
19-Sep-19	3,798,235,438.70	17-Sep-20	3,798,235,439			0%
24-Sep-20	61,624,557,800.00	23-Sep-21	61,624,557,800		7,379,642,200.00	12%
26-Sep-19	2,168,585,283.18	24-Sep-20	2,168,585,283			0%
01-Oct-20	41,172,698,325.00	30-Sep-21	41,172,698,325		4,917,851,675.00	12%
03-Oct-19	701,885,738.35	01-Oct-20	701,885,738			0%
08-Oct-20	29,298,521,400.00	07-Oct-21	29,298,521,400		3,256,678,600.00	11%
10-Oct-19	732,589,289.14	11-Oct-18	732,589,289			0%
15-Oct-20	73,000,054,163.54	14-Oct-21	73,000,054,164		7,934,145,836.46	11%
17-Oct-19	1,122,539,467.70	18-Oct-18	1,122,539,468			0%
22-Oct-20	96,405,102,500.00	21-Oct-21	96,405,102,500		10,408,447,500.00	11%
24-Oct-19	1,841,260,550.61	25-Oct-18	1,841,260,551			0%
29-Oct-20	137,523,560,100.00	28-Oct-21	137,523,560,100		14,592,539,900.00	11%
31-Oct-19	3,676,415,880.43	29-Oct-20	3,676,415,880			0%
05-Nov-20	126,733,551,850.00	04-Nov-21	126,733,551,850		13,058,398,150.00	10%
07-Nov-19	13,636,667,192.46	05-Nov-20	13,636,667,192			0%
12-Nov-20	147,895,109,647.27	11-Nov-21	147,895,109,647		14,871,040,352.73	10%
14-Nov-19	9,927,310,930.91	12-Nov-20	9,927,310,931			0%

**APPENDIX 8: STATEMENT OF MOVEMENTS IN 364-DAY TREASURY BILLS**  
during the financial year ended 31st December, 2021

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31/12/2021	Interest Paid in FY2021	Interest Rate
19-Nov-20	135,670,952,530.00	18-Nov-21	135,670,952,530		13,293,847,470.00	10%
21-Nov-19	7,054,109,934.28	19-Nov-20	7,054,109,934			0%
26-Nov-20	151,159,882,075.00	25-Nov-21	151,159,882,075		14,991,467,925.00	10%
28-Nov-19	1,225,016,832.17	26-Nov-20	1,225,016,832			0%
03-Dec-20	179,077,808,350.00	02-Dec-21	179,077,808,350		17,912,641,650.00	10%
05-Dec-19	7,765,667,080.23	03-Dec-20	7,765,667,080			0%
10-Dec-20	168,230,818,650.00	09-Dec-21	168,230,818,650		17,278,981,350.00	10%
12-Dec-19	3,943,866,666.65	10-Dec-20	3,943,866,667			0%
17-Dec-20	81,054,389,059.16	16-Dec-21	81,054,389,059		8,636,310,940.84	11%
19-Dec-19	16,770,541.78	17-Dec-20	16,770,542			0%
24-Dec-20	58,706,856,915.00	23-Dec-21	58,706,856,915		6,228,993,085.00	11%
26-Dec-19	1,425,102.74	24-Dec-20	1,425,103			0%
31-Dec-20	270,284,243,910.00	30-Dec-21	270,284,243,910		29,373,556,090.00	11%
02-Jan-20	2,040,536,780.92	31-Dec-20	2,040,536,781			
	5,616,858,614,517.07		5,616,858,614,517.07			
07-Jan-21	173,793,188,400.00	06-Jan-22		173,793,188,400.00		
09-Jan-20	6,253,727,576.12	07-Jan-21		6,253,727,576.12		
14-Jan-21	139,798,329,645.00	13-Jan-22		139,798,329,645.00		
16-Jan-20	11,621,201,946.78	14-Jan-21		11,621,201,946.78		
21-Jan-21	130,095,871,855.00	20-Jan-22		130,095,871,855.00		
23-Jan-20	6,112,035,693.51	21-Jan-21		6,112,035,693.51		
28-Jan-21	140,015,073,712.95	27-Jan-22		140,015,073,712.95		
30-Jan-20	11,715,109,955.97	28-Jan-21		11,715,109,955.97		
04-Feb-21	159,319,647,200.00	03-Feb-22		159,319,647,200.00		
06-Feb-20	9,161,324,085.61	04-Feb-21		9,161,324,085.61		
11-Feb-21	192,556,320,981.13	10-Feb-22		192,556,320,981.13		
13-Feb-20	6,824,272,468.09	11-Feb-21		6,824,272,468.09		
18-Feb-21	210,011,726,075.00	17-Feb-22		210,011,726,075.00		
20-Feb-20	15,794,504,380.86	18-Feb-21		15,794,504,380.86		
25-Feb-21	133,670,402,800.00	24-Feb-22		133,670,402,800.00		



**APPENDIX 8: STATEMENT OF MOVEMENTS IN 364-DAY TREASURY BILLS**  
during the financial year ended 31st December, 2021

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31/12/2021	Interest Paid in FY2021	Interest Rate
27-Feb-20	881,553,060.89	25-Feb-21		881,553,060.89		
04-Mar-21	94,738,743,025.00	03-Mar-22		94,738,743,025.00		
05-Mar-20	9,190,022,039.92	04-Mar-21		9,190,022,039.92		
11-Mar-21	167,749,437,650.00	10-Mar-22		167,749,437,650.00		
12-Mar-20	7,820,944,541.13	11-Mar-21		7,820,944,541.13		
18-Mar-21	115,409,248,435.00	17-Mar-22		115,409,248,435.00		
19-Mar-20	9,443,069,476.19	18-Mar-21		9,443,069,476.19		
25-Mar-21	172,756,022,642.27	24-Mar-22		172,756,022,642.27		
26-Mar-20	1,183,089,270.55	25-Mar-21		1,183,089,270.55		
01-Apr-21	94,046,592,750.00	31-Mar-22		94,046,592,750.00		
02-Apr-20	4,196,612,807.99	01-Apr-21		4,196,612,807.99		
08-Apr-21	151,087,419,500.00	07-Apr-22		151,087,419,500.00		
09-Apr-20	282,489,817.67	08-Apr-21		282,489,817.67		
15-Apr-21	153,202,509,442.96	14-Apr-22		153,202,509,442.96		
16-Apr-20	3,758,693,675.45	15-Apr-21		3,758,693,675.45		
22-Apr-21	162,734,812,511.17	21-Apr-22		162,734,812,511.17		
23-Apr-20	3,442,165,173.19	22-Apr-21		3,442,165,173.19		
29-Apr-21	85,246,711,705.00	28-Apr-22		85,246,711,705.00		
30-Apr-20	732,337,791.68	29-Apr-21		732,337,791.68		
06-May-21	98,651,276,880.00	05-May-22		98,651,276,880.00		
07-May-20	3,779,834,727.82	06-May-21		3,779,834,727.82		
13-May-21	90,396,326,945.00	12-May-22		90,396,326,945.00		
14-May-20	1,088,913,437.26	13-May-21		1,088,913,437.26		
20-May-21	136,772,943,311.44	19-May-22		136,772,943,311.44		
21-May-20	1,810,339.31	20-May-21		1,810,339.31		
27-May-21	136,827,329,630.00	26-May-22		136,827,329,630.00		
28-May-20	5,603,042,400.67	27-May-21		5,603,042,400.67		
03-Jun-21	70,993,776,500.00	02-Jun-22		70,993,776,500.00		
04-Jun-20	2,952,038,129.04	03-Jun-21		2,952,038,129.04		
10-Jun-21	83,815,299,290.00	09-Jun-22		83,815,299,290.00		
11-Jun-20	1,379,336.72	10-Jun-21		1,379,336.72		

**APPENDIX 8: STATEMENT OF MOVEMENTS IN 364-DAY TREASURY BILLS**  
during the financial year ended 31st December, 2021

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31/12/2021	Interest Paid in FY2021	Interest Rate
17-Jun-21	71,698,243,780.00	16-Jun-22		71,698,243,780.00		
18-Jun-20	4,061,441.99	17-Jun-21		4,061,441.99		
24-Jun-21	131,715,286,500.00	23-Jun-22		131,715,286,500.00		
25-Jun-20	10,372,245,660.14	24-Jun-21		10,372,245,660.14		
25-Jun-20	679,127,850.00	24-Jun-21		679,127,850.00		
01-Jul-21	189,435,499,055.00	30-Jun-22		189,435,499,055.00		
02-Jul-20	9,741,337,453.04	01-Jul-21		9,741,337,453.04		
08-Jul-21	150,829,911,955.00	07-Jul-22		150,829,911,955.00		
09-Jul-20	3,063,945,109.58	08-Jul-21		3,063,945,109.58		
15-Jul-21	214,977,909,187.03	14-Jul-22		214,977,909,187.03		
16-Jul-20	5,623,678,207.73	15-Jul-21		5,623,678,207.73		
22-Jul-21	166,477,964,800.00	21-Jul-22		166,477,964,800.00		
23-Jul-20	1,786,445,864.80	22-Jul-21		1,786,445,864.80		
29-Jul-21	106,509,051,250.00	28-Jul-22		106,509,051,250.00		
30-Jul-20	8,807,845.04	29-Jul-21		8,807,845.04		
05-Aug-21	158,329,380,130.08	04-Aug-22		158,329,380,130.08		
06-Aug-20	29,725,225.20	05-Aug-21		29,725,225.20		
12-Aug-21	139,843,762,100.00	11-Aug-22		139,843,762,100.00		
19-Aug-21	44,969,810,690.64	18-Aug-22		44,969,810,690.64		
26-Aug-21	120,076,547,200.00	25-Aug-22		120,076,547,200.00		
27-Aug-20	1,144,010,665.26	26-Aug-21		1,144,010,665.26		
02-Sep-21	69,451,479,360.00	01-Sep-22		69,451,479,360.00		
03-Sep-20	1,096,182,276.38	02-Sep-21		1,096,182,276.38		
09-Sep-21	167,684,911,825.00	08-Sep-22		167,684,911,825.00		
10-Sep-20	127,208.19	09-Sep-21		127,208.19		
16-Sep-21	124,327,286,860.00	15-Sep-22		124,327,286,860.00		
17-Sep-20	4,073,330,201.12	16-Sep-21		4,073,330,201.12		
23-Sep-21	69,034,291,850.00	22-Sep-22		69,034,291,850.00		
24-Sep-20	155,182,085.60	23-Sep-21		155,182,085.60		
30-Sep-21	76,597,625,200.00	29-Sep-22		76,597,625,200.00		
01-Oct-20	17,312,825.75	30-Sep-21		17,312,825.75		

**APPENDIX 8: STATEMENT OF MOVEMENTS IN 364-DAY TREASURY BILLS**  
during the financial year ended 31st December, 2021

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31/12/2021	Interest Paid in FY2021	Interest Rate
07-Oct-21	27,884,163,950.00	06-Oct-22		27,884,163,950.00		
14-Oct-21	110,849,533,675.00	13-Oct-22		110,849,533,675.00		
15-Oct-20	1,036,900,674.19	14-Oct-21		1,036,900,674.19		
21-Oct-21	101,711,707,129.70	20-Oct-22		101,711,707,129.70		
22-Oct-20	452,402,880.67	21-Oct-21		452,402,880.67		
28-Oct-21	283,111,538,900.00	27-Oct-22		283,111,538,900.00		
29-Oct-20	32,646,769.89	28-Oct-21		32,646,769.89		
04-Nov-21	116,031,345,600.00	03-Nov-22		116,031,345,600.00		
05-Nov-20	2,453,603,293.42	04-Nov-21		2,453,603,293.42		
11-Nov-21	135,869,443,720.00	10-Nov-22		135,869,443,720.00		
12-Nov-20	9,037,384,616.65	11-Nov-21		9,037,384,616.65		
18-Nov-21	127,428,912,639.99	17-Nov-22		127,428,912,639.99		
19-Nov-20	2,539,367,311.39	18-Nov-21		2,539,367,311.39		
25-Nov-21	166,691,511,475.00	24-Nov-22		166,691,511,475.00		
26-Nov-20	7,968,050,667.85	25-Nov-21		7,968,050,667.85		
02-Dec-21	196,950,753,960.00	01-Dec-22		196,950,753,960.00		
03-Dec-20	11,021,109,266.10	02-Dec-21		11,021,109,266.10		
09-Dec-21	229,773,873,300.00	08-Dec-22		229,773,873,300.00		
10-Dec-20	6,743,501,178.02	09-Dec-21		6,743,501,178.02		
16-Dec-21	79,528,994,775.00	15-Dec-22		79,528,994,775.00		
17-Dec-20	2,106,229,890.42	16-Dec-21		2,106,229,890.42		
23-Dec-21	45,948,049,254.96	22-Dec-22		45,948,049,254.96		
24-Dec-20	4,121,246,728.24	23-Dec-21		4,121,246,728.24		
30-Dec-21	268,731,085,107.30	29-Dec-22		268,731,085,107.30		
31-Dec-20	1,236,291,785.62	30-Dec-21		1,236,291,785.62		
	7,194,543,313,231.32			<b>7,194,543,313,231.32</b>	<b>958,110,117,474.03</b>	
<b>FY2021</b>				-		

**APPENDIX 8: STATEMENT OF MOVEMENTS IN 364-DAY TREASURY BILLS**  
**during the financial year ended 31st December, 2021**

<b>Issued Date</b>	<b>Issued at Nominal Value</b>	<b>Maturity Date</b>	<b>Matured at Nominal Value</b>	<b>Balance as at 31/12/2021</b>	<b>Interest Paid in FY2021</b>	<b>Interest Rate</b>
<b>SUMMARY</b>				-		
Outstanding Balance FY2020		5,616,858,614,517				
Issued FY2021		7,194,543,313,231				
Matured FY2021			5,616,858,614,517			
Outstanding Balance FY2021				7,194,543,313,231		
Total for FY2021		12,811,401,927,748	5,616,858,614,517	7,194,543,313,231		

## APPENDIX 9: STATEMENT OF OUTSTANDING DEBTS DUE EXTERNAL CREDITORS (ON A LOAN BY LOAN BASIS)

REVISED DISBURSED OUTSTANDING DEBTS ON A LOAN BY LOAN BASIS TO EXTERNAL  
CREDITORS AS AT JANUARY 2021 AND DECEMBER 2021  
(IN THOUSAND UNITS OF CURRENCIES EXCEPT OTHERWISE STATED)

Loan Key	Type of Loan	Currency	Year Signed	Total Loan Approved	Year of first Disbursement	Grace Period (in Years)	First Repayment Year	Number of Payments Per Year	Total Number of Payments	Last Year of Repayment	Annual Principal Repayment	Interest Rate	Disbursed Outstanding Debt Including Principal Arrears As At 1st January, 2021	Disbursements	Principal Repayment	Disbursed Outstanding Debt Including Principal Arrears As At 31 December 2021	
																In Specific Loan Currency	In Leone Equivalent
1993020 /SL GOSL	Govt. of the People's Rep. of China Chinese U S Dollar Clearing Account	USD	1993	11,220,227.4	1993	1	1994	2	20	2004	1,122,022.7	0	8,415.20	0.00	0.00	8,415.20	95,666,015.10
2005281 /SL GOSL		CNY	2005	20,000,000.0	2011	10	2015	1	10	2024	2,000,000.0	0	18,460.00	0.00	0.00	18,460.00	25,894,949.60
2006281 /SL GOSL		CNY	2006	20,000,000.0	2007	15	2021	1	10	2030	2,000,000.0	0	18,100.00	0.00	0.00	18,100.00	25,389,956.00
2007281 /SL GOSL	Exim Bank of China SIERRATEL Wireless Local Loop Cr.No.(2007) 011	CNY	2007	115,984,112.7	2007	5	2012	2	30	2027	7,732,274.2	2	50,259.80	0.00	0.00	50,259.80	89,675,011.10
2011283 /SL GOSL		CNY	2011	100,000,000.0	2011	5	2017	2	30	2031	6,666,666.7	2	73,333.30	0.00	0.00	73,333.30	130,843,533.30
2012284 /SL GOSL		CNY	2012	97,000,000.0	2013	4	2017	2	30	2031	6,466,666.7	2	68,544.10	0.00	0.00	68,544.10	122,298,356.10
2019012 /SL GOSL	S.L. National Fibre Optic Backbone Proj. Phase II	USD	2019	30,000,000.0	2020	5	2024	2	30	2039	2,000,000.0	2	18,268.20	11,164.90	0.00	29,433.10	334,603,572.30
													12,448.30	0.00	0.00	12,448.30	22,210,664.00
													0.00	4,340.40	0.00	4,340.40	7,744,242.00
	Agreement on Debt Suspension with China EXIMBank (1st May to 31st Dec 2020) Agreement on Debt Suspension with China EXIMBank (1st Jan to 30 th June 2021) Agreement on Debt Suspension with China EXIMBank (1st July to 31st Dec 2021)												0.00	7,897.00	0.00	7,897.00	14,090,151.70
2008010 /DR GOSL	Kuwait Fund for Arab Econ. Development Resch. WATERLOO-KENT PROJECT - HIPC	KWD	2008	3,513,348.0	2008	16	2024	2	50	2048	48,000.0	0.5	3,513.30	0.00	0.00	3,513.30	131,750,971.60
2002010 /SL GOSL		KWD	2002	3,100,000.0	2002	3	2005	2	46	2027	140,800.0	2	810.60	0.00	140.80	669.80	25,117,955.80
2004060 /SL GOSL		KWD	2004	2,500,000.0	2005	3	2008	2	12	2030	114,000.0	2	1,075.00	0.00	114.00	961.00	36,037,615.20
2007040 /SL GOSL	Kenema-Pendembu Road Project Cr.No. 753	KWD	2007	3,000,000.0	2009	6	2013	2	11	2033	150,000.0	2	1,829.20	0.00	150.00	1,679.20	62,971,700.90
2011060 /SL GOSL		KWD	2011	4,250,000.0	2013	5	2017	2	39	2036	210,000.0	1.5	1,421.70	0.00	210.00	1,211.70	45,438,499.30
2013284 /SL GOSL		KWD	2013	4,000,000.0	2014	5	2018	1	40	2057	100,000.0	2	3,486.50	0.00	200.00	3,286.50	123,243,385.50
2016003 /SL GOSL	The Hillside Bypass Road Project Phase II	KWD	2016	6,000,000.0	2017	4	2021	2	38	2040	250,000.0	2	4,598.00	0.00	300.00	4,298.00	161,174,012.50
2017003 /SL GOSL		KWD	2017	5,000,000.0	2018	4	2021	2	38	2040	250,000.0	2	2,873.70	0.00	250.00	2,623.70	98,388,679.50
													0.00	0.00	42.00	-42.00	-1,575,005.00
	Supplementary Loan for Developing Three Hospitals Project -Debt Service Suspension Agreement with KuwaitFund												711.50	0.00	0.00	711.50	26,680,729.10
2006030 /SL GOSL	Saudi Fund For Economic Development SFED Western Area Power Generation Project Pha	SAR	2006	31,000,000.0	2009	10	2017	2	40	2036	1,550,000.0	1	24,619.20	0.00	1,550.00	23,069.20	69,861,067.20
2008040 /SL GOSL		SAR	2008	37,500,000.0	2010	10	2018	2	40	2038	1,876,000.0	1	32,084.00	0.00	1,876.00	30,208.00	91,479,704.40
2010050 /SL GOSL		SAR	2010	6,000,000.0	2011	10	2020	2	40	2040	300,000.0	1	5,627.40	0.00	300.00	5,327.40	16,132,986.10
2016001 /SL GOSL	SFED Rehabilitation and Expansion of Fourah Bay College	SAR	2016	45,000,000.0	2017	10	2027	2	40	2046	2,250,000.0	1	39,696.10	0.00	0.00	39,696.10	120,212,842.50
2008050 /SL GOSL	Exim Bank of India Dollar Credit Line Agreement - Agric. Sector Proj	USD	2008	15,000,000.0	2009	5	2014	2	30	2028	1,000,000.0	1.75	8,619.00	0.00	500.00	8,119.00	83,095,847.10
2010030 /SL GOSL		USD	2010	30,000,000.0	2011	5	2016	2	30	2031	1,935,483.9	1.75	22,077.00	0.00	967.70	21,109.20	218,600,657.30
2016006 /SL GOSL		USD	2010	78,000,000.0	2017	5	2023	2	30	2042	3,900,000.0	1.75	529.00	0.00	0.00	529.00	5,413,803.00
	Debt Service Suspension Agreement with IndiaEXIM Bank												0.00	2,512.90	0.00	2,512.90	28,267,313.30
2013100 /SL GOSL	EXIM BANK OF KOREA FCC Administrative Building Complex - Korea Loan	USD	2013	54,986,000.0	2014	14	2027	2	50	2052	2,199,440.0	0.01	44,150.90	5,580.60	0.00	49,731.50	565,361,649.80
													3.70	0.00	0.00	3.70	41,517.00
2012286 /SL GOSL	Abu Dhabi Fund for Development ADHF- Tokeh-Lumley Road Project	AED	2012	20,000,000.0	2014	5	2017	2	30	2032	1,333,333.3	2	12,300.70	0.00	1,333.30	10,967.40	33,948,086.00
2014105 /SL GOSL		AED	2014	33,057,000.0	0	5	2019	2	30	2034	2,203,800.0	2	24,593.80	0.00	2,203.80	22,390.00	69,305,454.10
1994023 /CF GOSL	African Development Fund Matotoka-Sefadu Road Rehab Proj.-Excl MDRI - E	EUR	1994	17,591.1	2007	13	2007	2	72	2042	344.1	0.75	11.60	0.00	0.50	11.00	141,712.80
1998023 /CF GOSL		USD	1998	99,139.5	2005	10	2008	2	80	2048	2,974.2	0.75	81.80	0.00	3.00	78.80	896,002.10
1999025 /CF GOSL		EUR	1999	4,298,204.8	2005	8	2008	2	80	2048	45,018.1	0.75	3,528.30	0.00	128.30	3,400.00	43,675,312.00
1999028 /CF GOSL	ADF Education II - EUR - excls MDRI	EUR	1999	158,098.4	2007	8	2007	2	65	2039	3,439.0	0.75	76.90	0.00	4.00	73.00	937,399.80
2002033 /CF GOSL		EUR	2002	2,134,609.4	2007	10	2012	2	80	2051	21,346.1	0.75	1,942.50	0.00	21.30	1,921.10	24,678,554.00
2002034 /CF GOSL		USD	2002	5,133,617.8	2009	10	2012	2	80	2051	51,336.2	0.75	4,671.60	0.00	51.30	4,620.30	52,524,363.80
2002035 /CF GOSL	Artisanal Fisheries Devmt Proj. - USD excl MDRI	JPY/2	2002	306,705.6	2008	10	2012	2	80	2052	3,067.1	0.75	279.10	0.00	3.10	276.00	27,465,481.60
2003012 /CF GOSL		EUR	2003	1,706,466.7	2007	10	2013	2	80	2052	17,064.7	0.75	1,569.90	0.00	17.10	1,552.90	19,947,937.70
2003013 /CF GOSL		JPY/2	2003	609,808.0	2005	10	2013	2	80	2052	7,007.9	0.75	553.70	0.00	7.00	546.70	54,400,327.10
2003014 /CF GOSL	ADF-Rehab of Basic non-formal education -USD xl	USD	2003	13,964,722.5	2008	10	2013	2	80	2052	139,646.0	0.75	12,738.70	0.00	139.60	12,599.10	143,229,664.80
2003072 /CF GOSL		USD	2003	3,311,051.4	2005	10	2013	2	80	2052	33,110.5	0.75	3,062.70	0.00	33.10	3,029.60	34,441,477.70
2003073 /CF GOSL		JPY/2	2003	218,152.8	2005	10	2013	2	80	2052	2,181,528.0	0.75	201.80	0.00	2.20	199.60	19,861,180.70
2003074 /CF GOSL	ADF-SASProject - EUR xcl MDRI	EUR	2003	3,879,974.5	2006	10	2013	2	80	2052	38,799.8	0.75	3,589.00	0.00	38.80	3,550.20	45,604,610.80
2003081 /CF GOSL		EUR	2003	442,520.2	2005	10	2013	2	80	2052	4,425.2	0.75	409.30	0.00	4.40	404.90	5,201,312.90

2003082	/CF	GOSL	ADF - Nerica Rice Dissemination - US\$	USD	2003	1,985,046.6	2008	10	2013	2	80	2053	19,850.5	0.75	1,819.50	0.00	19.90	1,799.60	20,458,787.20
2003083	/CF	GOSL	Nerica Rice Dissemination Project - JPK xcl MDRI	JPY	2003	104,938.2	2008	10	2013	2	80	2054	1,049.4	0.75	97.10	0.00	1.00	96.00	9,553,838.00
2003284	/CF	GOSL	ADF - Nerica Rice Dissemination - GBP	GBP	2003	243,358.1	2012	10	2013	2	80	2053	2,433.6	0.75	225.10	0.00	2.40	222.70	3,371,834.90
2004011	/CF	GOSL	ERRL II excl. MDRI - ADF - US\$	USD	2004	10,512,538.4	2005	10	2014	2	80	2053	105,125.4	0.75	9,754.30	0.00	105.10	9,649.10	109,694,073.60
2005011	/CF	GOSL	ADF- Agricultural Sector Rehab. Project - JPK xcl MDRI	JPY	2005	249,233.4	2006	10	2015	2	80	2055	1,246.2	0.75	235.50	0.00	2.50	233.00	23,186,803.70
2005012	/CF	GOSL	ADF-Agricultural Sector Rehab proj - EUR	EUR	2005	2,140,639.2	2007	10	2015	2	80	2055	21,406.3	0.75	2,022.90	0.00	21.40	2,001.50	25,710,697.80
2005013	/CF	GOSL	ADF-Agricultural Sector Rehab. Proj. - USD	USD	2005	7,219,328.2	2008	10	2015	2	80	2055	72,193.3	0.75	4,502.50	0.00	48.80	4,453.80	50,631,713.80
2005014	/CF	GOSL	ADF - Agriculture Sector Rehabilitation Project - GBP	GBP	2005	3,811,601.0	2012	10	2015	2	80	2054	38,116.0	0.75	3,007.40	0.00	31.80	2,975.60	45,057,868.40
2008071	/CF	GOSL	ADF- Bumbuna Hydro Power Project - USD - Add	USD	2008	8,227,911.3	2009	11	2020	2	80	2060	82,279.1	0.75	8,063.40	0.00	82.30	7,981.10	90,731,083.70
2008072	/CF	GOSL	ADF-Bumbuna Hydro Project - JPK -Add. Financing	JPY	2008	194,068.4	2009	9	2018	2	80	2058	1,940.7	0.75	190.20	0.00	1.90	188.20	18,730,513.60
2010061	/CF	GOSL	ADF- Three Towns Water Supply System Proj. - US\$	USD	2010	7,962,201.9	2013	9	2020	2	80	2060	79,622.0	0.75	8,908.00	0.00	89.10	8,818.90	100,255,623.60
2010401	/CF	GOSL	ADF/NTF- Supp loan_Bumbuna Hydro Power Proj	USD	2010	1,099,819.6	2012	6	2017	2	40	2036	54,991.0	0.75	934.80	0.00	55.00	879.90	10,002,446.00
2012051	/CF	GOSL	ADF Matotoka -Yeyi Road Proj. - USD	USD	2012	4,021,702.3	2013	10	2022	2	80	2062	40,217.0	0.75	4,574.20	0.00	0.00	4,574.20	52,000,461.50
2013287	/SL	GOSL	Cote D'Ivoire, Liberia, Sierra Leone, Guinea (CLSG) Electricity Networks Interconnection	SDR	2013	14,500,000.0	0	10	2023	2	80	2062	104,916.8	0.75	7,684.00	2,567.00	0.00	10,251.00	161,487,186.50
2013288	/SL	GOSL	NTF- Cote D'Ivoire, Liberia, Sierra Leone, Guinea (CLSG) Electricity Networks Interconnection	SDR	2013	6,670,000.0	0	6	2020	2	40	2039	241,308.7	0.75	3,766.60	1,661.60	0.00	5,428.20	85,511,188.40
2013298	/CF	GOSL	ADF- Rural Water Supply and Sanitation Proj. - US\$	USD	2013	653,492.4	2014	10	2023	2	80	2063	13,069.9	0.75	8,253.60	1,249.80	0.00	9,503.40	108,037,660.90
2014106	/SL	GOSL	ADF Ebola Sector Budget Support - Fight Back Proj	SDR	2014	19,800,000.0	2014	10	2024	2	60	2054	396,000.0	0.75	19,800.00	0.00	0.00	19,800.00	311,914,944.00
2014107	/SL	GOSL	FSF Ebola Sector Budget Support - Fight Back Proj	SDR	2014	4,800,000.0	2014	10	2024	2	60	2054	96,000.0	0.75	4,800.00	0.00	0.00	4,800.00	75,615,744.00
2016004	/SL	GOSL	Mano River Union Rehabilitation of Bo-Bandajuma	SDR	2016	3,710,000.0	2018	10	2027	2	60	2056	96,000.0	0.75	1,972.10	304.70	0.00	2,276.70	35,866,020.90
2016005	/SL	GOSL	Mano River Union Rehabilitation of Bo-Bandajuma	SDR	2016	3,230,000.0	2018	10	2027	2	60	2056	96,000.0	0.75	2,103.50	195.70	0.00	2,299.20	36,219,316.10
2019011	/SL	GOSL	Rehabilitation and Extension of Bo-Kenema Distrib	SDR	2019	4,621,000.0	2019	10	2027	2	60	2056	46,210.0	0.75	1,160.30	826.60	0.00	1,986.80	31,299,028.50
2019004	/SL	GOSL	FREETOWN WASH AND AQUATIC ENVIRONMENT	SDR	2019	6,270,000.0	2020	10	2030	2	60	2059	250,800.0	0.75	35.00	0.00	0.00	35.00	551,503.10
Arab Bank For Economic Dev. In Africa																			
2001060	/SL	GOSL	Kent-Tokeh Road Project - BADEA	USD	2001	4,991,694.0	2022	11	2013	2	68	2047	146,814.0	1	3,817.20	0.00	146.80	3,670.30	41,725,563.20
2003060	/SL	GOSL	Rehab. Njala University Cr.No.346	USD	2003	7,200,000.0	2005	12	2020	2	68	2054	211,764.7	0.75	7,094.10	0.00	211.80	6,882.40	78,240,515.30
2004030	/SL	GOSL	Hillside Bypass Road Proj. Cr.No.396	USD	2004	6,000,000.0	2007	12	2016	2	40	2036	274,000.0	1	4,327.90	0.00	285.00	4,042.90	45,960,534.00
2005040	/SL	GOSL	BADEA - Western Area Power Gen.Proj. Ph. 1 Cr.No.5	USD	2005	8,000,000.0	2006	16	2022	2	68	2055	235,294.1	0	8,000.00	0.00	0.00	8,000.00	90,946,240.00
2006020	/SL	GOSL	Rehabilitation of Kabala Water Supply Proj. Cr.No.5	USD	2006	4,000,000.0	2010	11	2017	2	40	2037	182,000.0	0	3,173.00	0.00	188.00	2,985.00	33,934,840.30
2006080	/SL	GOSL	Western Area Power Gen.Proj. Ph. 2 Cr.No.559	USD	2006	7,000,000.0	2009	15	2022	2	70	2056	200,000.0	0	6,925.90	0.00	0.00	6,925.90	78,736,042.30
2008030	/SL	GOSL	Kenema - Pendembu Road project Cr.No. 592	USD	2008	10,000,000.0	2010	17	2025	2	68	2058	294,117.7	0	9,917.00	0.00	0.00	9,917.00	112,739,285.40
2011070	/SL	GOSL	Primary Health Care Support Project Cr.No.	USD	2011	5,700,000.0	0	10	2021	2	40	2041	258,000.0	1	829.70	0.00	129.00	700.70	7,965,295.60
2013291	/SL	GOSL	Rehabilitation and Expansion of Fourah Bay Collec	USD	2013	8,000,000.0	2014	10	2023	2	40	2042	364,000.0	1	7,276.20	0.00	0.00	7,276.20	82,718,329.80
2008020	/DR	GOSL	Resch. Agreement under HIPC relief - BADEA	USD	2008	7,491,287.0	2008	0	2008	2	44	2030	341,318.0	0	3,224.80	0.00	341.30	2,883.50	32,780,367.20
INTERNATIONAL MONETARY FUND																			
2010040	/SL	BSL	ECF-Three Year Arrangement - IMF	SDR	2010	22,200,000.0	2010	5	2015	2	10	2019	888,000.0	0	2,220.00	0.00	1,776.00	444.00	6,994,456.30
2013020	/SL	GOSL	ECF - Three Year Loan 2 - IMF	SDR	2013	162,215,000.0	2013	5	2018	2	10	2022	1,778,000.0	0	170,956.00	0.00	30,000.00	140,956.00	2,220,519,335.70
2017005	/SL	GOSL	ECF-Four Year Arrangement	SDR	2017	39,166,000.0	2017	5	2022	2	10	2022	7,833,200.0	0	39,166.00	0.00	0.00	39,166.00	616,992,964.50
2018001	/SL	GOSL	ECF-Four Year Arrangement	SDR	2018	15,500.0	2018	5	2024	2	10	2028	3,100,000.0	0	46,665.00	31,110.00	0.00	77,775.00	1,225,211,352.00
2020001	/SL	GOSL	Rapid Credit Facility RCF/CCRT	SDR	2020	103,700,000.0	2020	5	2025	2	10	2029	20,740,000.0	0	103,700.00	0.00	0.00	103,700.00	1,633,615,136.00
			Rapid Credit Facility RCF/CCRT - 2												0.00	35,260.00	0.00	35,260.00	555,460,652.80
European Economic Community/ Economic Investment Bank																			
1978060	/SL	GOSL	Promotion of Small and Med.Scale Ent.	EURO	1978	462,811.8	1980	10	1989	2	60	2018	28,772.8	1	0.20	0.00	0.00	0.20	2,566.60
1983080	/SL	GOSL	North-West IADP Kambia	EURO	1983	1,325,228.0	1991	10	1993	2	60	2023	77,260.0	1	254.80	0.00	0.00	254.80	3,273,608.30
1987020	/SL	GOSL	Rehabilitation of Telecoms.Network Ph.I	EURO	1987	10,900,000.0	1993	10	1998	2	60	2027	251,939.4	0.75	2,631.30	0.00	0.00	2,631.30	33,800,861.20
1989030	/SL	GOSL	Rehab. of Telecoms. Network Phase II	EURO	1989	1,421,113.7	1992	11	2000	2	60	2030	5,932.2	0.5	790.10	0.00	0.00	790.10	10,149,295.50
2012287	/SL	GOSL	CLSG Interconnection Project	EURO	2012	75,000,000.0	2017	7	2019	2	40	2039	4,166.7	1.95	69,265.90	0.00	4,125.40	65,140.50	836,777,104.40
International Development Association																			
1996052	/SL	GOSL	Transport Sector Project..Cr.No.2895 excl MDRI	SDR	1996	1,003,831.7	2004	10	2006	2	60	2036	20,076.6	0.75	612.90	0.00	39.50	573.30	9,031,843.60
2001201	/SL	GOSL	2nd PSMIS Cr.No.3462 - excl. MDRI	SDR	2001	637,752.6	2004	10	2011	2	60	2040	6,567.9	0.75	262.70	0.00	13.10	249.60	3,932,039.80
2002051	/SL	GOSL	HIV/Aids Response Proj Cr.No.3627 SL xcl MDRI	SDR	2002	9,859,758.5	2004	10	2012	2	60	2041	197,195.2	0.75	8,085.00	0.00	197.20	7,887.80	124,258,828.80
2003020	/SL	GOSL	National Social Action Project cr.3748 excl MDRI	SDR	2003	24,543,962.7	2004	10	2013	2	60	2043	490,879.3	0.75	20,858.80	0.00	490.80	20,368.00	320,862,304.10
2003030	/SL	GOSL	Econ.Rehab.& Recovery Credit III - 3765 excl MDRI	SDR	2003	11,000,000.0	2003	12	0	2	60	0	0.0	0.75	9,350.00	0.00	220.00	9,130.00	143,827,446.40
2004040	/SL	GOSL	Power and Water Project Cr.No. 3945-OSL	SDR	2004	24,200,000.0	2004	10	2014	2	60	2044	484,000.0	0.75	19,719.10	0.00	453.30	19,265.80	303,499,577.20
2005030	/SL	GOSL	Urban Water Supply Project Cr.No. 2702-1 SL	SDR	2005	2,035,358.1	2005	10	2015	2	60	2044	40,707.0	0.75	1,811.50	0.00	40.70	1,770.80	27,895,318.70
2008060	/SL	GOSL																	



2016002	/SL	GOSL	Smallholder Commercialisation and Agri-Business	USD	2016	28,900,000.0	2016	6	2022	2	60	2051	963,333.3	0.75	20,677.00	1,583.90	0.00	22,260.90	350,682,295.70
2016008	/SL	GOSL	Health Service Delivery and Systems SupportProject	XDR	2016	7,100,000.0	2017	6	2022	2	60	2054	221,875.0	0.75	7,098.80	0.00	0.00	7,098.80	111,829,774.70
2016009	/SL	GOSL	Regional Disease Surveillance SystemsEnhancemnt	XDR	2016	14,200,000.0	2017	6	2022	2	60	2054	443,750.0	0.75	9,572.00	2,198.10	0.00	11,770.10	185,417,736.42
2017002	/SL	GOSL	Productivity and Transparency Support Credit	XDR	2017	16,100,000.0	2017	6	2023	2	60	2055	503,305.0	0.75	16,100.00	0.00	0.00	16,100.00	253,627,808.00
2017007	/SL	GOSL	Additional Financing for the Revitalising Education Development in Sierra Leone Project	XDR	2017	7,300,000.0	2018	5	2023	2	64	2054	228,125.0	0.75	7,299.60	0.00	0.00	7,299.60	114,992,389.80
2017006	/SL	GOSL	Additional Financing for the Public Financial	XDR	2017	7,300,000.0	2018	5	2023	2	64	2055	228,125.0	0.75	5,227.90	1,958.80	0.00	7,186.60	113,212,783.40
2018002	/SL	GOSL	Sierra Leone Skills Development Project	XDR	2018	14,300,000.0	2019	5	2025	2	64	2055	461,290.3	0.75	4,411.70	5,867.80	0.00	10,279.50	161,936,009.80
2018003	/SL	GOSL	Sierra Leone Agro-Processing Competitiveness	XDR	2018	7,100,000.0	2019	5	2024	2	64	2056	221,875.0	0.75	1,797.80	1,748.70	0.00	3,546.50	55,868,396.80
2018004	/SL	GOSL	CLSG Add Financing	USD	2018	59,570,000.0	2019	5	2024	2	64	2054	1,921,612.9	0.75	46,380.00	13,129.90	0.00	59,509.90	676,525,745.20
2019001	/SL	GOSL	Financial Inclusion	USD	2019	12,000,000.0	2019	2	2025	2	64	2057	375,000.0	0.75	420.40	3,118.70	0.00	3,539.10	40,233,259.30
2019001	/SL	GOSL	Additional Financing for the Energy Sector Utility	XDR	2019	36,100,000.0	2020	2	2025	2	64	2057	1,128,125.0	0.75	10,968.80	6,233.70	0.00	17,202.50	270,996,339.10
International Fund for Agric Development																			
1979060	/SL	GOSL	Magbosi Int. Agric. Develop. Project 021	SDR	1979	9,600,000.0	0	10	1992	2	76	2029	140,000.0	1	2,160.00	0.00	240.00	1,920.00	30,246,297.60
1981040	/SL	GOSL	Int. Agric. Develop. Project-IFAD 064	SDR	1981	4,900,000.0	0	10	1992	2	80	2031	46,984.0	1	493.40	0.00	47.00	446.40	7,032,372.60
1984040	/SL	GOSL	Agric. Sector Support Project-IFAD 0152	SDR	1984	2,987,214.0	1992	10	1995	2	80	2034	109,044.5	1	1,526.60	0.00	109.00	1,417.60	22,331,678.70
1992090	/SL	GOSL	North-Central Agric. Dev. Proj. IFAD 33	SDR	1992	1,128,940.8	1993	10	2003	2	80	2042	37,631.4	1	827.90	0.00	37.60	790.20	12,448,977.90
1992100	/SL	GOSL	North-Central Agric. Dev.Proj. IFAD Reg 308	SDR	1992	6,600,000.0	1993	10	2003	2	57	2031	165,000.0	1	1,733.70	0.00	165.00	1,568.70	24,711,528.40
2004020	/SL	GOSL	Rehab. & Community Based Povty Reductn Cr.No.	SDR	2004	5,900,000.0	2007	10	2014	2	60	2043	196,668.0	0.75	4,523.00	0.00	196.70	4,326.40	68,154,292.10
2011030	/SL	GOSL	Rehab.&Comm Based Povty Reductn Cr.No.619-A	SDR	2011	7,050,000.0	2011	10	2021	2	60	2050	235,000.0	0.75	7,050.00	0.00	235.00	6,815.00	107,358,483.40
2012060	/SL	GOSL	Rural Finance & Community Improvement Prog. C	SDR	2012	695,000.0	2013	10	2022	2	60	2052	23,168.0	0.75	596.30	0.00	0.00	596.30	9,993,613.60
2013285	/SL	GOSL	Rehabilitation and Community Based Poverty Redu	SDR	2013	4,215,000.0	2014	10	2023	2	60	2052	140,500.0	0.75	4,214.80	0.00	0.00	4,214.80	66,396,520.40
2013286	/SL	GOSL	Rural Finance and Community Improvement Progra	SDR	2013	7,375,000.0	2014	10	2023	2	60	2052	245,833.3	0.75	7,374.70	0.00	0.00	7,374.70	116,176,177.20
2018005	/SL	GOSL	Rural Finance and Community ImprovementProgra	USD	2018	4,500,000.0	2019	10	2028	2	60	2058	150,000.0	0.75	2,435.30	943.40	0.00	3,378.70	38,409,718.50
2019003	/SL	GOSL	Agriculture Value Chain Development Project	USD	2019	5,900,000.0	2019	10	2029	2	60	2058	196,666.7	0.75	2,798.70	1,779.50	0.00	4,578.20	52,046,224.80
Agriculture Value Chain - Additional Loan														0.00		534.90	0.00	534.90	6,080,713.20
Islamic Development Bank /3																			
1996020	/SL	GOSL	Emergency Assistance Project Cr.No.SL- 0042	USD	1996	1,500,000.0	1997	10	2006	2	42	2026	67,072.7	2.5	517.40	0.00	75.00	442.40	5,029,110.80
1996040	/SL	GOSL	Bo - Rural Water & Sanitation Project Cr.No.SL-004	ID	1996	622,000.0	1997	10	2006	2	42	2026	31,100.0	2.5	186.60	0.00	31.10	155.50	2,449,633.60
2000040	/SL	GOSL	IDB - Integrated Rural Dev. Project Cr.No. SL-0043	ID	2000	5,181,164.3	2001	7	2008	2	42	2028	89,766.0	2.5	1,707.80	0.00	277.90	1,429.90	22,526,245.60
2001020	/SL	GOSL	Constr of Primary Sch,WIA & S/Prov. Cr.No. SL-0045	ID	2001	1,446,000.0	2004	7	2008	2	40	2027	74,153.9	2.5	722.30	0.00	72.20	650.10	10,241,194.30
2001030	/SL	GOSL	Const.& Recons. of Pr.Schs,East & N/Prov. Cr.No. 1	ID	2001	3,934,000.00	2004	7	2008	2	48	2031	1,357,10.27	2.5	1,351.10	0.00	193.50	1,157.70	18,237,426.70
2002200	/SL	GOSL	Reconstruction of Kissy Mental Hospital Cr.No. 2SL	ID	2002	1,632,578.2	2003	7	2009	2	38	2027	15,482.0	2.5	589.50	0.00	90.70	498.80	7,858,419.80
2003040	/SL	GOSL	Rural Water SS and Sanitation Proj.SL-0052	ID	2003	3,100,000.0	2004	10	2013	2	42	2033	103,825.8	2.5	1,297.80	0.00	103.80	1,194.00	18,809,366.40
2003050	/SL	GOSL	Social Action Support Project -SASP Cr.No.0054/0	ID	2003	6,940,000.0	2004	7	2010	2	48	2033	58,500.0	2.5	2,816.60	0.00	379.10	2,437.60	38,399,930.50
2004050	/SL	GOSL	Rural Infrastructure Devmt Project No. 57 & 58	ID	2004	6,681,771.5	2005	7	2011	2	48	2034	82,000.0	2.5	2,928.80	0.00	362.10	2,566.70	40,434,266.20
2005020	/SL	GOSL	IDB- Cap Build for Palm Oil Prodn and Processing	ID	2005	710,000.0	2006	10	2015	2	42	2035	35,500.0	2.5	383.00	0.00	29.40	353.70	5,571,411.10
2006010	/SL	GOSL	Diversified Food Prod. Proj.SL-061	ID	2006	7,000,000.0	2008	7	2013	2	38	2031	388,888.0	2.5	2,301.30	0.00	388.90	1,912.40	30,126,450.10
2007010	/SL	GOSL	Technical and Vocational Educ. & Training 2SL-00	ID	2007	5,391,000.0	2007	7	2014	2	36	2031	299,526.0	2.5	3,103.70	0.00	299.50	2,804.20	44,175,144.70
2007020	/SL	GOSL	Reinforcemt of Medium & Low Voltage Netw 2SL-0	ID	2007	7,000,000.0	2012	7	2014	2	38	2032	388,888.9	2.5	4,185.80	0.00	388.90	3,796.90	59,814,167.30
2009010	/SL	GOSL	Construction of Kenema - Pendembu Road Project	ID	2009	7,653,000.0	2010	10	2019	2	40	2038	382,650.0	2.5	6,749.40	0.00	382.60	6,366.80	100,297,669.60
2010010	/SL	GOSL	I.D.B-S.L. Community Driven Dev't Project Cr.No. 2	ID	2010	5,620,000.0	2011	7	2017	2	36	2034	312,222.2	2.5	4,368.10	0.00	312.20	4,055.90	63,893,906.80
2010020	/SL	GOSL	I.S.F.D. Resources S.L. Community Driven Dev't P	ID	2010	5,620,000.0	2011	7	2017	2	36	2034	312,222.2	2.5	5,224.40	0.00	275.00	4,949.40	77,969,378.60
2010070	/SL	GOSL	IDB- Palm Oil Prodn Cap Building Proj. Cr.No.2SL	ID	2010	2,770,000.0	2011	8	2018	2	38	2036	153,888.9	2.5	1,906.10	0.00	153.90	1,752.20	27,602,823.50
2010080	/SL	GOSL	I.S.F.D- Palm Oil Production Capacity Building Proj	ID	2010	1,033,000.0	2016	8	2018	2	38	2036	57,388.9	2.5	1,226.80	0.00	79.20	1,147.70	18,079,936.30
2010090	/SL	GOSL	ISTISNA/A- Palm Oil Production Capacity Building P	USD	2010	4,680,000.0	2015	10	2020	2	30	2034	312,000.0	2.5	1,208.30	488.80	312.00	1,385.10	15,745,829.60
2011040	/SL	GOSL	Kabala Water Supply Project 2SL- 0079	ID	2011	8,000,000.0	2012	7	2018	2	38	2036	444,444.4	2.5	7,964.80	0.00	513.90	7,451.00	117,377,317.20
2011050	/SL	GOSL	IDB- Implem't. of National Compo - (ECOWAN) Pro	ID	2011	2,830,000.0	2011	8	2019	2	36	2036	157,222.2	2.5	2,361.00	0.00	157.40	2,203.60	34,714,065.40
2011080	/SL	GOSL	ISTISNA/A- Implem't. National Compo. ECOWAN (	USD	2011	20,350,000.0	2014	5	2016	2	24	2027	1,695,833.3	2.5	13,566.70	0.00	1,695.80	11,870.80	134,950,952.30
2012020	/SL	GOSL	Construction of Pendembu - Kailahun Road Project	ID	2012	9,530,000.0	2016	7	2019	2	36	2037	529,444.4	2.5	8,200.00	6,284.60	529.40	13,955.10	219,839,320.00
2013010	/SL	GOSL	ISTISNA/A- Linking Small Holder Farmers to Marke	USD	2013	20,000,000.0	2014	4	2017	2	30	2031	1,333,333.3	2.5	12,507.50	0.00	1,333.30	11,174.20	127,031,334.70
2015003	/SL	GOSL	Regarding Health System Strengthening Project 75	USD	2015	10,000,000.0	2016	12	2027	2	40	2046	500,000.0	2.5	3,180.30	2,778.50	0.00	5,958.70	67,740,569.20
2015004	/SL	GOSL	Sierra Leone Community Development Project II - I	USD	2015	31,680,000.0	2017	5	2020	2	30	2034	2,112,000.0	2.5	4,901.10	3,000.00	2,112.00	5,789.10	65,812,678.20
Sierra Leone Community Development Project II2SL 0085														5,243.40		1,000.00	750.00	5,493.40	62,450,159.60
2019005	/SL	GOSL	Regarding Regional Value Chain Development Pro	USD	2019	2,000,000.0	-	5	2029	2	40	2049	100,000.0	0.175	0.00	0.00	0.00	0.00	0.00
2019006	/SL	GOSL	Regional Value Chain Development Programme - II																

2017003	/SL GOSL	Three Towns Water Supply and Sanitation Project	USD	2017	13,150,000.0	2018	5	2022	2	30	2036	876,666.7	2	12,466.30	683.60	0.00	13,149.80	149,490,733.30
		<b>ECOWAS Bank for International Devmt</b>																
2005001	/SL GOSL	SL Maritime Administration Project Cr.No.008	SDR	2005	4,110,000.0	2008	6	2011	2	34	2027	241,764.7	3	1,805.90	0.00	241.80	1,564.10	24,640,329.80
2009020	/SL GOSL	SIERRATEL-Modernation & Expansion of Network	USD	2009	29,452,856.0	2012	6	2015	2	30	2029	1,963,523.7	2.75	17,668.80	0.00	1,963.50	15,705.30	178,542,479.50
2011020	/SL GOSL	Solar Street Light Project	USD	2011	20,000,000.0	2012	6	2017	2	30	2031	1,333,333.3	2.75	16,661.10	0.00	1,333.30	15,327.80	174,250,351.80
		<b>Total (Multilateral and Bilateral) - (A)</b>	<b>Leones</b>															<b>20,910,091,224.22</b>
		<b>External Commercial - (B) See list of breakdown</b>	<b>USD</b>														168,030,627.45	<b>1,910,215,161.10</b>
		<b>Grand Total (Disbursed Outstanding Debt) - (A)</b>	<b>Leones</b>															<b>22,820,306,385.32</b>

Prepared by PDMD

Note:

1/ Exchange rates used : USD = Le10,234.7; SDR/ID = Le14,595.1; EURO = Le12489.9; JYK = Le 98880.7; SAR = Le2,727.4; KWD = Le33485.6; CNY = Le1564.3

2/ Japanese Yen amounts are in millions

3/ IsDB levies a service charge that should not exceed 2.5% per annum as determined by the Bank.



**APPENDIX 10: STATEMENT OF THE INVESTMENTS IN STATE OWNED ENTERPRISES (SOEs)**  
**As at 31st December 2021**

<b>No.</b>	<b>NAME</b>	<b>LEGAL STATUS</b>	<b>GOVERNMENT PARTICIPATION (In %)</b>
<b>A.</b>	<b>Utilities</b>		
A1	Electricity Distribution and Supply Authority (EDSA)	Authority	100%
A2	S/L Telecommunications Co. Ltd. (SIERRATEL)	Limited Company	100%
A3	Sierra Leone Postal Services Ltd. (SALPOST)	Limited Company	100%
A4	Guma Valley Water Company (GVWC)	Limited Company	95%
A5	Electricity Generation and Transmission Company (EGTC)	Limited Company	100%
<b>B.</b>	<b>Financial Institutions</b>		
B1	Bank of Sierra Leone	Central Bank	100%
B2	Sierra Leone Commercial Bank (SLCB)	Limited Company	88%
B3	Rokel Commercial Bank (RCB)	Limited Company	65%
B4	National Development Bank (NDB)	Limited Company	99%
B5	National Insurance Company (NIC)	Limited Company	100%
<b>C.</b>	<b>Transport and Shipping</b>		
C1	Sierra Leone Road Transport Corporation (SLRTC)	Corporation	100%
C2	Sierra Leone Airport Authority (SLAA)	Authority	100%
C3	Sierra National Airlines (SNA)	Limited Company	100%
C4	Mining and General Services Co (SL) Ltd. (MAGS)	Limited Company	51%
C5	Sierra Leone Ports Authority (SLPA)	Authority	100%
C6	Sierra Leone National Shipping Company Co. (SLNSC)	Limited Company	100%
<b>D.</b>	<b>Agriculture</b>		
D1	Sierra Leone Produce Marketing Company (SLPMC)	Corporation	100%
<b>E.</b>	<b>Information Services</b>		
E1	Sierra Leone Daily Mail	Company	100%
E2	Sierra Leone Cable Company	company	100%
<b>F.</b>	<b>Manufacturing</b>		
F1	Seaboard West Africa	Limited Company	0.01%
F2	Sierra Leone National Workshop	Company	40%
<b>G.</b>	<b>Housing</b>		
G1	Sierra Leone Housing Corporation (SALHOC)	Corporation	100%
<b>H.</b>	<b>Leisure</b>		
H1	Sierra Leone State Lottery Co. Ltd. (Lotto)	Limited Company	100%

# **PART II**

## CHAPTER II – MINISTRIES, DEPARTMENTS AND DIPLOMATIC MISSIONS

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## **MAIN POINTS**

### **What We Examined**

In fulfilment of the Auditor-General's mandates, as stated in Section 119 (2) of the 1991 Constitution of Sierra Leone and Section 11(1&2) of the Audit Service Act of 2014, the ASSL continues to carry out risk-based compliance audits, and in some instances both compliance and financial audits, on Ministries and Departments (MDs). By risk we mean, the likelihood of an undesirable event occurring and the potential impact should it happen.

This year, in addition to selected areas of audit, procurement management and contract administration was considered a key subject matter in the compliance audits conducted across MDs. The areas selected for examination are those with a high risk of non-compliance based on our cumulative audit knowledge and experience.

Our audit objective is to determine compliance with relevant laws, regulations and policies. It is also to establish whether required services were delivered, and that the financial records fairly reflect the result of the operations of MDs.

### **Why It Is Important**

The governance practices of many countries indicate that government auditing can play a unique role in curbing corruption. Since government agencies are funded with taxpayers' money, they have a responsibility to account for their stewardship. Government auditing can strengthen accountability and reduce the misuse of public resources, if the operations of MDs are effective.

### **What We Found**

We continue to observe irregularities in the execution of the budget and have outlined the extent of non-compliance with relevant public financial management laws, rules, and regulations developed to guide the use of public resources. During 2021, as part of our audit exercise, we also examined the operations of diplomatic missions in Europe, Asia, and North America (2014 to 2021). The deficiencies identified from these audits are included as part of the total irregularities reported.

The audit outcomes indicated that most MDs and diplomatic missions have failed to fully implement our audit recommendations.

The main composition and analysis of these irregularities (Estimated Loss) are summarised in Tables 2 and 2.1

<b>Table 2</b> <b>Summary of Irregularities with Financial Impact (Estimated Loss) Across MDs</b>						
Nature of Irregularities	2019		2020		2021	
	Le	US\$	Le	US\$	Le	US\$
<b>Payments without Supporting Documents</b>	2,477,840,473.94	-	290,125,806.78	-	13,546,544,000.01	18,000.00
<b>Statutory deductions not paid (Tax &amp; NASSIT)</b>	16,305,659.00	-	24,095,706.00	-	1,220,277,800.49	200,024.00
<b>Imprest not retired</b>	30,750,000.00	-	203,564,450.00	3,000.00	1,506,665,538.60	137,550.00
<b>Contracts &amp; procurement</b>	-	-	32,241,480.00	-	87,633,162,692.00	1,002,742.56
<b>Assets &amp; unaccounted stores</b>	223,600,000.00	-	160,600,000.00	-	2,838,472,199.00	-
<b>Revenue not banked</b>	-	-	3,495,295,674.00	-	1,491,710,016.00	-
<b>Payroll administration</b>	-	-	309,051,696.00	-	542,669,806.89	74,100.00
<b>Total</b>	<b>2,748,496,132.94</b>	<b>-</b>	<b>4,514,974,812.78</b>	<b>3,000.00</b>	<b>108,779,502,052.99</b>	<b>1,432,416.56</b>

**Table 2.1**  
**Summary of Irregularities with Financial Impact (Estimated Loss) Across Diplomatic Missions**

Year	Nature of Irregularities	Currency		
		US\$	£	€
2017	Disbursement	7,000.00	-	-
2018		28,701.22	5,122.30	-
2019		90,595.42	8,933.25	3,634.88
2020		-	8,546.23	10,904.64
2021		-	7,378.07	4,543.60
2017	Consular fees not banked	-	-	-
2018		-	-	-
2019		-	-	-
2020		-	-	-
2021		7,519.52	-	-
2017	Imprest not retired	-	-	-
2018		55,274.50	-	-
2019		78,057.00	-	-
2020		-	-	40,141.47
2021		-	-	-
2017	Payroll	-	-	-
2018		28,665.00	-	-
2019		222,695.58	-	-
2020		46,865.35	-	-
2021		-	-	-
<b>Total</b>		<b>565,373.59</b>	<b>29,979.85</b>	<b>59,224.59</b>

## DETAILED FINDINGS AND RECOMMENDATIONS

### 2.1. MINISTRY OF FINANCE - 2021

#### 2.1.1. Withdrawals without Adequate Supporting Documents

We reviewed bank statements and observed that some withdrawals from the Imprest Account totalling Le760,000,000 were without adequate supporting documents. These were in contravention of Section 100(1) of the PFMRs (PFMR) of 2018.

We recommended that the Deputy Financial Secretary for Administration submit all the relevant supporting documentary evidence for audit inspection.

##### **Official's Response**

*The Deputy Financial Secretary in charge of Administration in his response stated that of the Le760 million queried, Le430 million relates to a transfer to the Pujehun District Council. At the time of the audit, only partial documents were retired by the Pujehun District Council. The Ministry of Finance has made efforts to retrieve the outstanding original supporting documents from the Pujehun District Council. These supporting documents are available for audit inspection.*

*The sum of Le80 million which was also included in the Le760 million is for failing to deduct withholding taxes amounting to Le4.4 million by the former Principal Accountant who retired before the commencement of the audit. The remaining*

*Le250 million relates to the First Quarter of 2021. The former Accountant who has retired processed these transactions and these documents were not traceable at the time of the audit. These documents have been retrieved and are now available for audit inspection.*

##### **Auditor's Comment**

During the verification exercise, we observed that of the Le760,000,000 withdrawals made from the imprest account, adequate supporting documents were submitted for amounts totalling Le623,735,000, leaving a balance of Le137,735,000. Since supporting documents were submitted for 82% of the total expenditure, we concluded that the recommendation was substantially implemented.

#### 2.1.2. Funds Transferred without Supporting Documents

We noted transfers totalling Le515,000,000 from the imprest account to the Parliamentary Service Commission Account for which no evidence was presented to state the purpose of these transfers. There were also no supporting documents to show how these monies were utilised, contrary to Section 100(1) of the PFMR of 2018.

We recommended that the Deputy Financial Secretary for Administration submit all the relevant supporting documents for audit inspection.

##### **Official's Response**

*The Deputy Financial Secretary in charge of Administration stated that the Le515,000,000 is a direct transfer to an account under the Office of the Clerk of Parliament. A letter addressed to the Clerk of Parliament requesting the submission of supporting documents to the Ministry of Finance is available for audit verification.*

##### **Auditor's Comment**

During the verification exercise, we were provided with a letter written by the Ministry of Finance to the Clerk of Parliament that the ASSL should carryout verification on the retirement of the said fund. Of the Le515,000,000, we were provided with supporting documents and retirement details totalling Le504,000,000, leaving a balance of Le11,000,000. Since supporting documents were submitted for 98% of the total expenditure, we concluded that the recommendation was substantially implemented.



## 2.2. MINISTRY OF PLANNING AND ECONOMIC DEVELOPMENT- 2021

### 2.2.1. Payments without Supporting Documents

We observed that expenditures amounting to Le1,150,023,450 and US\$18,000 were undertaken by the Ministry, for which supporting documents were not provided for audit inspection. These were in contravention of Section 100(1) of the PFMR of 2018. A summary of the expenditures is given below:

Details	Amount (Le)	Amount (US\$)
Supporting documents not submitted for expenditure by the National Council for Civic Education and Development (NaCCED)	763,513,450	
Supporting documents not submitted for expenditure by the NaCCED	196,896,500	18,000
Supporting documents not submitted for withdrawals from Imprest Account	189,613,500	
<b>Total</b>	<b>1,150,023,450</b>	<b>18,000</b>

We recommended that the Principal Accountant and the Chairman of NaCCED, should provide documentary evidence to support the said expenditures for verification; otherwise, the said amount should be disallowed and surcharged.

#### Official's Response

*The Ministry stated that all supporting documents for the expenditures are available with the Principal Accountant and Senior Procurement Officer for verification with the exception of those related to Le392,780,000, provided by the UNDP for the implementation of the Youth at Risk Project. All liquidations and supporting documents for the said Project funds were submitted to the UNDP as a requirement. At the start of this audit, NaCCED formally requested liquidation files from the UNDP, but Management was informed that the UNDP books were being audited. After their audit exercise, the UNDP informed NaCCED that the files will not be released, rather, the ASSL auditors would have to visit the UNDP office to look at the files. However, copies of all the documents relating to this transaction are available for inspection.*

#### Auditor's Comment

During the verification exercise, of the Le1,150,023,450 and US\$18,000, supporting documents totalling Le676,871,960 were provided, leaving a balance of Le473,151,490 and US\$18,000 not justified with any supporting documents. A summary of the outcome of the verification exercise is given below:

Details	Amount Queried Le/US\$	Amount Verified Le/US\$	Amount Outstanding Le/US\$
Expenditure by the National Council for Civic Education and Development (NaCCED)	763,513,450	519,693,460	243,820,000
Supporting documents not submitted by NaCCED	196,896,500 US\$18,000	0	196,896,500 US\$18,000
Withdrawals from Imprest Account	189,613,500	157,178,500	32,435,000
<b>Total</b>	<b>1,150,023,450 US\$18,000</b>	<b>676,871,960</b>	<b>473,151,490 US\$18,000</b>

Since supporting documents were submitted for 59% of the total expenditure, we concluded that this issue is partially resolved.

### **2.2.2. Payments without Adequate Supporting Documents**

A review of various expenses of NaCCED revealed that an amount totalling Le671,397,932 was expended without adequate supporting documents. These were in contravention of Section 100 (1) of the PFMR of 2018.

We recommended that the Principal Accountant and the Chairman of NaCCED, should provide documentary evidence for verification to support the said expenditure.

#### ***Official Response***

*The Ministry stated that all supporting documents for the expenditures are available with the Principal Accountant and Senior Procurement Officer with the exception of those related to Le392,780,000, provided by the UNDP for the implementation of the Youth at Risk Project. All liquidations and supporting documents for the said project funds were submitted to the UNDP as a requirement. At the start of this audit, NaCCED formally requested liquidation files from the UNDP, but Management was informed that the UNDP books were being audited. After their audit exercise, the UNDP informed NaCCED that the files will not be released rather, the ASSL auditors would have to visit the UNDP office to look at the files. However, copies of all the documents relating to this transaction are available for inspection.*

#### **Auditor's Comment**

Of the Le671,397,932, supporting documents totalling Le274,717,932 were provided, leaving a balance of Le396,680,000. Since adequate supporting documents were submitted for 41% of the total expenditure, we concluded that this issue is partially resolved.

### **2.2.3. Responsibility Allowances not Fully Paid to Staff**

We observed underpayments of responsibility allowances to various staff of the Ministry totalling Le32,983,868 for the period under review. We recommended that the Development Secretary should explain why the said allowances were underpaid.

#### ***Official's Response***

*The Development Secretary in his response stated that regarding the issue of underpayment of responsibility allowances to staff, he will endeavour to bring this issue to the attention of the HRMO for the allowances to be regularised.*

#### **Auditor's Comment**

During the verification exercise, we were not provided with evidence of communication to the Director General of HRMO in order to regularise the said underpayment. Therefore, this issue is unresolved.

## **2.3. MINISTRY OF FOREIGN AFFAIRS AND INTERNATIONAL COOPERATION (MFAIC): 2019-2021**

### **2.3.1. Payments without Supporting Documents**

In contravention of Section 100(1) of the PFMR of 2018, bank withdrawals totalling Le1,246,725,949.94, Le595,031,982.78 and Le2,215,396,254.24 in 2019, 2020 and 2021 respectively, were without payment vouchers and other relevant supporting documents.

We recommended that the Director of Administration and Finance and the Principal Accountant submit the payment vouchers and supporting documents; otherwise, these monies should be refunded into the Consolidated Fund.

#### ***Official's Response***

*The Ministry stated that retirement documents were now available for audit inspection.*

#### **Auditor's Comment**

Payment vouchers and relevant supporting documents totalling Le64,010,185, Le304,906,176 and Le1,660,451,514 for 2019, 2020 and 2021 respectively were submitted for audit verification out of the bank withdrawals totalling Le1,246,725,949.94, Le595,031,982.78 and Le2,215,396,254.24 for 2019, 2020 and 2021 respectively. We however did not receive any such supporting documents for balances

totalling Le1,182,715,764.94, Le290,125,806.78 and Le554,944,740.24 for the same financial years. This implies that 50% of the total queried documents were submitted for verification. Therefore, the issue remains partially resolved.

### **2.3.2. Double Payments of DSA**

In 2019, amount totalling Le470,125,209.00 was withdrawn from the Ministry's Imprest Account and paid as advance DSA to staff of the Ministry, while awaiting the processing of the payments by the Accountant General. It was expected that the amount was to be refunded into the Ministry's Imprest Account once the payments were received from the Accountant General. There was no evidence of repayment into the Ministry's Imprest Account despite evidence suggesting that Accountant General had made payments.

We recommended that the officers concerned immediately pay back the loan into the Ministry's Imprest Account and submit evidence of payment for audit inspection.

#### ***Official's Response***

*The Ministry responded that the Director of Banking at the Bank of Sierra Leone was informed to establish whether the following cheques in the various amounts were actually cashed at the Bank of Sierra Leone and by whom, thereafter, a repayment plan would be made.*

#### **Auditor's Comment**

There was no evidence that the Director of Banking was informed and no repayment plan was submitted. The issue remains unresolved.

### **2.3.3. Special Imprest not Retired**

Contrary to Section 124(1&6) of the PFMR of 2018, retirement details were not submitted for special imprest and other payments for overseas travels by the Minister amounting to Le30,750,000, Le203,564,450 and Le942,316,400 expended in 2019, 2020 and 2021 respectively.

We recommended that the Minister should ensure that the special imprests received are fully accounted for. Otherwise, the amount should be paid back into the Consolidated Fund.

#### ***Official's Response***

*The Ministry stated that retirement documents were now available for audit inspection.*

#### **Auditor's Comment**

Retirement details totalling Le612,316,400 for only 2021 were submitted and verified, leaving balances of Le30,750,000, Le203,564,450 and Le330,000,000 for 2019, 2020 and 2021 respectively unverified. We therefore concluded that since 52% of the total imprest was retired, the issue is partially resolved.

### **2.3.4. Special Imprest for Repatriation and Posting of Diplomats not Accounted for**

Contrary to Section 124 (1&6) of the PFMR of 2018, the Ministry received Le3,347,054,296.16 from the MoF for posting and recalling of ambassadors. The Ministry utilised Le2,325,423,954.56, leaving a balance of Le1,021,630,341.60. There was no evidence to show that the unexpended amount was refunded into the Consolidated Fund or concurrence obtained from the MoF for its retention and subsequent reallocation after the end of the activity for which the funds were remitted. In addition, air tickets valued at Le16,642,000 were bought for ineligible staff when a Deputy Ambassador was repatriated from Ethiopia.

We recommended that the Director of Administration and Finance should ensure that the special imprests are fully accounted for and paid back into the Consolidated Fund. He should also ensure that the cost of air tickets of Le16,642,000 is recovered from the former Deputy Ambassador for the period under review, and paid back into the Consolidated Fund.

### **Official's Response**

*The Ministry stated that the documents were available for verification. Additionally, Management indicated that the said beneficiary who was ill, was a casual staff at the Mission and that it was on humanitarian grounds that the said staff joined the Deputy Ambassador upon repatriation.*

### **Auditor's Comment**

During the verification exercise, no evidence was submitted to show that the unexpended amount was refunded into the Consolidated Fund or concurrence was obtained from the MoF for its retention. Additionally, Management stated that the ineligible personnel was a casual staff who was ill and was therefore repatriated on humanitarian grounds. However, there was no evidence submitted during the verification exercise to justify that the beneficiary was sick at the time of repatriation, and no evidence of recovery and refund was submitted. The issues remain unresolved.

### **2.3.5. Recruitment of Technical Assistants not Competitive**

There was no evidence that competitive recruitment processes and procedures were followed during the recruitment of Technical Assistants for the period under review. We noted that Le210,000,000, Le549,880,000 and Le346,300,000 were paid as salaries to these Technical Assistants in 2019, 2020 and 2021 respectively, but recruitment records and signed contracts were not submitted for audit inspection. This is contrary to Rules 2.1 and 2.11 of the Civil Service Code, Regulations and Rules of 2011.

We recommended that the Director of Administration and Finance should submit evidence of competitive recruitment procedures for the Technical Assistants.

### **Official's Response**

*The Ministry stated that payments made to the Technical Assistants were authorised by the leadership of the Ministry in order to motivate them.*

### **Auditor's Comment**

There was no evidence to justify that the recruitment processes were followed. Therefore, the issue remains unresolved.

### **2.3.6. Double Payment of Salaries to Diplomatic Staff**

Contrary to Section 112(2) of the PFMR of 2018, payroll reconciliations were not carried out as the names of five staff posted to foreign missions were still on the payroll of both the Ministry of Foreign Affairs and International Cooperation (MFAIC) and the foreign missions. Salaries paid to these staff by the MFAIC (for a period ranging from one to ten months) amounted to Le102,708,944.89.

We therefore recommended that these staff repay the total amount they received and evidence of these repayments submitted for audit inspection.

### **Official's Response**

*The Ministry has informed the staff that were involved in double dipping accordingly, and two of the said staff have refunded monies credited into their local salary accounts to the Consolidated Fund, and payment slips forwarded to the Internal Audit Unit of the Ministry of Foreign Affairs and International Cooperation for their information. The member of staff who is yet to refund the said amount paid into his local salary account is reminded about the consequences of noncompliance.*

### **Auditor's Comment**

During the verification exercise, the Bank of Sierra Leone payment slip for Le3,852,706 was submitted as refund for only one staff, leaving a balance of Le98,856,238.89 for the remaining four staff out of the Le102,708,944.89 salaries paid into their accounts. As only 4% of the total amount was repaid to bank, we concluded that the issue is unresolved.

### **2.3.7. Diplomatic Staff Exceeding Their Tour-of-duty**

Rule 12.7 of the Civil Service Code, Regulations and Rules of 2011 guided the timeline for staff posted to missions abroad not to exceed two tours of two years each (i.e., not to exceed four years in total). During our review of staff postings to missions abroad, we observed that the names of 12 staff who had exceeded the maximum four-year tour-of-duty. Further documentation review revealed that three of these staff had no recall letters or evidence of extension in their files.

We recommended that the Director General (DG) initiate action to recall these officers and should ensure full compliance with the Civil Service Code, Regulations and Rules of 2011.

#### ***Official's Response***

*The Director General responded that action had been taken by recalling these staff.*

#### **Auditor's Comment**

During the verification exercise, there was no evidence to show that these staff had been recalled to headquarters. The issue remains unresolved.

### **2.3.8. Artificial Splitting of Procurement Process**

On the procurement of furniture and carpets worth Le139,500,000, the former Head of the Procurement Unit in the Ministry (in 2019) issued two sets of requests for quotation (RFQ) to the same three bidders. This was an attempt to split the procurement into lower values to evade the application of the National Competitive Bidding (NCB) procurement method and award the contract to the same supplier. In another procurement of furniture and equipment, two contracts totalling Le119,400,000 were awarded to two different bidders. The furniture and equipment were delivered to the Ministry on the same day (28th February 2019), thereby justifying evidence of procurement splitting. Additionally, we observed that two of the suppliers had the same telephone number on the pro-forma invoices. These were done contrary to Section 29(3) of the PPA of 2016.

There was clear evidence of bid rigging and limitation in competition. We therefore recommended that the former Head of Procurement Unit (2019) should be held accountable for this procurement breach.

#### ***Official's Response***

*The Ministry responded that it was due to exigency of time that resulted in this type of procurement. However, they indicated that, going forward, the Ministry will endeavour to aggregate all procurement activities relative to office furniture into the Annual Updated Procurement Plan, in a bid to avoid artificial splitting, therefore maximising competition.*

#### **Auditor's Comment**

Management's response was noted on the above procurement. However, the exigency of time should have been documented and the necessary authorisation sought from the Procurement Committee and the National Public Procurement Authority (NPPA). Therefore, the issue remains unresolved.

### **2.3.9. Construction of Residence in Lungi**

In February 2020, the Ministry awarded the contract for the construction of a residence in Lungi for six months, ending on 31st August 2020, for a contract cost of Le1,117,621,800. We verified that the contractor was overpaid for this contract by Le32,241,480, and the construction work had not been completed (19 months beyond the contract completion date). Additionally, we verified the payment of Le275,795,465 to the contractor for additional work without an addendum to the original contract. Evidence of completion of the additional work and valid performance security were not submitted for inspection.

The overpayment for the contract is a loss of public funds, and the delay to complete the work is a breach of contract. We recommended the Director General to recoup the overpaid amount from the contractor, submit the addendum contract for audit inspection, obtain a valid performance bond from the contractor and engage the contractor for completion of the works. Evidence of these should be submitted to the ASSL for verification.

### **Official's Response**

*The Director General responded that the addendum to the contract was available for verification.*

### **Auditor's Comment**

During the verification exercise, the addendum to the contract was submitted and verified. However, there was no evidence that the overpayment of Le32,241,480 was recovered and paid into the Consolidated Fund. The issue therefore remains partially resolved.

### **2.3.10. Anomalies in the Management of Assets**

Upon review of payment vouchers, supporting documents and physical verification of fixed assets, we observed the following:

- In spite of repeated requests, assets procured in 2019, 2020 and 2021 totaling Le641,975,000 were not presented for physical verification.
- The Ministry submitted a list of assets donated by the Chinese Government in September, 2021 but these assets such as desktop computers and video cameras were not made available for physical verification.
- Upon review of the vehicle list, we selected vehicles in good working condition and conducted physical verification on them. Of the 23 vehicles verified, three had logbooks but the users of the vehicles were not filling out travel details, while the remaining 20 vehicles did not have logbooks. Life cards for 23 vehicles were also not submitted for audit inspection.
- The audit team observed that there was no comprehensive database of vehicles owned and controlled by the MFAIC. A review of the available records and supporting documents disclosed that 11 vehicles were left out of records.
- Three motorbikes and two vehicles from the vehicle list were not presented for physical verification.
- One motorbike with registration number ASE 825 was registered in the name of Salma Trading, instead of being registered under the name of the MFAIC.
- Six vehicles and three motorbikes donated by the Chinese Government had not been registered with the Sierra Leone Road Safety Authority even though they had been put into use.
- Six vehicles had expired licences and insurance, putting the lives of diplomats and staff using these vehicles at risk.
- The assets register submitted was not comprehensive, as it failed to capture all the details of assets owned and controlled by the MFAIC.

### **Official's Response**

- (i) *The assets in question were all procured and are all in their various locations. The time the verification was going on, most of the officers who were custodians of these assets were out of their offices and there was no access to see and verify them. The officers had been informed and their offices are now accessible. You are therefore required to do a verification in these offices where the assets in question are located.*
- (ii) *Your recommendation for the coding/ marking of assets is ongoing since the contract has been awarded.*
- (iii) *The vehicle logbooks are now put into use by the Ministry's drivers.*
- (iv) *The database of vehicles and motorbikes will be developed as recommended within the stipulated period for your verification. Also, the life cards for all the vehicles in the Ministry will be presented to you for verification.*
- (v) *The SLRSA has been contacted for the registration and licensing of all the vehicles and motorbikes owned and controlled by the Ministry or the registration and licensing of all vehicles and motorbikes would be done upon the availability of funds.*
- (vi) *The SLRSA will be informed accordingly for the change of ownership of the two vehicles.*

### Auditor's Comment

Of the Le641,975,000 value of assets procured in 2019, 2020 & 2021, assets valued at Le165,975,000 were presented for physical verification, leaving assets worth Le476,000,000 unverified. As only 35% of the total value of assets were verified, we concluded that the issue is unresolved.

In addition, of the three motorbikes and two vehicles unverified, only two motorbikes and two vehicles were presented for physical inspection, leaving one motorbike unverified. The rest of the recommendations were not implemented and therefore remain unresolved.

## 2.4. AUDIT OF DIPLOMATIC MISSIONS

### COMMON ISSUES

#### 2.4.1. Consular Funds Collected but not Transferred into the Consolidated Fund

Section 49(10) of the PFMR of 2018 stipulates that when public monies are paid into accounts other than the Treasury Account where the BSL is not operational, those accounts shall only be for transitory purposes, and all balances shall be transferred to the Treasury Main Account or other designated Treasury account within twenty-four hours of receipt, except when otherwise approved by the Accountant General. Contrary to this provision, and despite repeated recommendations in previous audit reports, revenue collected by the Embassies were not fully paid into the Consolidated Fund. Instead, these funds were withdrawn from the Consular Account and utilised in the operations of the Missions without authorisation from the MoF.

A summary of funds not remitted by the embassies are given below:

Name of Embassy	Revenue collected remitted	Revenue Remitted to the Consolidated Fund	Revenue Not Remitted to the Consolidated Fund
Sierra Leone Embassy, Washington, DC: June 2018 - December 2021	US\$3,024,087.28	US\$310,000.00	US\$2,714,087.28
Sierra Leone's Permanent Mission to the United Nations, New York: June 2018 - December 2021	US\$341,258.00	US\$128,941.93	US\$212,316.07
Sierra Leone Embassy, Seoul, South Korea: January 2014 – December 2021	US\$79,611.17	US\$42,833	US\$36,778.17
Sierra Leone Embassy in Berlin, Germany: January 2016 - December, 2021	€124,727.70	0	€124,727.70
Sierra Leone High Commission, United Kingdom: June 2018 - December 2021	£875,521.98	£154,000	£721,521.98
<b>Total</b>	<b>US\$3,444,956.45</b> <b>€124,727.70</b> <b>£875,521.98</b>	<b>US\$481,774.93</b> <b>£154,000</b>	<b>US\$2,963,181.52</b> <b>£721,521.98</b>

We recommended that the MoF and MFAIC put adequate mechanisms in place to safeguard revenue generated. The Heads of Chancery (HoCs) should ensure that all funds collected from consular services are promptly transferred into the Consolidated Fund in compliance with Section 49(10) of the PFMR of 2018.

We also recommended that the HoCs always seek approval from the MoF for consular funds.

#### **2.4.2. Stamped Visas issued to Applicants instead of Visa Stickers**

We observed for the period under review that visas issued to foreign passport holders were stamped with a regular rubber stamp, instead of the standard affixed visa stickers. Issuing stamped visas may be prone to mismanagement and manipulation. This could lead to abuse by dishonest officials and loss of much-needed revenue to the government.

We recommended that the Chief Immigration Officer (CIO) and the Director General - MFAIC look into the possibility of introducing an automated visa system or visa stickers.

#### **2.4.3. Ambiguity/Inconsistencies in the Interpretation of the Code of Conduct**

We observed that some sections in the Civil Service Code, Regulations and Rules for the Foreign Service were either inconsistent or open to more than one interpretation. A typical example relates to Rule 9.66 which requires the Mission to pay for installation and maintenance of telephones, the costs of local calls, and the bills for utilities for officers' accommodation, including water, gas, electricity and heating, where no allowances are paid.

Even though Rule 9.66 require Missions to pay utility bills for officers' accommodation where no allowances are paid, we noted that the Code also made provisions in Rules 9.17 and 9.14 for other allowances such as foreign service allowance and representational allowance (for the Heads of Missions), to be paid to foreign service staff assigned to Missions. There is no clarity on which of the above sections should prevail in the payment of utility bills for diplomatic staff.

The payment of utility bills by Missions to diplomatic staff when other allowances (such as foreign service and representational allowances) are paid to them to meet the extra cost of living in foreign countries is a waste of government's scarce resources, and it contravenes Rule 9.66 of the code. We recommended that the DG and Ambassador at Large at the MFAIC should work with the relevant stakeholders (HRMO and MoF) in providing clarity on the above rules in the Code. We also recommended that the HoC and the DG, MFAIC, together with the Accountant General, should ensure that the payments of utility bills to diplomatic staff should be discontinued until a proper clarification is sought.

### **2.5. SIERRA LEONE EMBASSY, WASHINGTON DC: JUNE 2018 - DECEMBER 2021**

#### **2.5.1. Payments to Staff after Recall from Tour of Duty**

During the period under review, huge salaries and leave allowances amounting to US\$220,825.83 was paid to a staff after the end of her foreign service duty tour at the Embassy. She was recalled to headquarters and paid her repatriation allowance on 17th September, 2017. The decision to pay this staff was contrary to the recommendations in the previous audit report and there was absence of evidence to show that the staff was performing duties at the Embassy for this payment to have been authorised. This is an additional financial burden on the government's meagre resources which could have been used for other developmental activities.

A summary of payments is given in the table below:

Details	Amount Paid US\$	When paid
Backlog of salaries: Nov. 2017 - Dec. 2018	87,831.94	2019
Salaries (and one month leave allowance): Jan. - Dec. 2019	86,128.54	2019
Salaries: Jan. - Jul. 2020	46,865.35	2020
<b>Total</b>	<b>220,825.83</b>	

Similarly, US\$231,670.04 was expended on another diplomatic staff for the period between 1st June 2018 and 31st December, 2019 (for the period covering the audit scope and for periods after



the end of duty tour and receipt of repatriation allowance). The continued stay of the staff at the Embassy was without any authority or evidence of approval. The summary of payments made is given in the table below:

Expenditure on Staff after Recall		
Expenditure after assumption of duty of successor (June 2018 to July 2019)	Expenditure after resumption of HoC (August to December, 2019)	Grand Total Expenditure after Recall
<b>US\$182,934.94</b>	<b>US\$48,735.10</b>	<b>US\$231,670.04</b>

This act led to the paying salaries to two officers for performing the same duties. We recommended for an immediate refund of these payments into the Consolidated Fund. The DG should ensure that the officer who authorised the payments after the recall periods and the beneficiary officers must be held accountable.

### Official's Response

- *“On 21st December 2017, the DG, HRMO, conveyed approval to the DG, MFAIC, for Fatmata Dao, with Pin code 127806 to proceed on study leave with pay for 2017/2018 at her former duty station in America.*
- *On 1st February 2018, the DG, MFAIC, conveyed the approval to the Minister Counsellor and Head of Chancery of the Embassy.*
- *On 1st August 2018, the DG, MFAIC, sent another memo to the Minister Counsellor/HoC that funds had been transferred to the Mission's account in order to make payment to Fatmata Dao.*
- *The Minister Counsellor/HOC wrote two letters on 31st July, 2018 and 1st August 2018, to the DG, MFAIC, rejecting payment to Fatmata Dao on the grounds that she was no longer working at the Embassy and because the issue had come up in the previous audit.*
- *After a while, in January 2019, the DG, MFAIC, issued another memo requesting the Minister Counsellor/HOC to make payment to Fatmata Dao after sending salary backlog for August to December, 2018 of US\$31,368.55 and a backlog salary in respect of November 2017 to July 2018 of US\$56,463.39.*
- *On 19th June 2019, the DG, MFAIC, convey an extension of approval for study leave with pay for Fatmata Dao with effective 2018/2019 from the DG, HRMO.*
- *It was based on all these correspondence that the Embassy made the payments to Fatmata Dao: The approvals from the HRMO, the conveyance of approvals of memos, and physical sending of the funds to be paid”.*
- *“When Edward Kawa was recalled, the Charge d' Affairs and Head of Chancery then, on 12th February, 2018 wrote to the DG, MFAIC, and requested Edward Kawa's withdrawal to be deferred because of some reasons (letter attached). On 4th May, the Director-General wrote to the MS/HOC a memo requesting that the Mission stay action on Edward Kawa's recall. The memo said that Management was reviewing the matter and would be kept posted on further action. This was a management decision owing to the fact that it was a transition period in 2018, and an experienced officer was needed to facilitate the accreditations of the newly appointed Ambassador and his Deputy. The President was scheduled to make diplomatic visits to Canada and the US and an experienced officer was needed to facilitate these visits. All these made Edward Kawa to be kept at his post for which he had to be paid. The Embassy did not just keep him but with an authority from the memos”.*

### Auditor's Comment

Management submitted justifications and supporting records as evidence of the observations on illegal payments to staff after recall from tour of duty. A further review of the submissions revealed the following:

- Since Fatmata Dao was recalled from overseas duty and was paid repatriation allowance before approval of study leave with pay, the ASSL is of the view that salary and any other payments

made to her should have been based on her new assignment and location, but not as a staff of the Embassy. Therefore, this issue is unresolved.

- On the issue relating to Edward Kawa, we conclude that the explanations and supporting documents were satisfactory for periods up to the time of resumption of duty of the current HoC to whom Edward Kawa handed over duties and responsibilities. However, payments made to Edward Kawa after this period is considered ineligible and should be disallowed. As such, expenditures after resumption of HoC (August to December 2019), amounting to US\$48,735.10, should therefore be refunded and paid back into the Consolidated Fund. This issue is partially unresolved.

### **2.5.2. Review of Staff Welfare Issues**

We observed the following:

- The Embassy is yet to pay ex-gratia to two retired local staff. Instead, the said staff continued to work with the Embassy on yearly contracts, for which the contract for 2021 was not on file, and that for 2022 was not signed off by all parties to the contract agreement.
- There was no evidence of salary increment for local staff. Most local staff resigned during the period under review; expressing poor terms and conditions of service, especially low salaries. These concerns still exist and there was no evidence that Management was making efforts to address them.

We recommended that the HoC and the DG should ensure that issues relating to payment of ex-gratia and salary increment for local staff are immediately addressed.

#### ***Official's Response***

*The HoC stated that the Embassy had requested ex-gratia for two retired local staff and salary increase for the local staff with no feedback to date.*

#### **Auditor's Response**

Management's response was noted. The recommendation was not implemented; therefore, these issues are unresolved.

### **2.5.3. Unauthorised Payment for Educational Support to Staff**

In 2021, two staff were paid US\$5,460.00 in respect of support for university studies leading to the award of a Master's degree without evidence of approval from the MoF. Of grave concern was that, less than a year after receiving the approval to study, one of the staff was recalled from her overseas duty tour by the MFAIC. We recommended that the DG should ensure that the officer who authorised the payment must be held accountable.

#### ***Official's Response***

*Management stated that training is a presumed activity in the administrative operational budget and that a clear line will be stated in the coming budget preparation. It was further stated that regarding the authorisation, the Embassy was granted permission to fund the program. Due to timeliness of the training, which was already on course, the Embassy had to fund it to avoid wastages in the system.*

#### **Auditor's Comment**

The ASSL recognises the importance of capacity building for staff of the Embassy. However, the Embassy was without a training vote, a special fund remitted as support to the staff or an approval received from the MoF for the use of the Embassy's fund to support the staff. Therefore, the amount spent from the Embassy's account should be disallowed and charged to the former DG who gave approval for the use of embassy fund. Therefore, this issue is unresolved.

#### **2.5.4. Poor Management of Fixed Assets**

In spite of repeated requests from the HoC for the repairs and maintenance of the Chancery building and the residences of the Head of Mission (HoM) and his deputy, there was no evidence that actions had been taken. We recommended that the MFAIC and the MoF should ensure that the buildings are rehabilitated in order to prevent any tragic incident and to further avoid violations of state and federal laws.

#### **Auditor's Comment**

There was no management's response to the observation on buildings. Therefore, the issue is unresolved.

### **2.6. SIERRA LEONE'S PERMANENT MISSION TO THE UNITED NATIONS NEW YORK: JUNE 2018 - DECEMBER 2021**

#### **2.6.1. Payment of Refunds not Authorised**

We noted that refunds totalling US\$13,501.22 were made to the Former Financial Attaché for various expenditures incurred. However, prior authority/approval from the HoC to undertake such expenditures, thereby validating such refunds, was not submitted for audit. In addition, there were no payment vouchers, supporting documents and request to support such refunds.

We recommended that prior approval/authority for payment from the HoC and payment vouchers, and other supporting documents should be submitted for audit reviews. Otherwise, the amount should be recouped from the staff involved, paid into the Consolidated Fund and evidence of deposit submitted to the Audit Service.

#### **Official's Response**

*The observations are duly noted for action and that the officer concerned will be duly notified for necessary action as recommended.*

#### **Auditor's Comment**

Our recommendations were not implemented. Therefore, these issues remain unresolved.

#### **2.6.2. Poor Management of Special Imprest**

Relevant supporting documents such as payment vouchers, receipts, claim sheets etc., were not submitted to justify the utilisation of funds totalling US\$55,274.50 and US\$78,057 spent toward activities of the General Assembly meeting in 2018 and 2019 respectively. We recommended that the HoC and the Finance Attaché, ensure that payment vouchers, receipts and other relevant supporting documents are submitted for audit inspection. Otherwise, the amount spent should be paid in full into the Consolidated Fund.

#### **Official's Response**

*The observations are duly noted for action and that the officer concerned will be duly notified for necessary action as recommended.*

#### **Auditor's Comment**

Our recommendations were not implemented. Therefore, these issues remain unresolved.

#### **2.6.3. Ineffective Management of Fixed Assets**

The following were observed:

- An inspection of the asset register and listings, and the physical verification of some of the assets revealed that the register maintained did not capture all the assets owned by the Mission.
- Some of the assets were not coded and for those coded, they were not marked with indelible ink.
- Assets at the Permanent Representative's residence were exposed to wear and tear as the residence had not been occupied since 2020, and was in a deplorable state and in dire need of renovation.
- The front lawn at the HoC's residence was not mowed.

We recommended that the HoC, through the Finance Attaché should ensure that adequate control measures are in place to safeguard the assets held and controlled by the Mission.

**Official's Response**

- (i) *Further correspondence will be sent to HQ to make provision for the renovation of the PR and HoC's residences in NY.*
- (ii) *HQ will be informed to request the necessary funds from the FS.*
- (iii) *The labour market will be explored to identify a gardener as advised.*
- (iv) *The payment of Mr. Hernandez will need to be clarified with the Accountant General's Office, given that the AG's Office has requested for a copy of the employment letter for Mr. Hernandez being produced and his employment status has been rectified.*

**Auditor's Comment**

Evidence of actions taken by management of the Mission, in ensuring that our recommendations were implemented was not submitted for verification. Therefore, these issues remain unresolved.

**2.7. SIERRA LEONE EMBASSY, SEOUL, SOUTH KOREA: JANUARY 2014 – DECEMBER 2021**

**2.7.1. Review of the Memorandum of Understanding for the Establishment of the Embassy**

According to a Memorandum of Understanding (MoU) which was signed between the GoSL through the MFAIC and Make Group, South Korea, the latter was supposed to provide financial support for the establishment of a fully functioning Embassy for an initial period of three years upon the signing of the MoU.

However, we noted that the GoSL had provided financial support for the same purposes that Make Group, South Korea, was supposed to provide. The total funds which had been provided by the GoSL for the same purposes for the above three years amounted to US\$2,321,988.06. Even though a hand-over note from the former Minister Plenipotentiary/HoC (from July 2014 to February 2018) of 7th February, 2018, stated that the MoU turned out to be a hoax arrangement, we were informed by Make Group (through third party confirmation) that a report detailing the financial support that they provided to the GoSL for the above purposes was forwarded and communicated with the former Minister of Foreign Affairs and International Cooperation (from 2012 to 2017), and the Office of the President.

We recommended that the HoC should request the detailed financial report that Make Group submitted to the MFAIC and the Office of the President, and forward it to the Audit Service.

**Official's Response**

*Management wishes to note that, a letter has been written to the Chairman of Make Group to furnish the Embassy with the detailed report sent to the Ministry of Foreign Affairs and International Cooperation and the Office of the President. Management wishes to further note that it is yet to receive a response from Make Group. Management will ensure in the future that, all agreements / MoU will be filed accurately with its supporting documents.*

**Auditor's Comment**

We were able to verify the letter which the HOC sent to the Make Group, South Korea. We were however not able to verify the detailed financial report as stated in our finding. The limited information that we received from Make Group revealed that, officials at the Embassy received the sum of US\$149,478 as part of the MoU between the two parties. The issue therefore remains unresolved.

**2.7.2. Consular Funds not Accounted for**

The manner in which consular funds was accounted for was extremely doubtful and suspicious. Typical instances include the following:

- Consular funds as per the Embassy's cashbook exceeded the bank statements of same by US\$7,519.52. This means that this money was generated but neither banked, nor brought to account.
- Consular funds as per the Embassy's bank statements exceeded the funds remitted into the Consolidated Fund at the Bank of Sierra Leone by US\$35,700. This amount which was withdrawn without any authority from the relevant Ministry, was also not brought to account.

We recommended that the total unaccounted consular funds of US\$43,219.52 should be refunded by the officer/diplomat who was involved in the management of consular funds between August 2014 and October 2019.

#### **Official's Response**

- (i) *"Management wishes to note that there was no extra consular activity recorded. We however note as stated in the report, the inconsistencies in recording the actual revenue generated, revenue as per the Embassy's cashbook and as per the bank statement. We submit that these inconsistencies may have occurred as a result of different transactions at the bank with similar bank books issued by the bank and in situations where tellers do not speak English, must have complicated transactions, resulting to withdrawals and replacements of those monies, which was completely inadvertently done.*
- (ii) *There were instances where monies are withdrawn from the Consular Funds for the use of the Embassy on other purposes and later replaced when funds are available in good faith. Sometimes the reputation of the Embassy and by extension the Republic of Sierra Leone necessitated the use of consular fund. The Embassy operates a direct debit account with some utility companies, as a result should always make sure there is money in the account or risk breach of contract.*
- (iii) *The performance of consular activities is also mostly discretionary. Some applicants may have received express visa processing with the discretion of the officer, without the payment of fees as indicated in the visa form "that express visa may require payment" sometimes waivers are being given to people coming to invest in Sierra Leone or reciprocally from other Embassies and friends of the Embassy.*
- (iv) *The Embassy would further review our consular activities to make it friendlier and more accurate for future verifications. It was extremely difficult at that time to run an Embassy in a very expensive country like South Korea when Other Charges were not remitted on time)".*

#### **Auditor's Comment**

The explanations provided were not supported by the relevant documentary evidence. For instance, there was no evidence to indicate that approval was given by the relevant authority for the use of consular funds by the Embassy. The issues therefore remain unresolved.

#### **2.7.3. Unclaimed Salaries not Brought to Account**

We observed that the salaries of some local staff continued to reach the Embassy's account few months after their services were either terminated or as a result of resignation. However, we noted that these salaries with amounts totalling US\$28,665 were not paid back into the Consolidated Fund as required by Section 110 (4) of the PFMR, 2018; instead, they were diverted into the former First Secretary's/Acting HoC's (from August 2014 to October 2019) account at the Shinhan Bank in Seoul, South Korea.

We recommended that these unclaimed salaries should through the MFAIC be recovered from the former First Secretary/Acting HoC and paid into the Consolidated Fund.

#### **Official's Response**

*"Management wishes to note that on the issue of the termination of contract of local staff members at the Embassy, the Ambassador's driver and the utility driver were the only local staff whose contracts were terminated on the basis of a Memorandum from Headquarters ref.: 15459 dated 23rd May, 2016 and a government communique in 2018 indicating that all staff members who had reached 60 years should be retired and employment terminated. Realising the paucity of funds from government and the huge financial burden it would have cost government, management at that time took the wise decision to layoff the two employees and gave them a fresh contract for five months (from May to September,*

2018) indicating that it is a compensation for their distinguished service to the Embassy and by extension the GoSL. They were working and receiving salaries at that time. It should be noted that as a result of this ingenuity of appeasing the affected local staff members, the Embassy and by extension the GoSL had neither paid, nor received any lawsuit for any end-of-service benefit and gratuity to any local staff from our Embassy in South Korea. This saved the Government huge financial responsibilities and embarrassment, as this is the case for some other embassies around the world, which Government had paid or had not been able to meet its commitment. They were replaced after the end of their contracts. The steward and the cook to the former Ambassador were removed from the payment salary voucher by headquarters after the departure of the former Ambassador from South Korea.

Management wishes to further indicate that headquarters was formally informed of termination and awarding contracts to the Ambassador's Driver and Utility Driver.

The affected local staff members had earlier given authorisations for their salaries to be paid through the First Secretary/ Acting Head of Chancery and had also signed salary payments receipts, indicating the receipt of their respective salaries. It must be further noted that some of their salaries were paid directly from the Embassy's account to their various accounts and some through the Acting Head of Chancery during the period under review.

Management is to also explicate that Mr. Kang Joon Kim (Former Ambassador's Driver) and Mr. Young Jin (Alex) Lee (Former Utility Driver) were no longer at post on October 2018. The two positions were being occupied by Mr. Heung Zoon Kim and Mr. Won Ho Cha, as ambassador's driver and utility drivers respectively. They both started work at the start of October 2018 and their names, employment letters and request for replacement were communicated to headquarters. Mr. Heung Zoon Kim and Mr. Won Ho Cha names were appropriately reflected in the October 2018 salary voucher. The report, including the two former drivers as beneficiaries in the October 2018 salary voucher gives a wrong impression and apparently deluded the investigations".

#### **Auditor's Comment**

The response and documentary evidence provided by Management were different from the explanations and evidence obtained by the Audit Service. For example, the two drivers whose contracts were terminated on 30th April 2018, were given further contracts of three months from May to July 2018; instead of the five months stated in the management's response. This issue therefore remains unresolved.

#### **2.7.4. Withdrawals without Supporting Documents**

We observed that funds amounting to KRW88,274,258 (an equivalent of US\$77,095.42) were withdrawn from the Embassy's humanitarian account on diverse dates during the review period. However, the documentary evidence to support these withdrawals were not made available for inspection. We recommended that the Finance Attaché should ensure that the supporting documents in respect of the above withdrawals are made available to the Audit Service; otherwise, the full amount should be refunded.

#### **Official's Response**

"Management wishes to note that the Embassy did receive the sum of Kw100,000,000 the equivalent of US\$100,000 from philanthropists in South Korea. This amount was immediately remitted to the Ministry of Foreign affairs through the Disaster Relief Support Sierra Leone Commercial Bank.

Management observed that as a result of the complexities of using similar bank books while doing transactions at the bank may have resulted in the depositing of such monies and subsequent withdrawals. This may also have occurred as a result of doing transactions with tellers who do not speak English which may have complicated the transactions in exchange of different books".

#### **Auditor's Comment**

We were not able to relate the management's response to the audit finding. In addition, management has failed to make the supporting documents available for verification. The issue, therefore remains unresolved.

#### **2.7.5. MOU on International Exchange between the Embassy of Sierra Leone in Seoul and Sahmyook Health University**

The Sierra Leone Embassy in Seoul, South Korea, signed an MOU with the Sahmyook Health University on 31st March, 2021, with the aim of developing international exchange and cooperation programs based upon the principle of reciprocity. This MOU was based on the premise that the

Embassy will liaise with the relevant Ministries in Sierra Leone in ensuring that a concrete plan is designed for the implementation of same. However, from the date the MOU was signed to the completion of the audit exercise on 16th August 2022, we noted that more than one year had elapsed without any evidence of a plan from the GoSL on how the MOU could be implemented.

There is a risk that Sierra Leone may not be able to benefit from all the opportunities that the Sahmyook Health University in South Korea has extended to them for the remaining period of the agreement (i.e., one year and seven months).

We recommended that the HoC should immediately liaise with the relevant Ministries in Sierra Leone to ensure that a concrete plan is designed for the implementation of the MOU.

### **Official's Response**

*The HoC stated that: "Management wishes to note that the MoU between the Sahmyook Health University and the Embassy of the Republic of Sierra Leone has been forwarded to the Ministry of Foreign Affairs and International Cooperation, for onward transmission to the Ministry of Technical and Higher Education for its implementation".*

### **Auditor's Comment**

We were able to verify the letter that was written by the HOC to the MFAIC in respect of the finding. We were however not able to verify the action that had been taken for the plan to be designed. The issue therefore remains unresolved.

## **2.8. SIERRA LEONE EMBASSY, BRUSSELS: JUNE 2018 –DECEMBER 2021**

### **2.8.1. Payment of children and education allowances without evidence of birth certificates**

Totals of €16,863.27 and €61,359.51 were paid as children and education allowances respectively to personnel that did not provide their children's birth certificates. Without evidence to support the said payments, we could not confirm whether the personnel were entitled to children and education allowances. We recommended that the officers concerned should submit the birth certificates of their children. Otherwise the amount should be refunded.

### **Official's Response**

*Management noted the findings and recommendation in the audit concerning paragraph 2.2.1 (Payment of children and education allowances without evidence of birth certificates). Management wishes to state as follows:*

- 1) The Mission has informed the concerned officers mentioned in the report and referred them to the Auditor's recommendation for their action within 15 days. Minutes paper sent by email and WhatsApp are attached.*
- 2) Some officers had records of evidence in their official personal files prior to the audits and these were tendered to the Auditor at the time of the audit: a) Deputy Ambassador provided evidence of birth certificates for his two children which were made available to the Auditor at the time of the audit. The Deputy Ambassador further responded to the minutes' paper of the HOC dated 2nd September 2022 concerning the payment of benefits. The response of the Deputy Ambassador is hereby attached for your reference. b) Third Secretary had copies of birth certificates and school certificates to indicate that children attended school in Belgium prior to the audit.*
- 3) The Mission sent a letter dated 2nd July 2022 to headquarters, requesting the deletion of children and education allowances from three beneficiaries who were mentioned in the draft audit report on the audit of the Sierra Leone Embassy in Brussels for the period between 1st June 2018 and 31st December 2021 & Proposed Action provide evidence of the child(ren) attending school or whose child(ren) is/ have passed the age of 18 years.*
- 4) The former Financial Attaché, Mariatu A. Harding and the former Second Secretary, Albaji A. Fullah could not provide the required documents and no response was received from them. Responsible Officer:*

### **Auditor's Comment**

The HoC submitted birth certificates of some concerned officials. A review of the submitted birth certificates revealed the former Financial Attaché did not submit children birth certificates and was

therefore not entitled to children and educational allowance. We recommended her to pay back a total amount of €19,083.12 into the Consolidated Fund. The issue is therefore partly resolved.

### **2.8.2. Special Imprest not Retired**

Retirement details and records to support special imprest amounting to €40,141.47 expended by the embassy on the visits of His Excellency the President to France during February 2020 were not presented for inspection, contrary to Section 124(1) of FMR of 2018 which stipulates that special imprest must be retired at the end of the activities or purpose.

We recommended that the HoC should submit the retirement details and records to support imprest funds utilised by the Embassy. Otherwise, the amount involved should be paid back or refunded by the Financial Attaché into the Consolidated Fund.

#### ***Official's Response***

*The HoC stated that: "Management noted the Auditor's recommendation and wishes to state that documents in respect of the Special Imprest of €40,147.47 utilised for the visit of the President to France from 8th-14th October 2019 were available and ready for inspection".*

#### **Auditor's Comment**

In responding to the draft management letter, the HoC submitted a breakdown of per diem and details of expenditure and some invoices to address this issue. We observed that the per diem list was not signed by the beneficiaries as evidence of receipt. We also observed that the retirement details such as receipts of payments were not submitted to support the details of expenditure. This issue is therefore unresolved.

### **2.8.3. General Observations**

- Physical observation of the chancery building revealed that funding is needed to carry out urgent repairs on the building. There are visible signs of cracks on the walls, damaged windows and leaks. The garden is not accessible due to untidy nature of the area.
- There is no official email being operated at the embassy. Instead, staff uses Google's Gmail account to communicate official matters. These accounts could be hacked and classified embassy information could be accessed by unauthorised individuals. The mission failed to embrace advanced information technology in their area of operations.
- Staff lacked personal computers, as most of them are broken. As a result, they have resulted in using their personal computers and sometimes mobile phones.
- Salary allocation to the embassy is being transferred very late. This is affecting staff moral and motivation.
- Other charges allocations are always delayed. As of the time of the audit exercise, the Embassy was yet to receive any allocation for the FY 2022. This is affecting the effective operations of the embassy.
- The embassy lacked adequate vehicles for the day-to-day operations. There was only one functioning utility vehicle out of four. Three had been out of use because they did not meet the emission level requirements of the Belgian Government. These are yet to be replaced because of lack of funds. Several requests for the replacement of vehicles have been made by the embassy to the MoF in Freetown but to no avail.
- Visa application forms are not pre-numbered



## 2.9. SIERRA LEONE HIGH COMMISSION, UNITED KINGDOM: JUNE 2018 - DECEMBER 2021

### 2.9.1. Payments Without Supporting Documents

Internal payment vouchers totalling £70,848.73 were processed for several transactions for the period under review, but were without initial request and approval from the vote controller. We also noted that total refunds of £23,719.56 were made to some staff for various expenditures incurred on the activities of the High Commission. However, there was no prior authority/approval from the HoC to undertake such expenditures, thereby validating such refunds, which were not submitted.

We recommended that the HoC, in collaboration with the MFAIC, should ensure that evidence of initial request and vote controller's approval for transactions on the internal payment vouchers are submitted for audit. Prior approval/authority from the HoC should also be submitted for audit; otherwise, the amount should be recouped from the staff involved, paid into the Consolidated Fund and evidence submitted for audit verification.

#### **Official's Response**

*The HoC stated that, the requested internal payment vouchers and vote controller's approval relating to the said amount are available for verification. In addition, supporting documents for the refunds in respect of the said amount of £23,719.56 is also available for verification.*

#### **Auditor's Comment**

- During the verification exercise, we noted that, from the total of £70,830.73, we were provided with supporting documents for £53,186.45, leaving a balance of £17,644.28. A detailed analysis of the outstanding amount is given in table below:

Year	Amount Queried (£)	Amount verified (£)	Amount Outstanding (£)
2018	15,857.97	12,572.97	3,285.00
2019	15,199.00	9,838.00	5,361.00
2020	18,949.76	14,053.76	4,896.00
2021	20,824.00	16,721.72	4,102.28
<b>Total</b>	<b>70,830.73</b>	<b>53,186.45</b>	<b>17,644.28</b>

- On the issue of refunds without prior authorisation/approval, out of £23,719.56, we were provided with supporting documents for £11,383.99, leaving a balance of £12,335.57. As supporting documents were submitted for 48% of the total expenditure, we concluded that this issue is partially resolved.

## 2.10. MINISTRY OF HEALTH AND SANITATION - 2021

### 2.10.1. Advance Payment Received without Evidence of Delivery

A total advance payment of Le411,208,377.00 was made to a supplier for the supply of laboratory reagent and consumables during 2020. The contract terms require the supply of the items between 12 to 14 weeks from the date of signing the contracts and receipt of the advance payment. It is strange to note that as at the time of writing this report (over 87 weeks after the advance payment was made), the item or equivalent of the advance payment received was still not supplied.

We therefore recommended that the Permanent Secretary (2020) and the Senior Procurement Officer (2020) should terminate the contracts and recover the funds paid to the supplier, and pay same into the Consolidated Fund.

### **Official's Response**

*The Ministry had written letters to the supplier requesting updates on the supply of laboratory reagent and consumables.*

### **Auditor's Comment**

We received copies of letters sent to the supplier by the Ministry requesting updates on the contract. Neither a response, nor an evidence that the items had been supplied was received. There was also no evidence of shipment and effort made by the Ministry to terminate the contract, and recover the amount from the supplier. The issue remains unresolved.

#### **2.10.2. Payments Without Supporting Documents**

Contrary to Section 100(1) of the PFMR of 2018 and in spite of recommendations in previous audit reports, bank withdrawals totalling Le12,202,073,757.00 were without payment vouchers and relevant supporting documents.

We therefore recommended that the Permanent Secretary and the Director of Financial Resources (2021) should ensure that the payment vouchers and relevant supporting documents are submitted for inspection; failing which, the full amounts should be accounted for and paid back into the Consolidated Fund.

### **Official's Response**

*The payment vouchers and relevant supporting documents are available for verification.*

### **Auditor's Comment**

From a total withdrawal of Le12,202,073,757.00 from the Ministry's Imprest Account, supporting documents were submitted for payments totalling Le7,212,780,982.00 (which is 59% of total queried withdrawals), leaving a balance of Le4,989,292,775. Therefore, the issue is partially resolved.

#### **2.10.3. Inadequate control over the management of fixed assets**

In spite of repeated requests, 238 vehicles out of a total of 286 vehicles in the Western Area were not made available for physical verification. We also noted that some of the Ministry's vehicles are neither licenced nor insured. This is contrary to Section 11.1 of the Government Vehicle and Fleet Policy of 2020. We therefore recommended that the Transport Officer should fully account for the 238 vehicles and also ensure that the Ministry's vehicles are immediately licenced and insured.

### **Official's Response**

- *The vehicles not previously made available for physical verification are now available for verification.*
- *That the Ministry is in the process of recruiting (through the Human Resource Management Office) both medical and non-medical personnel including drivers.*
- *That the Transport Office has embarked on the collection of duplicate keys from individuals for safekeeping. A good number has been collected and are ready for verification.*

### **Auditor's Comment**

Contrary to Management's response, our recommendations were not implemented. The issues therefore remain unresolved.

#### **2.10.4. Operational Effectiveness in Selected Hospitals**

As part of the assessment of services delivered by the Ministry during 2021, we selected and examined the operational effectiveness of three hospitals in the Western Area. These are: the Connaught Hospital, the Ola Daring Children's Hospital and the Princess Christian Maternity Hospital (PCMH). We identified the following issues which needed the Ministry's immediate attention.

##### *Dialysis Unit at the Connaught Hospital*

The Ministry, through the Integrated Health Projects Unit (IHPAU) awarded a contract for the supply and installation of hemodialysis equipment for the Connaught Hospital for a contract sum of US\$556,801.54. Our review of available records revealed that the contract terms were not fully met, as

there were shortfalls in the supply of some consumables and medication, which amounted to US\$56,142.56.

We also noted that a major part of the equipment was damaged during its installation and there was no evidence that it was replaced by the supplier, even though there was a warranty clause in the contract.

The Dialysis Unit has been closed to the public since October 2021, as the hemodialysis equipment is not functioning effectively.

We recommended that with immediate effect, the supplier should replace the damaged parts and supply the balance consumables and medication amounting to US\$56,142.56. Otherwise, the supplier should pay back all costs in respect of same into the Consolidated Fund.

### **Official's Response**

*The dialysis equipment user training was conducted. The Ministry had not completed its obligation under the contract. Balance amount of US\$296,709.23 was used to settle the supplier; and the three days training exercise was conducted for users to familiarise themselves with the use of the equipment.*

### **Auditor's Comment**

The Ministry submitted delivery note in respect of the supply of some consumables and medication by the supplier. We observed that there were inconsistencies in the date between the delivery notes submitted by the supplier and the delivery note submitted during verification. There was no evidence that the training was conducted by the manufacturer or its representative and the manufacturer warranty was not submitted for verification. These issues remain unresolved.

### *Common Issues Observed Across Selected Hospitals in Western Area*

Common issues identified across all the selected hospitals are as follows:

- There was inadequate staffing to cater for the needs of the hospitals. Specialist medical practitioners such as surgeons, physicians, cardiologists, radiologists, paediatric surgeons, and dental surgeons, gynaecologists, etc.
- The storage facilities in the kitchen and medical stores were not adequate.
- The fixed assets registers were not updated as assets procured during 2021 were not recorded in the register. Fixed assets were also not coded with unique identification codes.
- The hospitals need medical equipment and other facilities such as suction machine, BP machine, theatre trolley, slit lamp, oxygen concentrators, water plant system etc. for effective functioning.
- Inventory control systems were not properly observed in the receipt and issue of drugs from store.
- Medical wastes were not properly disposed of due to lack of non-functional incinerators.
- Timely separation and disposal of potent and expired drugs is still a concern. There were instances where the drugs (potent and expired) were still at the same location, instead of being separated.

We recommended that the Chief Medical Officer and the Medical Superintendents should ensure that the hospitals are fully capacitated for effective service delivery.

## **2.11. DISTRICT HEALTH MANAGEMENT TEAM, BO DISTRICT- 2021**

### **2.11.1. Assessment of Service Delivery**

Our assessment of service delivery systems by the District Health Management Team (DHMT) in Bo District revealed the following:

- The DHMT is faced with acute shortage of water supply and electricity. The DHMT hugely depends on standby generator which consumes huge quantity of fuel, and this continues to be a burden on the management of the DHMT.
- The DHMT did not have adequate office equipment such as laptops, printers and scanners in the various units.
- Samples of PHUs visited revealed that the units did not have generators or solar panels to supply electricity. We also noted that water supply was a serious challenge in the PHUs as there were some PHUs with faulty hand-dug pumps.
- The District Medical Store in Bo was constrained with vehicles to aid the distribution of drugs and medical consumables to the 147 PHUs and health centres in the District.
- The DHMT did not have an updated assets register.
- The DHMT is constrained with vehicles and motorbikes to enhance effective operations in the Southern Region. Eleven motor vehicles and several motorbikes were faulty, and some were grounded for a long period with no action taken to either repair or dispose of them.
- There were 428 volunteers attached to various health facilities within the District.

We recommended that immediate efforts are made to ensure that the issues identified are addressed for effective service delivery.

## **2.12. PRIMARY HEALTHCARE, KENEMA - 2021**

### **2.12.1. Assessment of Service Delivery**

Our assessment of service delivery systems by the Primary Health Care Unit in Kenema District revealed the following:

- Quarterly drug supplies were not received on time from the Central Medical Store through the District Medical Store for delivery to the various peripheral health units (PHUs) across the District. As a result, the PHUs ran out of supply of essential drugs.
- PHUs far away from Kenema City are constrained with ambulance facilities for referral cases due to their hard-to-reach locations.
- The PHUs lacked key medical equipment such as scales, laboratory facilities and other medical services necessary to deliver adequate healthcare service to patients.

We recommended that the DMO should also ensure that essential equipment for medical services is provided to enhance the sustainability of quality healthcare service delivery to communities.

## **2.13. PRIMARY HEALTH CARE, KAILAHUN-2021**

### **2.13.1. Assessment of Service Delivery**

Our assessment of service delivery systems by the Primary Health Care Unit in Kailahun District revealed the following:

- Quarterly drug supplies were not received on time from the Central Medical Store through the District Medical Store for delivery to the various PHUs.
- PHUs far away from Kailahun District are constraint with ambulance facilities for referral cases due to their hard-to-reach locations.
- Medical equipment such as BP machines, scales and salter scales, thermometer pulse oximeter, glucometer and strip and drip stands were lacking in the PHUs.
- Medical laboratories in the PHUs were not equipped with reagent and other medical equipment.

- Most of the PHU staff were without pin codes. As a result, they most times abandon the facility without prior notice to the in-charge officers.
- There were delays in the requisition of essential drugs. It took longer period for essential drugs and medical consumables to be supplied when stock ran out.

We recommended that the DMO should also ensure that essential equipment for medical services are provided in order to enhance the sustainability of quality health service delivery to communities.

### **2.13.2. Payment without Adequate Supporting Documents**

We observed that activities funded by UNICEF to the value of Le512,092,500 were without adequate supporting documents such as payment vouchers, receipts and delivery notes. We recommended that the DMO should submit the relevant supporting documents for audit verification.

#### **Official's Response**

*The DMO stated that as at the time of the audit process, the documents were not available. However, the documents that were not available during the audit process were now available for your review.*

#### **Auditor's Comment**

Adequate supporting documents were submitted for Le338,192,500 (representing 66% of total expenditure). However, supporting documents were still not provided for the balance of Le173,900,000. Therefore, this issue is partially resolved.

## **2.14. PRIMARY HEALTHCARE, BOMBALI DISTRICT - 2021**

### **2.14.1. Inadequate Control over Asset Management**

Upon review and physical verification of the assets register, we observed the following:

- The UNICEF donated five motorbikes that were not recorded in the assets register.
- Most of the institution's owned and controlled assets were not coded with durable and unique identification codes.
- Several vehicles were not registered with the Sierra Leone Roads Safety Authority as these vehicles were without life cards and registration numbers.
- Assets belonging to the DHMT but domiciled with the PHUs within the District were not included in the assets register. These omissions include assets such as refrigerators, buildings, solar panels etc.

We recommended that the DMO ensure the following:

- (i) That a comprehensive fixed assets register, including those held at the PHUs, detailing the costs, dates of acquisition, locations, and assets codes, is maintained.
- (ii) Take prompt action for the coding of all assets of the DHMT.
- (iii) That all vehicles and motorbikes owned and controlled by the DHMT are registered with the Sierra Leone Roads Safety Authority and have a comprehensive insurance policy covering all of them.

#### **Official's Response**

*The DMO stated the following:*

- (i) *"During the time of the audit, the motorbikes register was not updated. Recently, five motorbikes were captured, and the assets register was updated. The DHMT will work hard to fix all findings regarding the motorbikes."*
- (ii) *"During the time of the audit, some assets were coded and some were not. Although a huge challenge to expedite those requirements was due to lack of funds, the DHMT will ensure that when coming for verification, all uncoded assets will be coded in collaboration with councils and partners for support."*

- (iii) *The DHMT has more than seven vehicles that were not roadworthy, and these vehicles were beyond repairs. However, all vehicles that are grounded would be requested for assessment and disposal through the Transport Manager (Directorate Support Service-MOHS).*
- (iv) *There is an assets register but it is not comprehensive, so the DHMT would ensure and guarantee that in the future all assets owned and controlled by the DHMT would be registered to bear the cost, date of the acquisition, location, and the unique identification number would be appropriately labelled. The DHMT will ensure to update the assets register accordingly.*

#### **Auditor's Comment**

Management's response was noted. However, upon physical verification we observed the following:

- The updated assets register was not made available for audit inspection.
- At the time of verification, not all of the assets were coded.
- The queried vehicles were still not registered with the SLRSA.

Therefore, the issues remain unresolved.

#### **2.14.2. Inadequate Healthcare Facilities**

During the audit, we verified selected health centres and posts to ascertain whether they had the required facilities, personnel and medical supplies to carry out effective healthcare service delivery to the communities. In this regard, we observed the following in some of the centres visited:

- Acute shortage of general-purpose drugs and medical consumables
- Insufficient supply of bed nets, blankets and linens
- No residential quarters for staff
- No mobility for outreach
- Inadequate water supply - a severe constraint during childbirth

We recommended that the District Health Management Team institute measures to address the concerns raised in order to ensure adequate healthcare service delivery to the various communities within its jurisdiction.

#### **Auditor's Comment**

Management did not proffer any response to the issues raised. Therefore, the issues remain unresolved.

### **2.15. DISTRICT HEALTH MEDICAL TEAM, KONO - 2021**

#### **2.15.1. Payment Without Supporting Documents**

An amount of Le485,062,500 was withdrawn from the bank account and utilised without payment vouchers and relevant supporting documents.

We recommended that the Finance Officer should submit the required documents for audit inspection.

#### **Official's Response**

*The DMO stated that supporting documents relating to activities undertaken by DHMT, Kono, amounting to the sum of Le485,062,500 which were not available during the audit exercise are now available and ready for verification.*

#### **Auditor's Comment**

From a total of Le485,062,500, PVs and supporting documents to the tune of Le352,062,650 (representing 73% of the total amount) were submitted for verification, leaving a balance of Le132,999,850 without PVs and related supporting documents. Our recommendation was substantially implemented.

### **2.15.2. Vandalised Generator**

During assets verification at the DHMT, Kono, we observed that the engine of a standby generator (Excellent Silent Generator-Denyo) was removed. We recommended that the DMO should ensure that the engine is replaced.

#### **Auditor's Comment**

There was no Management's response to this issue or evidence that the recommendation was implemented. Therefore, the issue remains unresolved.

### **2.15.3. Assessment of Service Delivery**

Our assessment of service delivery systems of the DHMT revealed the following:

- Quarterly drug supplies were not received on time from the central medical store through the District Medical Store for delivery to the various PHUs. As a result, the PHUs ran out of essential drugs.
- Ambulance facilities were not available for PHUs that are located at hard-to-reach areas especially during emergency referrals as the ambulance services unit complaint about the non-availability of fuel.
- Medical equipment such as BP machines, scales and salter scales, thermometer pulse oximeter, glucometer and strip and drip stands were lacking in the PHUs.
- Laboratories in the PHUs were not equipped with reagent and other medical equipment.
- Most of the PHU staff were without pin codes. As a result, they most times abandon the facility without prior notice to the in-charge officers.

We recommended that the DMO should ensure that essential equipment for medical services are provided in order to enhance the sustainability of quality healthcare service delivery to communities.

## **2.16. KOIDU GOVERNMENT HOSPITAL, KONO DISTRICT - 2021**

### **2.16.1. Assessment of Service Delivery**

Service Delivery Agreement with donor partners were not made available for audit review. As a result, we could not verify their activities within the District. We recommended that the Medical Superintendent(MS) should provide the Service Delivery Agreement and report on the activities of donor partners.

## **2.17. MAKENI REGIONAL GOVERNMENT HOSPITAL - 2021**

### **2.17.1. Inadequate Control over the Collection, Recording and Accounting of Revenues**

An examination of the own-source revenue collection process in the Hospital revealed the following:

- Only 40% of revenue generated primarily in the theatre was receipted, while the remaining 60% went without receipts, and the Hospital did not account for this amount. In this regard, Le16,200,000 was not accounted for by the Hospital during the period under review.
- Le31,500,000 in respect of surgeries recorded on the theatre register was not accounted for by the Hospital.
- Revenues were collected below the approved price list.
- Eight receipt books recorded as issued were not submitted for audit confirmation.
- No revenue was disclosed by the Hospital administration as admission fees.

We recommended that the Medical Superintendent, in collaboration with the Accountant should ensure the following:

- (i) Provide a reasonable explanation backed by documentary evidence as to why the said amounts were not banked; otherwise, the amount should be paid back into the Consolidated Funds and the pay-in-slip provided for audit inspection.
- (ii) The issuance of receipts for all services provided in the Hospital is only centralised to the Finance Department.
- (iii) Revenues collected for services rendered by the Hospital should align with the approved service charter.
- (iv) The queried receipt books are submitted for verification.
- (v) Adequate control is instituted and enforced in the management of receipt books. Moreover, supervision and monitoring of revenue collectors should be enhanced, and strong disciplinary actions taken where revenue collectors and medical practitioners collect money for personal use.
- (vi) The public is sensitised about payment of hospital charges, which should be done only at the Finance Department, and that receipts must be obtained for all services paid for by patients.
- (vii) That admission fees are duly accounted for.

### **Official's Response**

*The current administration had contacted the Theatre Lead. It has been a common practice wherein some percentage of the money paid for surgeries goes to the theatre staff. However, the new Administration had put measures in place to ensure that all surgical operations are fully paid for as per the service charter. Furthermore, there are instances when some patients cannot afford to pay in full for their surgeries, and the amounts from such surgeries are recorded in the ledger. Also, some impoverished patients cannot pay for their surgeries; they also do their surgeries and record such in the same ledger.*

### **Auditor's Comment**

Management's response was noted. However, the issues remain unresolved.

### **2.17.2. Expenditures without Adequate Supporting Documents**

Even though supporting documents were submitted to substantiate the use of funds, we were constrained to link expenditures totalling Le149,486,000.00 to the payment schedules and cashbook.

We recommended that the MS and the Accountant should ensure the following:

- (i) Submit the relevant supporting documents for verification.
- (ii) Payment vouchers that contain the details of all expenditures are maintained for every expenditure, and must be approved by the Hospital Secretary and the MS.
- (iii) The expenditure request forms are serially numbered and filed properly for ease of reference and for audit purposes.

### **Official's Response**

*All payment vouchers of the Hospital never go through without the recommendation of the Hospital Secretary, Matron/Deputy Matron and the MS. The request forms were serially numbered with a pen. Henceforth, all are to be numbered for easy reference.*

### **Auditor's Comment**

We were unable to link withdrawals totalling Le149,486,000 to supporting documents and schedules. Therefore, the issue remains unresolved.

### **2.17.3. Inconsistencies in Payment Records**

During the review of payment records for the printing of hospital cards in 2021 costing Le50,000,000, we observed gross inconsistencies among the dates of deliveries, request for quotations, invoices and receipts. We recommended that the MS ensure that adequate controls are instituted and enforced in the payment process.



### **Official's Response**

*The MS responded that a robust system had been implemented to verify all payment procedures.*

### **Auditor's Comment**

Management's response was noted. However, the issue remains unresolved.

#### **2.17.4. Cleaning Contract not Executed as Per the Contract Provisions**

From the review of the cleaning contract outsourced to Wake-Up Ventures, we observed that the Company was to provide 44 cleaners, but the audit team physically verified only 33 cleaners. In a bid to address the shortfall in personnel, the Company made use of 10 government paid cleaners. We recommended that the Hospital Management ensure the following:

- The staff are reassigned to other departments of the Hospital where their services could be better utilised.
- The contractor adhere to the contract provisions before payments are effected.

### **Official's Response**

*Management stated that all pin-coded cleaners working for the cleaning firm had been withdrawn and reassigned.*

### **Auditor's Comment**

Our verification revealed that four governments' pin-coded staff were still working as cleaners in the theatre, despite the cleaning services being wholly outsourced. Therefore, the issue remains unresolved.

#### **2.17.5. Inadequate Control over the Management of Assets**

A review of the assets register submitted by Management revealed the following:

- Most of the Hospital's fixed assets (mostly movable) were not coded to show ownership
- The Hospital's Assets Register submitted for audit inspection was not updated with the cost and serial numbers.
- Two motorbikes with registration numbers ANK 793 and AKK 342 were not provided during the verification of assets to confirm their existence.

We recommended the following:

- (i) The Management of the Hospital should ensure that the assets of the Hospital are coded with unique identification codes.
- (ii) Ensure that the assets register is updated to include the cost of the assets and serial numbers.
- (iii) Investigate the whereabouts of the missing motorbikes and provide same for verification.

### **Official's Response**

*The MS responded that there was a plan to code all assets when funds are available. He added that the assets register had been reviewed, but there were challenges in capturing the costs, especially for those supplied by the MoHS, donors and other partners.*

### **Auditor's Comment**

We concluded on the following:

- Management's response on the queried non-coded assets was noted. However, the issue remains unresolved.
- The motorbike with registration number AKK 342 was not made available for verification. Therefore, this issue is partially resolved.

#### **2.17.6. Improper Stores Management**

Our review of the stores management process in the Hospital revealed the following:

- Records to substantiate the use of drugs supplied to the pharmacy and in-charge officers for the entire period under review were not submitted for verification.

- At the time of the audit, the pharmacy was very much disorganised, as stock cards were not readily placed on shelves to enable the audit team check the stock balances.
- We noted shortfalls in the supply of drugs and medical consumables to the maternity wards. In this regard, pregnant women and lactating mothers are often asked by the medical practitioners to provide medical consumables such as cannulas, plasters, syringes and drugs.
- The general condition of the pharmacy and medical store was not conducive for the storage of drugs and other medical consumables. In this regard, we observed that there were no functioning air conditioners and refrigerators at the pharmacy and medical store to keep specific categories of drug at a certain temperature such as insulin, oxytocin etc. Furthermore, fire extinguishers seen by the auditors were expired, and there were no smoke detectors in any of the two drug stores.

We recommended that the MS and the Ministry ensure that adequate controls are instituted around the utilisation of drugs in the Hospital. Additionally, the Ministry should ensure that the required equipment and facilities are provided for effective functioning of the drug store and pharmacy.

#### **Official's Response**

*The outgoing pharmacist in-charge deliberately refused to formally handover to the incoming pharmacist in-charge. However, a letter of complaint had been sent to the MoHS for their attention. The refrigerators to maintain the cold chain in the store had been repaired and it was now functioning well. Again, there is plan to install fire extinguishers when funds are available.*

*All challenges including equipment and other facilities are captured in the status report which had been submitted to the MoHS. And a robust control regarding the use of drugs had been put in place.*

#### **Auditor's Comment**

Management's comment was noted. However, only one small refrigerator for the Free Health Care pharmacy was provided at the time of verification. All other issues relating to the management of the main hospital store were not addressed by Management. Therefore, the issues remain unresolved.

#### **2.17.7. Unverified Nurses**

During the audit, we could not confirm the existence of 28 paid nurses working for the Hospital. Moreover, there was no evidence to indicate that they were on leave, as no approved leave form was submitted for audit inspection. We recommended that the MS and the HRMO, in collaboration with the Hospital Matron ensure the following:

- (i) Supervision and monitoring of nurses are enhanced, and punitive measures taken where nurses fail to report for duties on time.
- (ii) Institute an investigation to find out the whereabouts of the missing nurses and submit the report to the audit team; failing which, the HRMO would be informed to take necessary action against defaulting staff.

#### **Official's Response**

*The Administration had put measures in place to ensure that all monthly attendance returns forms are signed by the MS, the Matron and the HS before sending them to the MoHS. A team headed by the Human Resources Officer (HRO) had intensified the supervision of staff including nurses, and query letters given to defaulters. After the Administration received the query letter from the external auditors about the 22 missing nurses, a meeting was called where all 22 nurses were present.*

*The Administration understood from their explanations that some of the nurses went on study leave without approval; whilst some were working at night and some during weekend. Some were also officially posted to other health facilities by the Ministry. After their submissions, the Administration took a resolution that all those nurses who went on study without approval should be placed on the duty roster to work at night or weekend. For those working in other facilities, they were asked to bring copies of their posting letters.*

### **Auditor's Comment**

During the verification exercise, of the 28 staff nurses who were not initially verified, we could not confirm the existence of 10 of these nurses, as there was no evidence to suggest that they signed the attendance register. Their names were also not on any duty roster for the entire period under review. The total salary paid to these absentee nurses in 2021 amounted to Le186,850,178.00. As 18 (64%) nurses were verified, we concluded that the issue was partially resolved.

### **2.17.8. Review of Hospital Staff Establishment**

During the review of the Hospital's staff establishment, the audit team discovered the following:

- Contrary to Section 2.8 of the Civil Service Code, Regulations and Rules requiring the prohibition of the employment of unpaid persons, we observed that 241 volunteer nurses were serving in different capacities at the Hospital, representing 47% of the total nurses working at the Hospital.
- There were volunteer drivers (without driving licenses) driving the Hospital's ambulances; and volunteer workers attached to the Medical Drug Store with no form of guarantor.
- Some nurses paid by the government were posted to private hospitals even though a huge gap exists in the Hospital for staff nurses. Moreover, no Memorandum of Understanding (MoU) was submitted for audit inspection regarding this arrangement between the GoSL and the private hospitals.

We recommended that the MS and the Minister of Health and Sanitation should take action to regularise their stay if they are absolutely needed for the proper functioning of the Hospital.

### **Official's Response**

*The Administration had held a meeting with top management to discuss the issues of volunteers in the Hospital and the minutes are available for verification.*

### **Auditor's Comment**

Minutes of management meeting were not provided for verification. As a result, we could not confirm the steps Management took to resolve the highlighted issues.

### **2.17.9. Overaged Staff**

We observed that three key staff of the Hospital had passed the statutory retirement age of 60 years. Moreover, no letters of extension of service were provided to indicate their continued employment. We recommended that the HRO should ensure that the extension letters for the said staff are submitted for review; otherwise, the MS should inform the MOHS of the situation.

### **Official's Response**

*The extension letter for the said Matron Mahawa F. D. Conteh is now available and Dr. Taqi had been posted to Freetown. On the issue of Mr. Gabriel, they decided to retain him based on his experience, as there was no pin-coded staff at the mortuary. He added that Management was working on getting a pin-coded staff.*

### **Auditor's Comment**

There was no evidence provided to support Management's comments. As a result, the issue remains unresolved.

### **2.17.10. Inadequate Hospital Facilities and Equipment**

We could not confirm any functioning District Hospital Board that oversees the activities of the Makeni Regional Hospital. In this regard, we noted poor health service delivery at the Hospital, mainly due to the lack of essential equipment, facilities and sufficiently trained health personnel for the effective running of the Hospital. During verification, we observed the following:

- Poor toilet facilities within the Hospital, as all ward toilets were closed due to the filling up of the septic pits.

- Lack of running water facility in the Hospital
- No overhead lamps in the main and maternity theatres of the Hospital.
- The main standby generator and several other supporting generators at the Hospital were faulty.
- Two of the three autoclave machines used for the sterilisation of theatre equipment were faulty at the time of verification
- The Hospital lacked bed linens, drip stands, bed screens and mattresses. In some cases, we observed that patients lay on bear beds.
- Lack of trolleys and stretchers in the Hospital pose difficulties in transporting patients from one place to another.
- Lack of adequate BP and oxygen machines in the Hospital.
- No film printer for the X-ray machine, no lead apron and radiation badge for workers.
- Acute shortage of doctors in the Hospital as there are only seven doctors at the Makeni Regional Hospital, and all are general practitioners except the newly posted MS.
- Most doctors and CHOs do not conduct ward rounds for patients.

We recommended that the MoHS look into the operations of the Makeni Regional Hospital to ensure that the Hospital has the required resources in terms of equipment, human and financial resources.

#### ***Official's Response***

*A status report on the challenges in terms of equipment, tools, and human resources had been prepared and submitted to the MoHS. The Hospital is one of the affiliated hospitals of the University of Sierra Leone Teaching Hospitals Complex, and therefore, the Hospital is supposed to be monitored and supervised by the teaching hospitals laws. Measures have been put in place on the ward rounds to ensure effective ward rounds.*

#### **Auditor's Comment**

Management's comments did not adequately address all the issues raised in the audit report. The issues remain unresolved.

#### **2.17.11. Indebtedness of the Hospital**

A review of pertinent records relating to the operations of the Makeni Regional Hospital revealed that the Hospital owed Le6,027,270,548 to various suppliers and service providers as at 31st December 2021. Of this amount, Le5,033,904,548.00 relates to utilities. This is particularly significant as interviews conducted with officials of the Hospital revealed that some donor partners were providing support to cover water and electricity. The issue is heightened as the ASSL's requests were not responded to, and no other documents were submitted to ascertain the nature and total amount of support provided. We recommended that the MoHS look into the debt position of the Makeni Regional Hospital with a view to settling it and restoring its reputation to various suppliers and service providers.

#### ***Official's Response***

*A detailed list of all creditors and their required amounts had been forwarded to the MoHS. CHAMPS (Partner) was assisting with payment of electricity and water bills and the payment receipts were available for verification.*

#### **Auditor's Comment**

Management's comment was noted. However, no evidence was provided to suggest that the suppliers/service providers had been paid. Therefore, the issue remains unresolved.

## **2.18. KAILAHUN GOVERNMENT HOSPITAL - 2021**

### **2.18.1. Assessment of the Operational Effectiveness of the Hospital**

We observed the following:

- There was insufficient microscope, reagent and test kits, biochemistry analyser and haematology analyser in the laboratory;
- There were inadequate medical items and other essential needs such as intravenous cannula, incubator, baby formula etc. in the Special Care Baby Unit (SCBU) Ward.
- There was inadequate essential equipment such as beds, thermostat, stethoscopes, oxygen concentrators etc.
- The hospital lacked specialist doctors like dentists, orthopaedic surgeons and radiologists.
- The controls over the printing and custody of general receipt books were inadequate. There was no evidence that the Government Printing Department printed receipt books used for the various revenue streams within the hospital.

## **2.19. MINISTRY OF TECHNICAL AND HIGHER EDUCATION (HQ) - 2021**

### **2.19.1. Ineffective Contract Management**

Section 34(1) of the Public Procurement Regulations (PPR) of 2020 guides entities to carry out proper procurement planning before initiating procurement activities to achieve optimal use of public resources. Sound procurement planning ensures that funds are available to support activities with the underlying objective, that MDAs only enter into financial obligations for which they have the available budget. Our review of procurement documents identified weak controls over the management of commitments relating to sundry supplies and works for the period under review.

We observed the following:

- Sundry creditors were owed Le1,322,332,000 for activities relating to the second half of 2021.
- Suppliers to the Student Loan Scheme Committee managed by the Ministry were similarly owed Le517,039,515 in respect of sundry supplies and services for FY2021.
- Our tracking of sundry debts uncovered a total unsettled liability of Le2,063,811,500 in respect of the FY2020 as at the time of the audit.

We recommended that the Senior Procurement Officer (SPO) and the PS be held accountable for this procurement breach.

#### ***Official's Response***

*Management admitted to the challenge they were facing with high level debt which they reckoned was due to nonpayment of their allocations by the Ministry of Finance. They have proposed to initiate the settlement of the debt when allocations are received, whilst they try to negotiate for the remaining liability to be taken over by the Public Debts Management Unit in the Ministry of Finance.*

#### **Auditor's Comment**

We appreciate Management's commitment to ensure timely payment. However, the full debts are yet to be paid therefore, the issue remains unresolved.

### **2.19.2. Use of Wrong Procurement Method**

The Ministry split procurement activities to avoid the threshold that requires competitive bidding processes. Consequently, requests for quotation methods were used for civil works on the MTHE's office building, costing Le451,670,000, and in sourcing the supply of assorted toner cartridges for various offices to the tune of Le388,400,000. The Ministry had ignored the contents of the approved procurement plan which had envisaged the use of the national competitive bidding procedures that would have delivered greater value-for-money. In each case, the contract was awarded to one supplier, contrary to Section 37(1) of the Public Procurement Act of 2016.

We recommended that the SPO and the PS be held accountable for this procurement breach.

**Official's Response**

*The MTHE's Management responded that they used requests for quotation method due to the nature of the activities and the timing of the end-user requests which initiated the process. They proposed to adopt a framework contract system going forward, in order to overcome the existing challenges.*

**Auditor's Comment**

The audit team closely reviewed Management's response with due consideration of the difficulties they face with funding. We want to advise the responsible officials that the need for adopting a framework contract to ensure optimum impact from meagre resources was overdue. Therefore, the issue remains unresolved.

**2.19.3. Expenditure Returns not Submitted TVET Centres**

Contrary to Section 100(1) of the PFMRs of 2018, and despite repeated recommendations in our previous audit reports, Le5,136,850,000 was paid as a subvention to various TVET centres for which expenditure returns were not submitted for review.

We recommended that the PS and Principal Accountant should ensure the immediate submission of expenditure returns for subventions to TVET centres.

**Official's Response**

*The lack of proper controls in the payment of subventions to TVET centres was that written requests for them to fully retire their subventions were already sent to the respective institutions for action and that some retirements had already been received.*

**Auditor's Comment**

From the total of Le5,136,850,000, expenditure returns of Le1,915,200,000 were submitted for verification, leaving a balance of Le3,221,650,000.

Of the Le1,915,200,000 of expenditure returns submitted for verification, we observed the following:

- Total pay-as-you-earn (PAYE) taxes of Le383,171,000 (Le239,000,000 from the Barefoot Women Solar Engineers Association of Sierra Leone and Le144,171,000 from the Bonthe Technical College) were not deducted from salaries and paid to the NRA.
- Withholding taxes totalling Le31,466,220 were not deducted from transactions and paid to the NRA.
- A complete set of Solar PV Home Kits valued at Le87,750,000 was procured for which procurement records were not submitted for verification.

As expenditure returns were submitted for only 37% of the queried amount, we concluded that the issue is unresolved.

**2.19.4. Special Imprest Without Adequate Retirement Documents**

In contravention of Section 124(1) of the PFMR of 2018, special imprest to the tune of Le637,366,000 to support district consultation workshops on a Draft Education Sector Plan were without adequate retirement details such as approved concept notes, attendance registers and post-workshop reports. We recommended that the PS and the Principal Accountant (PA) immediately account for the special imprest.

**Official's Response**

*Payment vouchers and imprest retirements in respect of the said amounts are ready for audit inspection.*

**Auditor's Comment**

Approved concept notes, attendance registers and post-workshop reports were not submitted for verification. The issue remains unresolved.

### **2.19.5. TVET Education not Properly Supported**

The Ministry developed the TVET Policy of 2019 to ensure adequate skills training courses that can enhance employment and self-reliance. There was no indication of effective rollout of this Policy, as the TVET institutions run by the government were still struggling to implement programmes. For instance, we discovered that practical sessions were not effective due to a lack of sustainable power supply at the various institutions with no evidence of actions taken to ensure they are effectively run. As a result, some of the courses that heavily relied on electricity such as welding and carpentry had been limited in rolling out their course materials. This could adversely affect the capacity of their graduates in practical job situations.

We recommended that the PS and the Chief Technical Education Officer should ensure that TVET institutions are properly supported to enable them discharge their mandate effectively

#### **Official's Response**

*The Management's response reiterated their commitment to address the challenges faced by the GTIs special issues surrounding land ownership, staffing and lack of electricity to conduct practical sessions.*

#### **Auditor's Comment**

We appreciate actions planned by the Ministry to ensure effective functioning of the GTIs. However, specific interventions to address the common issues undermining the operations of the institutions were not carried out. Therefore, the issues remain unresolved.

## **2.20. MINISTRY OF TECHNICAL AND HIGHER EDUCATION, SOUTH - 2020 & 2021**

### **2.20.1. Assessment of the Operational Effectiveness of the Ministry**

We observed the following:

- A copy of the tenancy agreement between the Ministry and the landlord in respect of the office building occupied by the MTHE in Bo was not available for review.
- The new office building and its facilities were dilapidated and require immediate renovation.
- There was inadequate supply of essential office equipment and furniture such as laptop computers, printers, scanners, photocopiers, chairs, desks, cabinets, etc.
- An imprest system was not in existence.

We recommended that immediate efforts be made to ensure that the issues identified are addressed to ensure effective service delivery.

### **2.20.2. Assessment of the Operations of the Government Technical Institute (GTI) Bo**

#### *Review of the Financial Management*

From the review of cashbooks and payment vouchers in respect of transactions for the Skills Development Fund project, we observed that withholding taxes amounting to Le56,079,024.50 were deducted from the payments made to individual suppliers and contractors for goods and services in 2021. However, the NRA receipts which amounted to Le48,439,145 were submitted for audit; leaving an outstanding amount of Le7,639,879.50 as withholding taxes not paid to the NRA in 2021. Additionally, withholding taxes of Le3,510,375 were not deducted from payments made to suppliers and paid to the NRA.

We recommended that the Principal and the Finance Officer (FO) should ensure that the outstanding withholding taxes are paid to the NRA and receipts forwarded to the ASSL for verification.

#### **Official's Response**

*All monies for payment of withholding taxes to the NRA are ready, but still awaiting the NRA to get us the portal which we can use to do payment by electronic means.*

### **Auditor's Comment**

There was no evidence that total outstanding withholding taxes of Le11,150,254.50 (Le7,639,879.50 & Le3,510,375.00), was paid to the NRA. Therefore, this issue remains unresolved.

### **2.20.3. Lack of Essential Equipment for GTIs Operations**

There was lack of adequate office equipment, mobility and tools for practical sessions. We physically verified practical sessions and observed inadequate machinery and tools for students offering various courses at the GTI. For instance, the computer laboratory was not fully functional and students offering software development programme were not opportuned to undergo practical sessions during their studies.

We recommended that the Principal in collaboration with the PS and other authorities in the MTHE in Freetown should ensure that the GTI is provided with adequate essential office equipment, vehicles motorbikes, machinery and tools for students offering various courses especially those involving practical sessions.

### **Official's Response**

- (i) The inadequate supply of essential office equipment is gradually becoming a thing of the past as the MTHE and the International Organisation for Migration (IOM) are helping the GTI Bo, in respect of the above.*
- (ii) At the moment, the GTI has a motorbike, but there is no vehicle, which has been a challenge altogether.*
- (iii) There is gradual progress now in the availability of tools and equipment in the Departments of Welding, Home Management and Electrical.*

### **Auditor's Comment**

Additional essential office equipment, vehicle and motorbikes, and additional machinery and tools for students offering various courses especially those involving practical sessions have not been provided to the GTI. Therefore, these issues remain unresolved.

### **2.20.4. Payroll and Human Resources Management**

The following anomalies were noted in the review of payroll and human resources management:

- There was no evidence that workers' social security contributions totalling Le66,249,000 were paid to the NASSIT by the GTI, Bo, for the period under review. In addition, a penalty charge of Le5,361,843.72 was levied on the Institute by the NASSIT for the non-payment or delay in payment of workers' social security contributions for the period under review. As such, workers' total social security contributions owed to the NASSIT by the GTI, was Le71,610,843.72, for the period under review.
- A review of staff list submitted revealed that there were three instructors on contract at the Institute. Two of them were paid from the Skills Development Project Fund, and the other from the GTI's operational account.

We recommended the following:

The Principal and the FO should collaborate with the PS at the MTHE and other stakeholders in the MoF to ensure that the estimated social security contributions owed, are paid to the NASSIT.

Evidence of this action must be forwarded to the ASSL for verification.

### **Official's Response**

- (i) The issue of workers' social security contribution payment is to be done by the MTHE, and there is still an outstanding between 2020 and 2021.*
- (ii) The instructors on contract are awaiting to be incorporated into the next batch of recruitment at the MTHE in Freetown.*

### **Auditor's Comment**

The NASSIT receipt was not submitted during the verification. Therefore, this issue remains unresolved.



## **2.21. MINISTRY OF TECHNICAL AND HIGHER EDUCATION, BOMBALI DISTRICT: 2019-2021**

### **2.21.1. Inadequate Controls over Grants-in-Aid Award**

The Ministry did not submit the Select Committee's signed list of successful candidates for each district who were awarded the Grant-in-Aid scholarship for the 2019/2020 and 2020/2021 academic years. In the absence of the signed list by committee members, the audit team could not certify that the scholarships were given to candidates recommended by members of the Select Committee. Furthermore, the Regional Office did not submit any documentary evidence of those on the Select Committee's list of candidates for the 2019/2020 academic year Grant-in-Aid scholarship award.

We recommended that the Deputy Director of Higher Education should ensure the following:

- (i) Submit the signed list by committee members for recommended students for the scholarship.
- (ii) Submit the list of Select Committee members for the 2019/2020 academic year.

#### **Official's Response**

*The Deputy Director of Higher Education responded that one of the functions of the Regional Deputy Directors in the MTHE is to coordinate the award of SLG scholarships at the regional levels. All lists produced by the regional officials are subjected to verification and scrutiny by the Chief Technical and Higher Education Officer of the Ministry, and with the approval of the PS, they produce the final lists of awardees.*

#### **Auditor's Comment**

The signed list of successful candidates for each district awarded the Grant-in-Aid scholarship for the 2019/2020 and 2020/2021 academic years and the list of Select Committee members for 2019/2020 were not submitted for verification. Therefore the issue is unresolved.

### **2.21.2. Inadequate Control over the Management of Assets**

Our review of the systems and processes in place to ensure that assets are appropriately managed and controlled revealed the following:

- The Ministry procured assets such as office equipment and other office furniture to set up the Ministry's Regional Office. However, a verification of assets within the office revealed that some of the assets verified were not included in the delivery note, and the Ministry submitted no other documents to determine how the assets were obtained. And as such, the audit team could not ascertain that the assets seen were those that were to be delivered to the Regional Office. On the other hand, a swivel chair included in the delivery note was not delivered. Moreover, two conference chairs delivered are yet to be assembled and used by the office because inappropriate parts were supplied.
- Assets were not marked with unique identification codes to indicate ownership.
- The Regional Office failed to prepare an assets register that indicates the location, date of purchase, number of assets and status of assets owned by the Regional Office.
- A location inventory was not maintained.

We recommended that the Deputy Director of Higher Education ensure the following:

- (i) Liaise with the Procurement Officer at HQ to reconcile the items procured and delivered to facilitate the supply of the remaining items and details of the delivery forwarded to the audit team for verification.
- (ii) That all assets owned by the Ministry are coded with unique identification codes.
- (iii) That an assets register is prepared and updated at regular intervals to include all assets, their date of acquisition, description, identification code, location and status.

### **Official's Response**

*The Deputy Director of Higher Education responded that no imprest was provided by HQ to facilitate asset coding and to prepare an assets register.*

### **Auditor's Comment**

Management's response was noted. The response proffered did not fully address all the issues raised. Therefore, the issues remain unresolved.

## **2.22. MINISTRY OF BASIC AND SENIOR SECONDARY EDUCATION (HQ) – 2021**

### **2.22.1. No Evidence of Procurement Processes Followed**

Contrary to Section 37(1) of the Public Procurement Act of 2016, there was no evidence that procurement processes were followed in the payment of Le211,600,000 for food and accommodation during a mid-term review workshop on the implementation of the Free Quality School Education scheme in December 2021. Included in this payment was a goods and service tax (GST) amount of Le27,600,000 for which neither a GST invoice, nor a receipt was issued as evidence of payment to the NRA.

The National School Feeding Secretariat also paid a consultant Le60,600,000 in March 2021 for the School Feeding Policy without evidence that procurement processes were followed in contracting the consultant.

The procurement was not competitive and therefore, value-for-money was not obtained.

We recommended that the SPS, the Ag. Director of Procurement (ADP) and the Coordinator of the School Feeding Secretariat be held accountable for this anomaly. Evidence of the payment of GST to the NRA should be submitted for audit inspection.

### **Official's Response**

*Competitive procurement process was conducted for the award of contract for catering services for the mid-term review workshop on the FQSE implementation, and that the GST payment to the NRA was the responsibility of the catering service provider. On the payment to a consultant, Management responded that the National School Feeding Programme received the funds from the World Food Programme that hired the consultant.*

### **Auditor's Comment**

During the verification, documents were not submitted for the above matters, and the MBSSE had a responsibility to only make GST payment when GST invoice is issued. Therefore, the issues are unresolved.

### **2.22.2. Non-delivery or Short Supply of Educational Items**

Our review of available records in respect of procurement for teaching and learning materials and other educational items revealed the following:

- In December 2020, the Ministry signed contracts worth Le113,800,000,000 for the supply of Teaching and Learning materials (TLMs). We observed that 60% advance payment was made as at 19th March, 2021 and it was expected that 100% delivery of these materials should have been made by 19th June 2021, which was before the start of the 2021/2022 academic year. Contrary to the contract terms, there was no evidence that total delivery had been made by the suppliers as at the time of writing this report. Our reviews revealed that TLMs valued at Le48,177,603,975 had not been delivered by the various suppliers to the Ministry. Some suppliers even defaulted to supply the TLMs and TLMs equivalent of advance payment received.
- During 2021, the Ministry signed a contract worth US\$4,512,219 for the printing and supply of civic education books. We observed that a 30% advance payment was made as at November 2021, and it was expected that 100% delivery of these books should have been made by

31st January, 2022. Contrary to the contract terms, there was no evidence that the suppliers had made total delivery as at the time of writing this report. Of most concern is that the advance payment guarantees and performance bonds submitted by these suppliers had expired, even though the contractors had received advance payments and were yet to fully perform or deliver the civic education books. From a re-computation of deliveries made to local councils against a schedule of requirements as per contracts, we observed that 11,218 books valued at Le290,000,000 were not supplied.

We recommended that the SPS immediately enforced compliance with the contract terms. The contractors must fully perform or immediately execute the equivalent of advance payment received. Otherwise, a full recovery must be made and amounts refunded into the Consolidated Fund.

### **Official's Response**

*The SPS stated that:*

- (i) Considerable progress had been made by the suppliers in the delivery of TLMs. Most suppliers had completed delivery. Verifications are always conducted by joint teams of staff of the MBSSE from the stores and inventory, the Internal Audit and the EQSE Units. Verification reports normally inform request for payments. At times, the audit exercise was conducted in December 2021 on the first verification report was available when most of the deliveries were not completed. Additional deliveries have been reported and verified. The updated verification reports are available for verification.*
- (ii) Audit recommendation is noted. The regulation is that, the APG is submitted only once and at start of the contract execution as it is required to guarantee advance payment. Originals of the APG are held by the Accountant General, but the copies are available for verification. Audit recommendation regarding the performance bond is noted and will be complied with.*
- (iii) Audit recommendation is noted. The issue of terminating contracts not executed will be referred to the MBSSE Procurement Committee for decision.*
- (iv) WINMAT Publishers Limited has delivered full supply of the Civic Education textbooks as per contracts requirements and the completion certificate had been issued to the firm by the Stores and Inventory Unit of the MBSSE upon the granting of approval by the Stores and Inventory Department of the Ministry of Finance Committee for decision.*

### **Auditor's Comment**

Evidence of complete delivery by the suppliers, valid advance payment guarantees and performance bonds for the unfulfilled contracts were not submitted for audit inspection. Additionally, evidence of the Procurement Committee's decision on the two suppliers who received advance payments, but had not commenced supplies of the TLMs, was not submitted for audit inspection. Therefore, the issues remain unresolved.

### **2.22.3. Unauthorised Changes to Ministry of Finance (MoF) Terms of Payments**

We observed that for eight contracts signed for the supply of TLMs, the Ministry ignored the payment conditions set out by the MoF before signing the contracts. The payment terms authorised by the MoF were instead altered without authorisation from the MoF. The MoF authorised payment term was 30% advance payment and the balance 70% after presentation of signed delivery note by the supplier. The Ministry however instead inserted '30% advance payment, 30% on presentation of bill of lading, 30% on delivery and acceptance and remaining 10% on verification and satisfaction by the Ministry'.

We recommended that the SPS should provide the required authority from the MoF in respect of the payment terms inserted in the contracts. Otherwise, the SPS and the Acting Director of Procurement must be held accountable for the unauthorised changes made to the payment terms in the contracts for TLMs.

### **Official's Response**

*The certification of authorisation from the MoF for the payment terms included in the supply of TLMs was available for inspection.*

### **Auditor's Comment**

The certificate of authorisation was not submitted for audit verification. Therefore, the issue is unresolved.

#### **2.22.4. Irregular addendum to the original contracts for supply of diets**

Section 149(7) of the PPRs of 2020 provides that where a contract modification would cause a contract value to be increased by more than 25 percent of the original contract value, the additional requirement shall be treated as a new procurement requirement. A total of seven addenda to the original contracts for the supply of diets to government boarding home schools granted to previous suppliers surpassed the maximum threshold of 25% stated in the PPRs of 2020. These addenda had a total value of Le3,471,926,337. The Ministry however failed to adopt competitive procedures to revert to bidding processes for contract modifications which was in excess of 25% of the original contract value. Value-for-money was not obtained on the procurement of these goods. We recommended that the SPS be held accountable for violation of the PPRs of 2020.

### **Official's Response**

*The SPS in his response stated that: "The NPPA accepted only four of the seven recommendations submitted by the MBSSE for the award of contracts for the supply of diets to Government Boarding Schools. The NPPA further advised the re-launch of procurement processes for the recommendations that were rejected. The MBSSE instead obtained clearance from the NPPA for contract extension for three months for all the seven schools. There were no modifications to the existing contracts or additional requirements for the schools, and therefore no need for addendum to the original contracts".*

### **Auditor's Comment**

We concluded that this breach resulted in the total value of the contract surpassing the maximum threshold of 25%, which should have been treated as a new procurement as stipulated in Section 149(7) of the PPRs of 2020. Therefore, the issue remains unresolved.

#### **2.22.5. Other Noncompliance in the Procurement Management and Contract Administration**

We observed the following:

- On the procurement of computers and printers worth Le123,200,000, the then Assistant Director of Procurement (ADP) issued two different sets of RFQs to the same three bidders in an attempt to divide the procurement into lower value and avoid the application of the NCB procurement method. Two contracts were awarded to the same supplier, contrary to Section 29(3) of the Public Procurement Act of 2016. Catering services worth Le171,900,000 was also procured with the use of RFQ, rather than the NCB based on the value of the services. The contract was awarded to one supplier, contrary to Section 37(1) of the Public Procurement Act of 2016. The procurement of these goods and works have not been as competitive and transparent and value-for-money not obtained.
- From the review of payments from the School Materials bank account, we verified an advance payment on a contract for architectural design of science laboratory and library in Bo. A review of the procurement records revealed the following:
  - (i) A contract was granted to a foreign based contractor worth Le103,590,800 even though the threshold required for the use of the NCB procurement method, which enables the selection of a local consultant. This was not the case and there was no evidence that the Ministry of Works and Public Assets was consulted about providing architectural design service.

(ii) Additionally, an advance payment of Le31,332,450 (i.e. 30% of the total contract value) was made without securing an advance payment guarantee, contrary to Section 140(4) of the PPR, 2020.

- For the procurement of catering services, hall rentals, stationery, vehicle rentals, etc. for a total amount of Le877,120,000 in respect of five programmes/activities, we observed that the contract values exactly matched the budget estimates (which are confidential documents produced and maintained within the Ministry) appended to the concept notes. This is an indication that the bidders were told in advance what to quote with an objective of skewing the procurement process, evidencing collusion between the head of procurement and the suppliers.

Value-for-money was not achieved on the procurement of these goods and services, due to the uncompetitive nature of these procurement. The ADP and the SPS should therefore be held accountable for this breach.

### **Official's Response**

(i) Artificial Splitting:

*Records available at the MBSSE indicate these procurement to have been conducted in FY2019 and supplies were delivered. Requests for payments were subsequently submitted to the AGD but payments were not honoured in FY2019 due to lack of funds. All the returned vouchers were resubmitted in FY2020. They were again not honoured in FY2020, but in FY 2021.*

(ii) Use of wrong procurement method:

- *Release of funds by the UNICEF for training in collection of data for SSS and JSS subsidy utilisation was substantially delayed. At the time the funding was provided, the MBSSE had almost ran out of time on the achievement of the output. Secondly, the activity was not conducted in one location but different regions across the country and at different times.*
- *Procurement under reference was conducted through the use of an advertised open bidding process to which equal access was provided to all eligible and qualified bidders without any discrimination. This is consistent with Section 43 of the PPA of 2016.*
- *The MBSSE engaged the Ministry of Works and Public Assets on the possibility of having the services to be provided by them. The Ministry of Works and Public Assets was unable to provide the services due to staff constraints. Given the urgency of the project and commitment made to the UNICEF with respect to timely delivery of the activity, the MBSSE had no choice but to hire a private consultant following due procurement processes and procedures.*
- *The consultant submitted the design before advance payment was made by the MBSSE. There was therefore no need for APG since design had already been done.*

### **Auditor's Comment**

During the verification exercise, there was no documentary evidence submitted that audit recommendations have been implemented by the Ministry. The issues are therefore unresolved.

#### **2.22.6. Payment without Supporting Documents**

Total bank withdrawals of Le482,894,810 were without payment vouchers and relevant supporting documents, contrary to Section 100(1) of the PFMR of 2018.

We recommended that, the SPS and the Ag. Principal Accountant should account for the full amount, and evidence submitted for audit inspection.

### **Official's Response**

*The audit recommendation is noted and that payment vouchers and relevant supporting documents in respect of Le482,894,810 are available for verification.*

### **Auditor's Comment**

From a total of Le482,894,810, payment vouchers and supporting documents for amounts totalling Le298,053,275 were submitted for audit verification. Payment vouchers and supporting documents for the total balance of Le184,841,535 were however not submitted for verification. As 62% of supporting documents were submitted, we concluded that the issue is partially resolved.

#### **2.22.7. Payments without Adequate Supporting Documents**

Contrary to Section 100(1) of the PFMR of 2018, and in spite of recommendations in previous audit reports, payments totalling Le1,779,252,978 were without adequate supporting documents such as approved end-user requests, delivery notes, local purchase order, signed list of beneficiaries, back-to-office report, etc.

We recommended that the Ag. Principal Accountant should ensure the submission of the outstanding relevant supporting documents to the Audit Service.

### **Official's Response**

*The payment vouchers and relevant supporting documents were available for verification.*

### **Auditor's Comment**

From a total of Le1,779,252,978, relevant supporting documents for Le353,562,231 were submitted and duly verified, leaving a remainder of Le1,425,690,747. As only 20% of supporting documents were submitted, we concluded that the issue is unresolved.

#### **2.22.8. Ineligible Payments to an Entity**

Point 3 of the contract for the establishment of a Public Private Partnership (PPP) Unit stipulates payment terms for services rendered by a consultant. The amount to be paid was established based on the understanding that it includes all of the consultant's costs and profits, as well as any tax obligation that may be imposed on the consultant. We however noted that the Ministry paid the sum of Le551,225,200 to a beneficiary in respect of consultancy and technical assistance for the establishment of a PPP Unit in the Ministry, with no evidence that the Ministry had contractual relationship with the alleged beneficiary. We noted from a minutes submitted by an accounting staff, wherein it was advised that the consultant or a representative make a request for balance payment in order to follow due process. There was however no evidence on file that this request was made. Additionally, there was no evidence that the PPP Unit is functional within the Ministry.

The money in question was not utilised for the intended purpose. The SPS and the Acting Principal Accountant must be held accountable for the wrongful payment to an ineligible individual. This amount must be recovered and paid back into the Consolidated Fund.

### **Official's Response**

*The payment was made as per invoice provided in January 2021 and that the PPP Unit is part of the MBSSE's organogram. Management also stated that the vacancies in the Unit had not been filled because concurrence was not granted by the Ministry of Finance and the PSC.*

### **Auditor's Comment**

There was no evidence that our recommendation was implemented. Therefore, the issue remains unresolved.

#### **2.22.9. Inadequate Controls Over Local Travel Expenses**

We observed that DSAs of Le34,490,000 were paid to staff of the Ministry to undertake various engagements in the regions. A review of the relevant documents and attendance register at headquarters in Freetown revealed that the same personnel who received DSAs for these travels were also signing the attendance register at head office in Freetown at the same period the alleged activities were supposed to be taking place in the provinces.

We recommended that the concerned staff should reimburse the DSAs received into the Ministry's imprest account and evidence of such refunds submitted for audit inspection.

**Official's Response**

*The audit recommendation regarding refund by staff who collected DSA for local travel but were signing attendance register in the office at the same time when they were to be out of station is noted.*

**Auditor's Comment**

Evidence of recovery of DSA from staff who did not travel to the provinces, was not submitted for audit inspection. Therefore, the issue remains unresolved.

**2.22.10. Uncompetitive Recruitment of Consultants**

Contrary to Rule 2.1 of the Civil Service Code, Regulations and Rules of 2011, payment of salaries to two consultants in the delivery team unit of the Ministry were not backed by evidence of recruitment process being followed, and appointment letters/contracts being on file. Total salaries of Le151,000,000 was paid to them during the period under review. The recruitment of these consultants was not competitive, thereby resulting in, not hiring the best candidates for the job.

We recommended that the SPS should ensure that the relevant recruitment documents are submitted for audit reviews.

**Official's Response**

*The SPS stated that the audit recommendation is noted and documents requested are available for verification.*

**Auditor's Comment**

Evidence of recruitment of the consultants was not submitted for audit verification. Therefore, the issue is unresolved.

**2.22.11. Pay-As-You-Earn (PAYE) Tax not Deducted from Contract Staff Salaries**

The application of tax rates (5% and 10.5%) was inconsistently used in the computations of PAYE taxes from the salaries of contracts staff. In some instances, a 5% tax rate was used, whilst in some other instances, a 10.5% was used. These inconsistencies resulted in the Ministry failing to accurately deduct and pay total PAYE taxes of Le179,635,000 to the NRA, contrary to Section 116 of the Income Tax Act of 2000. We recommended that the Ag. Principal Accountant and SPS should ensure that PAYE taxes not deducted are recouped from the officers concerned and paid to the NRA, and evidence submitted for audit inspection.

**Official's Response**

*Management responded that action will be taken as recommended.*

**Auditor's Comment**

Evidence of payment of PAYE taxes was not submitted for verification. Therefore, the issue remains unresolved.

**2.22.12. Double Salaries Paid to a Public Servant**

During 2021, the former Assistant Director of Procurement in the Ministry, who was offered another employment in the Sierra Leone Free Education Project (SLFEP) continued to receive salaries in the Ministry. For three months, (January, February and March 2021) a total salary of Le118,063,086 and Le89,302,140 were paid to him as an employee of the Ministry and SLFEP respectively.

We recommended that the concerned staff immediately refund the total of Le118,063,086 into the Consolidated Fund.

**Official's Response**

*The audit recommendation is noted and that the former Assistant Director of Procurement had refunded salaries paid into his account by the government when he had already signed contract for secondment. Evidence of payment is available for verification.*

### **Auditor's Comment**

The issue remains unresolved because evidence of salary refund into the Consolidated Fund was not submitted for audit verification.

### **2.22.13. Staff not Available for Physical Verification**

Section 112(2) of the PFMR of 2018 stipulates that after the payroll date, the head of a budgetary agency shall certify that all employees listed on the payroll are entitled to the payments. Contrary to this provision, we noted the following:

- The names of 21 staff on the Ministry's payroll vouchers were not on the staff list/nominal roll submitted and examined during the audit. These staff received a cumulative salary of Le337,688,364.
- A sample of the names of 98 new staff on the nominal roll and payroll voucher of the Ministry were selected for physical verification. We noted that 15 of these staff did not show up for physical verification. Total salary of Le173,575,248 was paid to them in 2021.

We recommended that the Human Resource Officer reconcile the payroll voucher with the staff list by initiating actions to eliminate these names, or update the staff list/nominal roll. We also recommended that the 15 staff make themselves available for audit verification.

### **Official's Response**

*The audit recommendation was noted and action taken. Evidence is available for verification.*

### **Auditor's Comment**

The updated nominal roll was not submitted for audit inspection, and the 15 staff did not show up for verification. Therefore, the issue remains unresolved.

### **2.22.14. Unverified Fixed Assets**

A comprehensive inventory register was not maintained, raising the likelihood of assets going missing without notice. On the verification of a sample of assets acquired, we could not verify assets such as television, air conditioners, fridge, furniture, etc. worth Le79,300,000 as they were not located or provided for physical verification. Included in this amount was the delivery of office equipment worth Le13,500,000 not acknowledged by any personnel of the Ministry.

We recommended that a comprehensive inventory register is developed and that assets valued at Le79,300,000 are immediately made available for physical verification. Otherwise, the amount should be refunded into the Consolidated Fund.

### **Official's Response**

*The audit recommendation was noted and action will be taken as recommended.*

### **Auditor's Comment**

The issue remains unresolved as the assets were not provided for verification.

## **2.23. SIERRA LEONE FREE EDUCATION PROJECT (SLFEP) - 2021**

We carried out both compliance and financial audits on the Sierra Leone Free Education Project (SLFEP) for the period under review. The following were the audit outcomes:

### **2.23.1. Wrong Procurement of Catering Services for School Management Committee**

The Project used the limited competition market approach, which is contrary to Paragraph 6.11 of the World Bank Procurement Regulations of 2020, on the procurement of catering services worth US\$455,000 for the School Management Committee (SMC) training held in all districts in Sierra Leone. Based on the monetary value of this procurement, the 'request for bids' (RFB) should have been used; instead, the Procurement Specialist artificially divided it into smaller amounts and used the RFQs



procurement method and awarded the contracts to the service providers. Based on our review of the procurement and payment records, the following additional anomalies were noted:

- There was no segregation of duties in the RFQ procurement process. For instance, the Procurement Specialist unilaterally determined specification of goods, selected bidders, sent out the RFQs to bidders and also signed the contracts/local purchase orders (LPO) with the suppliers and service providers.
- Two service providers were awarded more than two contracts for the provision of catering services in more than two districts, despite the geographical spread of the training centres across these districts.
- With respect to a sampled selected payment vouchers (PVs) for 50% advance payment to service providers, the dates on the PVs were before the deadline for bid submission and evaluation for the award of the contracts. For instance, the dates on three PVs were 23rd and 27th September 2021, whilst the bid submission deadline and evaluation was 28th September, 2021. This indicated that the procurement could have been skewed in favour of these service providers even before the bids were received and evaluated, without due consideration of value-for-money.
- Contract valued at US\$154,697 was awarded to a service provider whose nature of business is different from the service it was contracted to provide.

We also found among the procurement records, signed blank invoices and receipts of two different winning bidders, thereby exposing the depth of the bid rigging arrangements between staff of the Project, and these service providers.

We recommended the following:

- (i) With the use of RFQ procurement method, selection of bidders from the database should be handled by the Procurement Committee of the Project, rather than just the Procurement Specialist. This will limit the level of discretion used by him, especially when most of the procurement activities undertaken are done with the use of RFQs.
- (ii) Procurement activities included in training/workshop budgets should be identified and included in the procurement plan of the Project.
- (iii) The Procurement Specialist should be held responsible for skewing the procurement of catering services.

### **Official's Response**

- (i) *"This activity was approved in the Annual Work Plan (AWP) by the Bank. Field activities get approval from the AWP and Component Coordinators write concept notes when the activity is due, once approved by the MBBSE leadership, they are sent to the Project Coordinator who in turn approved for implementation. These are mostly hall rentals and catering services that do not require to be uploaded into the Procurement Plan. Their approval is in the AWP.*
- (ii) *There is no were in the World Bank Procurement Regulations of 2020 that states a bidder should not be awarded more than two contracts, especially taking cognizance of the geographical spread and capacity to provide or meet the requirement for the provision of these services.*
- (iii) *The decision for the payment of 50% was first communicated to leadership and based on the situation at hand a committee was set to agree on the modus operandi for payment of these service providers, taking into account the remoteness of these locations and the time. I am also to inform you that this activity was cancelled twice, and it was a target achieving activity. Except these are typographical error but it is impossible to make payment dates before bid submission. How can they pay without submission of bids and evaluation?*
- (iv) *Generally speaking, the business is registered as a General Merchandise, as that is what is written on the business registration certificate. They can do any business, as long as it is a registered business, paying taxes and other requirements to the Government.*
- (v) *These might have been extra copies submitted by the bidders in their documents. Those might have been copies that were printed but not needed again.*

- (vi) *During the meeting with the Audit Service Sierra Leone, we did indicate that these documents were with the ACC and we managed to get them back before the entrance meeting with external auditors. Some of them might have been misplaced but this issue was cleared by the ACC after their own investigations into the matter. Evidence of all the documents were presented for inspection”.*

#### **Auditor’s Comment**

Management’s comment is noted; however, the issues remain unresolved.

#### **2.23.2. Required Technical Specifications for Procured Goods not Submitted**

Paragraph 6.18 of the World Bank’s Procurement Regulations of 2020, requires that when approaching the national market, the country’s own procurement procedures should be used. Section 33 of the PPRs of 2020 stipulates that a procurement requirement shall be documented using purchase requisition. These requirements were not met by the Project during 2021. From a sampled procurement activities reviewed, we noted that approved requests which contained the technical specifications of goods acquired were not submitted for audit inspection. The Procurement Specialist, who solely determined the technical specification and quantities of goods procured indicated that there was no need for an approved request and technical specification of the goods as the STEP system informed the initiation of the goods and services procured, rather than by an approved request. This procurement was done in the national market through the use of RFQs. The table below lists procurement done in the national market without evidence of approved requests and technical specifications.

<b>Procurement Activities without Requests</b>	
<b>Description of Procured Goods</b>	<b>Amount (US\$)</b>
12 motor vehicles for the Project	578,140
17 motorbikes (Le967.3 million/Le10,920)	88,580
Three motorbikes for SLFEP (Le129 million/Le9,922)	13,000

We recommended that an approved request (including technical specification) should form the initiation of procurement at the Project.

#### **Official’s Response**

- *“The Procurement Specialist is to: prepare precise and detailed specifications and their classifications into lots.*
- *The end-user which in this case was the Ministry did communicate to me exactly what was required and the type of vehicle they wanted.*
- *Based on the procurement, these vehicles were procured in the right quality and quantity. It was based on these criteria that the MBSSE accepted these vehicles”.*

#### **Auditor’s Comment**

Evidence of communication of the technical specifications for the mentioned goods and approved requests were not submitted for audit verification. Therefore, the issues are unresolved.

#### **2.23.3. Testing not Conducted for Goods before Acceptance**

Contrary to Section 147 of the PPRs of 2020, the Project procured assets such as motor vehicles, motorbikes, generator, information and communication technology (ICT) equipment, etc. in 2021 without evidence of independent inspection, and testing before acceptance, especially to confirm compliance with the technical specifications stated in the invitation to bid and other quotation documents.

As a result of failing to inspect and test, we noted the following anomalies in assets procured:

- For supply of the 508 tablets and power banks, the winning bidder supplied tablets and power banks different from the specifications in the bid documents.

- Some of the tablets supplied for the Annual School Census (ASC) for the Performance Based Financing (PBF) activities were defective. For instance, five tablets did not provide Global Positioning System (GPS) reading; four had calibration problem and eight could not boot. Some enumerators had to use their personal cell phones to collect the needed data.
- We also received complaints about the power banks – discharging power quickly.

Furthermore, warranty certificates from the suppliers were required, but these were not submitted for audit inspection.

The lifespan of these tablets and power banks is not guaranteed. We recommended that the Project Coordinator and Procurement Specialist should be held accountable for accepting items that were not as per the requested specifications. We additionally recommended that for future delivery of goods, especially ICT, mechanical, etc., inspections are done by independent expert personnel before acceptance. Warranty certificates for goods delivered and within the warranty period should be submitted for audit inspection and the supplier of the faulty tablets and power banks should replace them immediately.

#### **Official's Response**

- (i) *"The essence of vehicle registration with a government-owned regulator is for fitness verification. Failure to pass that test, the authority will not license those vehicles. All the staff in the meeting confirmed that their vehicles were good, excellent and fit for purpose".*
- (ii) *"I am also to inform you that the tablets and power banks supplied meet the minimum technical specification for both the tablets and power. They perform exceptionally good to the satisfaction of the end user, during the data collection".*

#### **Auditor's Comment**

Management's comments are noted, however, vehicle testing as a requirement for licensing do not cover for physical inspection to verify compliance with the technical specification of the ordered vehicles, motorbikes, etc. In addition, Management did not comment on the findings from the field visits and the other goods that were not subjected to physical inspection and testing before acceptance. Therefore, the issues are unresolved.

#### **2.23.4. Approved Financial and Operational Manual not in Existence**

The Project Implementation Manual (PIM) requires the existence and use of an accounting policy and procedural manual at the Project. The Project did not have an approved accounting policy and procedural manual.

Our reviews of the internal controls and processing systems revealed several anomalies. There was no evidence of review and approval of some sampled payment vouchers (PVs) by the Senior Financial Management Specialist and the Project Coordinator respectively. There was lack of segregation of duties over the entire procurement cycle (from initiation to award). Gaps were identified in the approval system and PVs were not serially pre-printed.

We recommended for the development, approval and use of an accounting policy and operations manual. This manual should establish system boundaries and clear line of responsibilities to facilitate segregation of duties.

#### **Official's Response**

*Management in their response said the accounting manual is still under review. Regarding approval, Management said it is completely leadership discretion, and on the issue of PVs, the ones not reviewed will be rectified and serially numbered PVs printed.*

#### **Auditor's Comment**

We concluded that the issues relating to the accounting manual, review and approval of PVs are unresolved and will follow up on leadership approval and use of pre-printed PVs.

### **2.23.5. Unretired Payments and Advances**

Section III of the Financing Agreement mandated that the Project finances must be used to fund eligible expenditures. Advances totalling US\$519,196 made to the MBSSE District Education Offices, staff of the Project, the MBSSE and the Teaching Service Commission (TSC) were not supported with the relevant supporting documents.

The Project's funds could not have been spent for the purposes intended resulting in overstatement of advances and expenses and understatement of cash and bank balances. We recommended for the submission of the relevant supporting documents for audit verification.

#### ***Official's Response***

*Management responded that the comments were noted and that these documents were available for review and verification.*

#### **Auditor's Comment**

Of cash advances totalling US\$519,196 made to staff of the Project, MBSSE and District Education Offices and TSC, Management submitted expense returns for amounts totalling US\$381,646 leaving an outstanding balance of US\$137,550 that were not submitted for audit verification. As documents were submitted for 74% of the queried amount, we concluded that the recommendation is substantially implemented.

### **2.23.6. Unbudgeted Expenses**

A payment of US\$43,086 was made to a civil society organisation but this could not be located in the 2021 Annual Work Plan and Budget, and authority for this payment was not submitted for audit inspection.

We recommended for the submission of authority for the making an unbudgeted payment.

#### ***Official's Response***

*Management responded that this was an approved activity in the Approved Annual Work Plan and Budget under Component 4 (Support to MBSSE) and that it is provided again for review.*

#### **Auditor's Comment**

Management drew our attention to the 2021 Annual Work Plan and Budget. However, we could not see budget line or authority for the payment of US\$43,086 to a civil society organisation. Therefore, the issue is unresolved.

### **2.23.7. Payments of Salaries without Supporting Documents**

A total of US\$31,100 was paid as salary to six staff whose contracts were not made available for audit inspection to verify the accuracy of salaries paid to them. Additionally, salaries totalling US\$81,500 were paid to 14 staff recruited in 2021 but evidence of recruitment in respect of these staff were not submitted for audit inspection.

We recommended that the signed contracts and evidence of recruitment are submitted for audit verification.

#### ***Official's Response***

- 1. These as explained during the audit exercise, are payments made to PPA staff before the actual commencement date of the Project. The staff contracts were kept at the MBSSE before relocation to the new office at Regent. These are now available for inspection.*
- 2. The evidence of recruitment is also available for inspection.*

#### **Auditor's Comment**

Signed contracts were submitted for three staff who received total salaries of US\$16,800 (representing 54% of the total salary paid) leaving a remainder of US\$14,300. Therefore, the issue is partially resolved.

Regarding staff paid US\$81,500, Management submitted renewed contracts for two staff and minutes of Management meeting authorising the heads of Unit to nominate their drivers. These staff received total salaries of US\$24,500 (representing 30% of the total amount) leaving a balance of US\$57,000. Therefore, the issue is unresolved.

#### **2.23.8. Project Staff Salaries Set above the MoF Authorised Range**

On 10th May 2019, the Ministry of Finance (MoF) issued a letter to vote controllers of selected ministries, team leads, coordinators and managers of selected projects informing them about the harmonised salary range for project officers. Comparing this salary range to salaries of officers of the Project, we observed that eight staff of the Project received salaries above the advised salary range communicated by the MoF. This cost the Project extra salary burden of US\$74,100.

We recommended that the SPS of the MBSSE should be held accountable for awarding contracts to these officers whose salaries are above the range scale authorised by the MoF.

#### **Official's Response**

*These salaries were in the approved AWPB and a 'No Objection' was sought and obtained from the Ministry's leadership and the World Bank before the signing of the contracts. It is the legal salary agreed upon in the staff contract agreement.*

#### **Auditor's Comment**

Management's comment is noted, there was no concurrence from the MoF on the setting of these salaries for the staff identified. Therefore, the issue is unresolved.

#### **2.23.9. Pay-as-you-earn (PAYE) Tax not Paid by Project Staff in 2021**

According to Part II (3) and Part IV (14) of the Income Tax Act of 2000 (as amended) and from re-computations of net salaries and statutory deductions, we observed that withholding tax of 5.5% was deducted from staff salaries from January to December, 2021 rather than the application of the PAYE rates. As the withholding tax rate was used rather than the PAYE rates, the Project failed to deduct at source PAYE taxes totalling US\$159,112 from the salaries of staff and pay same to the NRA. Additionally, this issue remained outstanding in the FY2020 and the staff had outstanding debt of US\$40,912. Therefore, continued non-compliance had further increased the statutory debts owed by these staff to US\$200,024 (US\$159,112. & US\$40,912).

The non-application of the PAYE rates emanated from the contracts signed by the SPS at the MBSSE with the project staff. We recommended that the Senior Financial Management Specialist should commence deduction of PAYE taxes from all staff salaries and a payment plan should be developed and agreed with the NRA for payment of outstanding tax liabilities.

#### **Official's Response**

*We note your query and hereby respond as follows: Article 3 (i) (Remuneration and Terms of Payment) of the Service Contract between staff and the Ministry clearly stipulates that only withholding tax of 5.5% will be deducted from staff monthly remuneration; no other deductions in the form of tax were mentioned in the staff contracts. We are of the opinion that any other deduction apart from that mentioned (5.5% withholding tax) would be a material breach and non-adherence to the contract agreement. Staff contracts are available for verification.*

#### **Auditor's Comment**

We note Management's response to the audit finding. Even though this same issue was raised in the 2020 audit report and recommendation made for future compliance with the Income Tax Act 2002 (as amended), Management did not show commitment to withhold PAYE taxes and pay the tax liabilities to the NRA. Therefore, the issue is unresolved.

#### **2.23.10. Project Motor Vehicles Registered in the Wrong Owner's Name**

We inspected the motor vehicles' registration documents (life cards) and observed that the vehicles were registered in the name of the MTHE instead of the MBSSE or the SLFEP. These motor vehicles might not be located after closure of the Project.

We recommended for the immediate change of ownership. The new registration documents should be submitted for audit inspection.

**Official's Response**

*The Project Coordinator responded that they note the comment and have immediately addressed the issue.*

**Auditor's Comment**

Evidence of action taken to change the owner's name of the vehicles was not submitted for audit verification. Therefore, the issue is unresolved

**2.24. MINISTRY OF BASIC AND SENIOR SECONDARY EDUCATION,  
KAILAHUN - 2021**

**2.24.1. Assessment of Service Delivery**

We observed the following:

- The asset unique identification codes, vehicles and motorbike registration numbers were not indicated on the fixed asset register.
- TLMS were not supplied on time to the schools. Most times, they were supplied during the second term instead of at the start of the academic year. This could affect the operational effectiveness of the schools, which could undermine the effort of government in the provision of the Free Quality School Education (FQSE).
- TLMS were stored in diverse locations within the MBSSE, Kailahun District, and some of those locations were not secured at the time of our verification. There was also no evidence to show that individuals who are entering those locations are properly searched and their names and time of entry documented for ease of identification if needed.
- Discussions held with the Storekeeper and other relevant authorities revealed that regular inspections were performed but there was no evidence to justify this claim. Therefore, we could not determine whether the Deputy Director arranged for regular inspections to be performed in the various locations where TLMS are stored. Reports on store inspections performed were not submitted for audit review.

In spite of repeated requests, there was no Management's response to the issues raised or evidence of action on them.

**2.25. MINISTRY OF BASIC AND SENIOR SECONDARY EDUCATION,  
BOMBALI DISTRICT - 2021**

**2.25.1. Inadequate Control over the Management of Assets**

We noted the following during the review of the Ministry's assets management procedures:

- The Ministry did not carry out any procedures to dispose of assets that were no longer serviceable.
- The Ministry had two motorbikes that were not registered with the Sierra Leone Roads Safety Authority.
- During the verification of staff and motorbikes, we noted that two motorbikes were allocated to people who were not staff of the Ministry. We further observed that five core staff, including the Regional Education Officer, the two District Education Officers, the Stores Officer and the IT Officer were without motorbikes.

We recommended that the District Education Officer ensure the following:

- (i) That necessary action is taken to dispose of the unserviceable assets

- (ii) That the listed motorbikes are registered with the SLRSA
- (iii) That the said motorbikes are withdrawn and reallocated to the permanent staff of the Ministry

**Auditor's Comment**

Management did not proffer any response to the issues raised. Therefore, the issues remain unresolved.

**2.25.2. Ineffective Support Mechanism**

The audit team visited two schools for disabled children within the District. The Bombali School for the Blind at Pamlap and the St. Joseph School for the Hearing and Visually Impaired at Tecko Road, Makeni. The following were noted:

- The two schools were not included in the school feeding programme for primary schools despite having boarding homes and primary schools. Both principals had made several requests to be included in the school feeding programme, but their requests were not considered.
- Due to the late payment of quarterly subventions, the Bombali School for the Blind could not open on time, for the second term. Moreover, the School could not provide three daily meals to its pupils. Furthermore, due to insufficient subventions, 17 pupils were still awaiting admission into the School.
- The Bombali School for the Blind had 10 support staff in charge of the boarding home, including the Matron, who are all not on the government payroll. Instead, they are being paid from the insufficient quarterly Le35,000,000 subventions received from the Government. While the St. Joseph School for the Hearing and Visually Impaired had three unapproved teachers and three pin-coded teachers with no salary.

We recommended that the Deputy Director of Education ensure the following:

- (i) That the two Schools are included in the list of beneficiaries for the school feeding programme.
- (ii) That the unpaid staff from both schools are recommended for inclusion on the government payroll
- (iii) That the Ministry facilitate the timely receipt of government subventions to enable the two schools to function unhindered.

**Auditor's Comment**

Management did not proffer any response to the issues raised. Therefore, the issues remain unresolved.

**2.26. MINISTRY OF BASIC AND SENIOR SECONDARY EDUCATION,  
KONO DISTRICT - 2021**

**2.26.1. Payments without Supporting Documents**

A withdrawal of Le23,200,000 as indicated in a cheque stub, did not have supporting documents to justify its use. We recommended that the DD and the FO should provide supporting documents to justify the use of the Le23,200,000 in question.

**Auditor's Comment**

There was no Management's response and the required supporting documents were not made available for verification. We concluded that these findings had not been resolved.

**2.27. MINISTRY OF BASIC AND SENIOR SECONDARY EDUCATION,  
BO DISTRICT: 2020 - 2021**

**2.27.1. Assessment of Service Delivery**

Our assessment of service delivery systems by the Ministry revealed the following:

- A physical verification of fixed assets revealed that only one of six motorbikes was licensed, with registration number ARI 872.
- The Inspectorate Division of the Ministry was seriously understaffed during the period under review. In FY2020, five inspectors and supervisors of schools were required to cover 986 schools in the District. Similarly, in 2021, the inspectors and supervisors of schools were 20, and were required to cover 1,027 schools. Therefore, effective monitoring of schools was still a challenge in the District.
- There were inadequate logistics such as computers, printers etc. for the inspectors of schools and supervisors to effectively carry out their day-to-day work.

We recommended that immediate efforts are made to ensure that the issues identified are addressed, in order to ensure effective service delivery.

## **2.28. MINISTRY OF AGRICULTURE AND FORESTRY (MAF) HQ - 2021**

### **2.28.1. Operational Effectiveness of Service Delivery**

#### *Tormabum Project (RRVCP)*

During our visit to the project land preparation site at Tormabum, in the Bonthe District, we observed that the project had secured seeds, fertilisers, agro chemicals for 7,000 hectares for the 2022 cultivation, and the services of Machine-Ring Managers. There was no evidence of an MoU between the project and the Machine-Ring Managers. Ring services already rendered were not paid for by the project. Ring Managers and operators were concerned that the service will end due to lack of funds to procure fuel. We also observed that agricultural structures and facilities (market infrastructure, rice mill, warehouse and dry floors, office blocks and accommodation) at Tormabum targeted for rehabilitation and reconstruction were still occupied by people. This issue, if not immediately addressed, will delay the implementation of the project.

We recommended that government should immediately secure the budgeted funds for the successful implementation of the project. Agricultural structures and facilities should be immediately handed over to the project for rehabilitation and reconstruction.

#### *Machine Ring Service Project*

In the signed MoU dated 16th April 2021, between the Ministry and different service providers for machine ring services in 16 districts, it was expected that various technical and strategic units in the Ministry were to prepare and submit monthly independent reports certifying work done before payments were made to the ring service providers. It was however strange to note that Le16,996,000,000.00 was paid to service providers without evidence of independent certification reports which should be the basis for payments.

We also observed that there was limited involvement of the District Agriculture Officers (DAOs) in monitoring the activities of the machine ring services. A copy of the signed MoU was not available in the district offices visited. The districts were also challenged with adequate mobility for monitoring and supervision of agricultural activities in the districts.

We recommended that the independent certification reports for payments made are submitted for audit inspection.

The SPS and Ag. CAO should also ensure that the DAOs become an integral part of the machine ring service, and that adequate vehicles and motorbikes are provided for ease of mobility to monitor farm sites.



### **2.28.2. Contract Terms not Met by Contractors**

Contrary to Section 30 of the PPA of 2016, there was no evidence that contract terms were fully met in the contract implementation of onion production in the Port Loko and Moyamba Districts for LOT (1) and Falaba and Karene Districts for LOT (2).

In 2021, onion production was one project the Ministry embarked on that was piloted in four districts. The Ministry signed contracts with two service providers for the implementation of the onion projects with a contract value of Le4,940,000,000.00 {Le2,625,000,000: for LOT 1 (Port Loko and Moyamba districts) and Le2,315,000,000 for LOT 2 (Falaba and Karene districts).} These projects were marred by several procurement irregularities, all relating towards the service providers not complying with the contract terms. For instance, although 90% (Le4,445,924,000.00) of the total contract cost had been paid to the service providers and the contracts duration completed, activities not undertaken by the service providers were valued at Le3,351,455,000. These activities include: land leasing-arrangement, construction of a multi-purpose building and developing the irrigation system.

During our visits to the project sites in the districts, we noted that the communities graciously embraced the project but there was very little or no sensitisation on deliverables in the contracts and strategy on project sustainability. The projects were undertaken during an unfavourable planting season. As such, neither the service providers, nor the communities could account for the project output.

We recommended that the service providers be held accountable for the breach and should therefore execute the contracts in full. Otherwise, cost in respect of the contract terms not met must be immediately recovered from them and paid into the Consolidated Fund.

#### **Official's Response**

*The Procurement Unit of the Ministry responded that the Project was supervised by the Ministry's Monitoring and Evaluation Department and they are charged with the responsibility to properly manage/monitor the Project.*

#### **Auditor's Comment**

Management did not provide evidence to indicate that the two contractors had been notified of the breach of the contract terms to fully perform their obligations. Additionally, no evidence was submitted to suggest the contracts had been fully completed. The signatories to the contracts on behalf of the Government, had overall responsibilities to ensure that the terms or clauses of the agreement are fully complied with. Therefore, the issues are unresolved.

### **2.28.3. Changes in the Price Quotation without Justification**

Section 68 (3&4) of the PPR, 2020 states: *"Procuring entity may correct purely arithmetical errors in bids in accordance with the procedure stated in the bidding document; and that bidders shall be notified in writing of any arithmetic corrections and request, to agree to the correction."*

In the contract for the supply of harvesters and dryers, a supplier's bid price announced during the bid opening was changed at the evaluation stage from US\$5,780,400 to US\$6,980,400 without evidence of the basis used to do the change, or that the bidder was notified about the error in writing. This decision disqualifies the supplier and the contract awarded to another supplier with a lower quoted bid price of US\$6,727,000. This resulted in government incurring a colossal additional cost of US\$946,600.00 (US\$6,727,000 less US\$5,780,400).

We recommended that the Evaluation Committee should submit justification and evidence that the bidder was informed in writing about the correction of errors. Otherwise, any loss of funds as a result of the change should be accounted for by members of the Evaluation Committee and the matter forwarded to the appropriate authorities for further investigation.

#### **Official's Response**

*Management responded that: "Changes in the price was done because of changes in specification..."*

### Auditor's Comment

Evidence of communication of correction of arithmetical errors with the concerned bidder(s) and response(s) were not submitted for audit inspection. Therefore, the issue is unresolved.

#### 2.28.4. Special Imprest not Fully Retired

In Section 124 of the PFMR of 2018, it is required that all special imprest funds shall be fully retired at the end of a financial year, and any remaining balance shall be refunded to the Consolidated Fund by 31st January of the following financial year. The regulations additionally state that special imprest shall be retired 30 days after the completion of the activity.

These requirements were not met during 2021, as special imprests amounting to Le237,747,680.00 were not fully retired after the completion of the activities.

We recommended that the imprest holders should ensure that the imprests are fully retired; otherwise, the amounts involved should be recovered and paid back into the Consolidated Fund.

### Official's Response

- (i) *Following the establishment of the Single Treasury Account, the MAF was then left with only one Account at the Bank of Sierra Leone called the Ministry of Agriculture and Forestry Imprest Account. This in essence suggested that all divisional payments were now done through it. It was then realised that for urgency in the implementation of divisional activities, it was but proper to use names of individuals in the Division instead of names of suppliers. This however was raised as a query in 2019 by the Audit Service Sierra Leone. Action was then taken immediately to stop such anomaly. It could now be seen that withdrawals are done through suppliers except in cases where implementations are done upon the advice of the Directorate.*
- (ii) *The issue is noted. The Le30,000,000 was indeed paid to the traditional dancers from the contribution remitted to the Ministry by the Sierra Leone Regional Rice Value Chain Development Project as part of their contribution to the process. However, it was really very difficult to access all traditional dancers across the country to sign an MoU with them. To justify receipt of payment, the traditional dancers signed a payment voucher which is now available for audit inspection.*
- (iii) *All missing documents are available for audit inspection.*
- (iv) *A letter of authority to sign on their behalf is ready for audit inspection.*
- (v) *The expenditure returns for the farewell ceremony for the Deputy Minister 1 and Deputy Secretary 2 on 12th May and 1st September, 2021 are now available for audit inspection.*
- (vi) *The back-to-office report is available for inspection. However, the officers in question explained their personal reasons for their delay in signing the DSA register. In any case, this query is noted and we promise not to repeat the same again.*
- (vii) *The beneficiaries' list, attendance record and back-to-office report are available for audit inspection.*

### Auditor's Comment

From the total amount of Le237,747,680.00, retirement details were submitted for Le172,837,680.00 (73%), leaving a balance of Le64,910,000.00 without retirement details. Therefore, the recommendation was substantially implemented.

#### 2.28.5. Payment without Supporting Documents

In contravention of Section 100(1) of the PFMR of 2018, bank withdrawals totalling Le9,767,084,220.42 (Le7,828,755,200 from the Ministry's Imprest account and Le1,938,329,020.42 from the Oil Palm Production account) were without payment vouchers and relevant supporting documents such as receipts, invoices and delivery notes.

We recommended that the former PS, Project Head (Oil Palm Production) and Chief Accountant (CA) submit the payment vouchers and supporting documents for audit inspection. Otherwise, the amount should be refunded into the Consolidated Fund.

### **Official's Response**

*Inspection to support the Le9,767,084,220.42 query was raised. Additionally, we have found out that different activities for payment have all being put together in this query to make up the Le9,767,084,220. For instance, payment to farmers' registration, asset mapping, security management, ministerial tours and many others, make up this amount. Incidentally, all of these payments went through the Imprest Account as you clearly stated in your query. Oil palm Production Project have also sent in their retirement for inspection.*

### **Auditor's Comment**

From a total of Le9,767,084,220.42, we observed the following during the verification exercise:

- Payment vouchers and supporting documents worth Le7,319,391,000, which is 93% of Le7,828,755,200 were submitted, leaving a balance of Le509,364,200 without payment vouchers and relevant supporting documents.
- Payment vouchers and supporting documents were also submitted for a total amount of Le1,620,306,020, which is 84% of Le1,932,129,020, leaving a balance of Le311,823,000.

Therefore, the recommendation was substantially implemented.

### **2.28.6. Expenditure Returns not Submitted for Audit Inspection**

During 2021, we noted that Le 12,155,057,000 was transferred for various project activities as government funding to ensure operational effectiveness of these projects. These projects did not submit financial returns for auditing. In spite of recommendations in previous audit reports, and repeated requests during the audit exercise, expenditure returns were not submitted for audit inspection.

In the absence of expenditure returns, we cannot ascertain that the funds were used for the intended purposes. The concerned officers should ensure that expenditure returns for same are immediately submitted for audit inspection. Otherwise, they should be held accountable for the said amount.

### **Official's Response**

*We had informed the various Project Coordinators and Directors, and they promised to submit their financial expenditure returns to the PS within the specified time of the verification exercise”.*

### **Auditor's Comment**

We concluded that from a total of Le12,155,057,000 transferred to various projects, expenditure returns for amounts totalling Le3,655,057,000.00 (which is 30% of the total expenditure) were submitted for audit verification, leaving a balance of Le8,500,000,000. Therefore, the issue is unresolved.

### **2.28.7. Payments without Adequate Supporting Documents**

Our review of expenditure returns from funds remitted to the Sierra Leone Chamber of Agribusiness Development (SLeCAD) revealed that payments totalling Le113,128,500 were without adequate supporting documents such as concept note, report and claim sheets. Similarly, payment vouchers for overseas travelling totalling Le472,042,437 were without adequate supporting documents such as invitation letter, back-to-office report, etc.

We recommended that the Project Head, SLeCAD, and Chief Accountant, MAF, should ensure that the outstanding supporting documents in respect of payments totalling Le113,128,500 and Le472,042,437 respectively, are submitted for audit inspection.

### **Official's Response**

*SLeCAD is one of the agencies that receive Government Counterpart Funding from the Ministry. Subsequently, a letter was sent to them for their retirement for audit purposes as in the case for the Project. All documents for overseas travelling are available for audit inspection.*

### **Auditor's Comment**

The outstanding supporting documents in respect of payments totalling Le113,128,500 and Le472,042,437 were not submitted for audit verification. Therefore, the issue remains unresolved.

### **2.28.8. Withholding Taxes not Deducted and Paid to the NRA**

In contravention of Section 117 (3&4) of the Income Tax Act of 2000, withholding taxes totalling Le1,104,916,285 were not deducted and paid to the NRA. We recommended that the Chief Accountant ensure that the total withholding taxes are immediately recovered from the concerned contractors/suppliers and paid to the NRA.

### **Official's Response**

*Evidence of the NRA payment is available for audit inspection.*

### **Auditor's Comment**

We received bank pay-in slips, bank statements and some NRA receipts for a total payment of Le1,053,936,991, leaving a balance of Le50,979,294 (which is 95% of the total withholding tax queried), not paid to the NRA. Therefore, the recommendation was substantially implemented.

### **2.28.9. Stores and Inventory Control Management**

We observed a lot of irregularities in the management of store items during 2021. Below are material issues identified during our review of the Ministry's stores in Freetown:

#### *(i) Distribution of Onion Seeds*

A total of 1,000kg (750kg early Texas grano and 250kg red creole) onion seeds, valued at Le2,900,000,000 were distributed in six districts: Port Loko, Karene, Koinadugu, Falaba, Tonkolili and Moyamba during 2021. Our review of the controls around the distribution revealed the following:

- The seeds were not sent to the District Offices for distribution. Instead, the Head of the Horticulture Unit of the Ministry received the 1000kg of onion seeds for distribution directly to the farmers without evidence of involvement of the DAOs.
- A beneficiary list was submitted for audit review. From the list submitted, we note that a total of 220kg was alleged to have been distributed to other districts including Bo, Western Area Rural, Kambia, Makeni without evidence of approval or request sent.
- We noted anomalies in the distribution process such as duplication of names, alleged approved list not matching with signed distribution list; and both the approved list and distribution list not signed by the DAOs.

Without evidence of the involvement of the DAOs, who are charged with the responsibility of managing agricultural activities in the respective districts, we could not ascertain that the distribution was accountable and transparent. The process would have been abused, thereby resulting in the loss of government funds.

#### *(ii) Management of Fertiliser Loan Scheme*

We reviewed records on the Fertiliser Loan Scheme for the FY 2021 and observed the following:

- There was no indication that the Fertiliser Loan Scheme was implemented in accordance with the guidelines developed by the Ministry.
- There was no evidence of application forms and minutes of meetings of the fertiliser committee to suggest that due diligence was done before giving out fertiliser to farmer-based groups on loan.
- The Ministry loaned out a total of 19,370 bags of assorted fertilisers to 240 rice producing farmer-based organisations. Agreement signed between the Ministry and these organisations stipulated that repayment could be made in either cash at the prevailing price at the time of repayment, or in bushels of certified rice seeds. There was no evidence of recoveries either in

cash or kind (in bushels of certified rice seeds) for 38,740 bushels equivalent. In addition, the Ministry did not submit any agreed payment plans for the overdue loans.

#### **Auditor's Comment**

Management did not respond to the audit observations and there was no evidence that they were addressed prior to writing this report. Therefore, the issue is unresolved.

## **2.29. MINISTRY OF AGRICULTURE AND FORESTRY, KAILAHUN - 2021**

### **2.29.1. Inadequate Controls over the Recovery of Seed Rice**

We observed that there were inadequate controls over the recovery of seed rice distributed to farmers. We noted the following:

- We noted that the Ministry did not receive returns for seed rice issued to farmers for the period under review. Discussions held with the Crop Officer and DAO revealed that there was a directive from the Minister for the District Office to issue seed rice totalling 30 bags (15 bags each) to the youth farms at Peje West and Upper Bambara Chiefdoms for the period under review. However, we noted that no recoveries were made for these distributions. This is contrary to the MAF's seed rice policy.
- Furthermore, seed rice totalling 90 bags were issued to local farmers and farmer-based organisations under the Seed Rice Loan Agreement Policy. However, no recoveries were made so these distributions. This is contrary to the MAF's Seed Rice Distribution Policy.

#### **Official's Response**

*The DAO stated that: "Much effort is in place for the collection of seed rice given to farmers on loan in the Kailahun township. The block extension supervision with support from MoA, HQ is unfortunate that seed rice loan recovery faces a huge challenge as farmer are reluctant to pay with different excuses ranging from the seed did not germinate, pest destroyed their crop field, the weather affects the cropping calendar year etc. The Ministry's top management instructed all DAOs to give seed support to the youth farm, whilst awaiting their seed rice through the voucher transfer. Kailahun MAF Office gave 30 bags to two chiefdoms; 15 bags each to Peje West and Upper Bambara. After the harvesting period, the chairperson in Peje West reported that nothing was harvested from their youth farm. However, there is high expectation for seed loan recovery in the Upper Bambara because harvesting was done in their youth farm, as confirmed by the youth chairman. As recommended by the auditors, we will ensure that Seed Rice Loan Agreement Policy is strictly adhered to in future".*

#### **Auditor's Response**

The DAO and the District Crop Officer have taken measures to recover some seed rice from FBOs. However, adequate measures have not been put in place with respect to the recovery of seed rice from the District Youth Farms. The issue is partially resolved.

## **2.30. MINISTRY OF AGRICULTURE AND FORESTRY, BOMBALI DISTRICT - 2021**

### **2.30.1. Payments without Supporting Documents**

Withdrawals from the Ministry's own-source revenue account totalling Le39,500,000 were made without supporting documents to substantiate the utilisation of funds. We recommended that the Finance Officer and the DAO should ensure that the required payment vouchers and their relevant supporting documentation are provided for verification.

#### **Official's Response**

*In his response, the DAO stated that the supporting documents were available for audit verification.*

### **Auditor's Comment**

The required documents were not submitted for verification.

#### **2.30.2. Inadequate Control over the Management of Assets**

Our review of the controls to ensure that assets owned and controlled by the Ministry were in place revealed the following:

- A review of the assets register maintained by the Ministry revealed that it was not updated regularly. Moreover, assets owned and controlled by the Ministry were without unique identification codes to prevent them from being stolen without noticing quickly.
- The Ministry did not submit complete ownership documents such as life cards for its fleet.
- The Ministry did not renew its motorbikes and vehicle licenses and insurance yearly.

We recommended that the DAO should ensure the following:

- (i) All Ministry-owned assets are coded with unique identification codes, and the assets register updated accordingly.
- (ii) Submit the life cards of its motor vehicles and motorbikes for audit inspection.
- (iii) That the MAF renew the licenses and insurance of its fleet of motor vehicles and motorbikes every year.

### **Auditors Comment**

There was no management response or evidence that the recommendations were implemented. The issues are therefore unresolved.

## **2.31. MINISTRY OF AGRICULTURE AND FORESTRY, BO DISTRICT - 2021**

### **2.31.1. Ineffective Management of Fixed Assets**

- Two Massy Ferguson tractors, one Sonalika tractor and eight Winjin power tillers were not provided for verification.
- Fixed assets have not been marked with unique identification codes and inventory lists were not been placed in the various offices of the Ministry.
- Copy of survey plan, transfer agreement, title deeds and any other relevant documents to confirm ownership were not submitted for verification. These assets were not included in the Ministry's assets register.
- The building at Baima Road is dilapidated and requires rehabilitation.

We recommended that immediate efforts are made to ensure that the issues identified are addressed to the Ministry.

### **Assessment of Service Delivery**

We observed that there was ineffective service delivery in the District. Our examinations and inquiries revealed the following:

- Enquiry about the availability of veterinary drugs and vaccines for the treatment and vaccination of livestock in the District revealed that the Livestock Division lacked essential drugs.
- Most of the divisions in the Ministry were grossly understaffed as they did not have the required personnel to carry out full-scale operations. For instance, the Extension Service Division had only 10 Field Extension Workers (FEW) instead of 48, and the Livestock Division had only one District Livestock Officer and five volunteers to cover the entire District. The Ministry also lacked Veterinary Officers, Animal Production Officers and Laboratory Technicians. In addition, the Ministry lacked FOs and Store Assistants to help in the receipt and distribution of store items

We recommended that immediate efforts are made to ensure that the issues identified are addressed to ensure effective service delivery.

#### **Auditor's Comment**

Management noted the findings, but there was no evidence that the recommendation was implemented. Therefore, the issues are unresolved.

### **2.32. MINISTRY OF FISHERIES AND MARINE RESOURCES (MFMR) - 2021**

#### **2.32.1. Unpaid Statutory Fees for the Registration and Licensing of Fishing Vessels**

In accordance with provisions in Section 17 of the Fisheries and Aquaculture Regulations of 2019, license or authorisation shall not be issued unless the approved fee and other required charges have been paid at the required time. When licensing vessel(s) or fishery support & processing plant(s), fishing companies are required to pay a fishing protection fee, fishing statistics and research fee, and fishing observers fee where applicable.

Upon review of records for registered vessels (for Industrial Fishing Licenses, Semi-industrial Fishing Licenses, and Fishery Support and Processing Licenses) for the period under review, there was no evidence of payment of fishing protection fee, fishing statistics and research fee, and fishing observers fee which amounted to Le1,324,208,393.

The Director of Fisheries should immediately submit evidence of payment of revenue. Otherwise, the full amount must be recovered from the fishing companies and paid into the Consolidated Fund.

#### **Official's Response**

*Records of payment of Fisheries Protection, Research, Statistics and Observer fees had been compiled by the account office and ready for verification by the audit team. We had challenge with one fishing company - Annsenkal Fishing Company operating Tuna Vessels who was constrained to honor payment of Fisheries Protection and Research fees since Tuna Vessels mostly operate on the high seas. However, the Ministry had sent a reminder to the company (Annsenkal Fishing Company) to honour payment of the said fees in order to mitigate a situation of serving as a deterrent to subsequent licensing of the vessels. In return, the Company's management responded that the Company experienced shock due to COVID-19 pandemic that led to the withdrawal of some vessels and the non-inclusion of fees for fisheries protection and research into the MoU. However, they promised to include this component into the subsequent yearly MoU.*

#### **Auditor's Comment**

The Ministry breached the provisions in Section 17, subsection (2a) of the Fisheries and Aquaculture Regulations 2019 and Section 13, subsection (2b&h) of the PFMA of 2016. Therefore, the issue is unresolved.

### **2.33. MINISTRY OF DEFENCE (HQ) – 2021**

#### **2.33.1. Procurement of Security and Related Equipment for Peace Support Operations**

Contrary to Article 3.2.6 (b) of the signed contract for the procurement of security and related equipment for peace support operations, there was no evidence of supplies in spite of the fact that the contract expires on 30th September, 2022 (within two weeks from the date the draft report was issued). On 19th September 2020, the Ministry made an advance payment of 30% (Le25,276,639,340) of the total contract price. There was no evidence that the supplier had been reminded of its obligations under the contract terms, and the urge for immediate performance. We recommended that the Minister, the Director General (DG) and the Procurement Committee should ensure compliance with the contract terms. Otherwise, the amount paid under the contract should be recovered from the supplier and paid back into the Consolidated Fund.

**Official's Response**

*Payments were made consistent with the modified contract which states that an additional 30% payment would be made upon submission of a document confirming the acquisition of the goods and not the supply. In addition, the Ministry had also written to the supplier requesting a specific date for the delivery of the said items.*

**Auditor's Comment**

We concluded that evidence which indicates that the contractor had been notified of the breach of contract terms, was not submitted for audit inspection. Additionally, no evidence was submitted to suggest that the items had been delivered. Therefore, the issue remains unresolved.

**2.33.2. Unexplained Variances between Actual and Budgeted Expenditure**

In our review of the Ministry's approved budgets and the Free Balance Detailed Account Analysis Report for FY2021, we observed material variance between the budget and actual expenditure without any evidence to justify the variances or evidence of approval from the Ministry of Finance. The actual expenditure exceeded budgeted expenditure by Le45,842,796,000.00, and there was no evidence of a supplementary budget submitted. This was contrary to Section 30(1&2) of the PFMR of 2018. We therefore recommended that the Director of Budget should submit evidence of a supplementary budget in respect of the excess expenditure.

**Official's Response**

*The relevant documents that authorise the expenditure could be inspected.*

**Auditor's Comment**

We concluded that evidence of authority for the overspent amount in FY2021 was not submitted for audit inspection. Therefore, the issue remains unresolved.

**2.33.3. Payments without Adequate Supporting Documents**

Bank withdrawals from the Imprest Account, totalling Le257,660,000.00 were without adequate supporting documents such as receipts, invoices, etc. This is in violation of Section 100(b) of the PFMR of 2018.

Contrary to Section 2(a) of the Defence Council Instruction, Principles and Assumptions, a total of Le1,157,024,072.00 was also paid to officers and other ranks for overseas training without adequate expenditure returns such as course certificates, debriefing forms etc. Additionally, allowances totalling Le205,756,565.00, paid to various beneficiaries were not part of the approved Defence Council Instruction those beneficiaries were entitled to.

We recommended that the Principal Accountant should ensure that the supporting documents in respect of these transactions are immediately submitted for audit inspection.

**Official's Response**

*The retirement documents were now available for audit inspection.*

**Auditor's Comment**

Contrary to Management's response, we concluded on the following:

- From the total of Le257,660,000.00, adequate supporting documents were submitted for payments amounting to Le40,000,000, leaving a balance of Le217,660,000 without adequate supporting documents. Since only 16% of the total payments had adequate supporting documents, we concluded that the issue is unresolved.
- Adequate supporting documents were not submitted for Le1,157,024,072.00 and Le205,756,565.00.00 paid out as overseas training expenses and allowances respectively. Therefore, the issues remain unresolved.



#### **2.33.4. Fixed Assets Management**

The controls over the management of the Ministry's fixed assets were not adequate. We observed the following:

- Assets acquired amounting to Le370,675,695.00 were not marked with the Ministry's unique identification codes.
- Assets that were replaced with the new ones were not made available for audit inspection.
- Contrary to Section 13 (2g) of the PFMA of 2016, there were instances of leaky floors at the Ministry's headquarters, the RSLAF Joint Force Command (JFC) centre at Cockrill and the Joint Logistics Unit Ordinance (JLU) at Murray Town.

We recommended that the Director General (DG) and the Deputy Secretary, Finance and Administration, should ensure that the dilapidating condition of the MOD's infrastructural facilities is communicated to the Ministry of Finance for adequate funds to immediately address the identified defects.

#### **Auditor's Comment**

There was no Management's response or evidence that the recommendation was implemented. Therefore, the issue remains unresolved.

#### **2.33.5. Assessment of the Operational Effectiveness**

We observed the following:

- There was no evidence that the technical wing (Electrical and Mechanical Engineering Unit (EME) and the Engineering Regiment) of the RSLAF were being utilised to their fullest potential. These jobs would have been carried out by these personnel (RSLAF) in a bid to save cost.
- The storage facilities were poor across the MOD, including the 34 Military Hospital which lacked proper shelving facilities.
- The following facilities are yet to be provided for at the JMU:
  - Intensive Care Unit for critical illnesses
  - Dialysis Unit for chronic kidney diseases
  - Fully equipped ambulances

We recommended that the Director General (DG) and the Deputy, Finance and Administration, should ensure that the needs identified in capacitating the JMU, and the professional and technical wings of the RSLAF is communicated to the Ministry of Finance for adequate funds to address the identified needs.

#### **Auditor's Comment**

There was no Management response or evidence that the recommendation was implemented. Therefore, the issue remains unresolved.

### **2.34. MINISTRY OF DEFENCE (5<sup>TH</sup> INFANTRY BRIGADE), SOUTH: 2020 & 2021**

#### **2.34.1. Bank Account not Operated**

The 5<sup>th</sup> Infantry Brigade did not operate any bank account within their responsibility. Officers had to travel to the Joint Force Command (JFC) headquarters in Freetown to collect cash by hand and travel back to their respective formations, units and battalions. These include payments for ration, cash allowances, monthly running costs and cash to soldiers for the year under review. This does not comply with Section 34(1) of the PFMRs (PFMR) of 2018.

We recommended that the Brigade Commander (BC) and the DG at the MOD in collaboration with the Joint Force Command headquarters should ensure that bank account(s) are maintained by the

5<sup>th</sup> Infantry Brigade AOR to prevent theft or misappropriation of cash. Evidence of this action should be forwarded to the Audit Service for verification.

### **Official's Response**

*The Brigade has opened and named it Account the 5<sup>th</sup> Infantry Brigade Administrative Account with the Rokel Commercial Bank. This Headquarters will request Headquarters, Joint Force Command (HQ, JFC) at Cockerill Barracks to cash-in monies ranging from the deductions of Le100,000.00 from individual monthly salaries for all ranks to be used for mandatory contributions and initial personnel expenditures, Monthly Ration Cash meant to purchase bulk condiment, Monthly Ration Cash Allowance (RCA) to purchase perishable food items plus fuel wood and Monthly Running Cost (MRC) to augment general supplies and unforeseen.*

### **Auditor's Comment**

Management's response is noted. However, this issue remains unresolved.

## **2.34.2. Inadequate Controls over Management of Fixed Assets**

The following were observed:

- Land ownership documents in respect of the land occupied by the 5<sup>th</sup> Infantry Brigade were not submitted for audit. Further enquiries revealed that there had been several attempts from trespassers to grab portions of the land. In addition, the land-holding family had wanted to sell the property to the Ministry of Defence but no negotiation for the sale had been brought forward by the Ministry. As a result, the land-holding family was trying to repossess the land.
- The fixed assets register for both the 5<sup>th</sup> Infantry Brigade headquarters and the 14<sup>th</sup> Battalion were not updated to include fixed assets purchased and transferred from the MOD headquarters to the Brigade for the year under review. The fixed assets registers did not also include columns for the cost, condition and the date of purchase or transfer of the fixed assets. We therefore recommended the following:
  - (i) The BC and the Quarter Master (QM) should liaise with the responsible officials at the Ministry of Defence headquarters to ensure that they acquire the property from the land-holding family and obtain the necessary documents to support the acquisition. Evidence of such action should be forwarded to the Audit Service for verification.
  - (ii) The BC should ensure that the Regimental Quarter Master Sergeant (RQMS) immediately update the fixed assets registers to include fixed assets bought and transferred during the year under review. In addition, columns for cost, condition of assets and date of purchase or transfer of fixed assets should be included and completed in the fixed assets register. Evidence of action taken should be forwarded to the Audit Service for verification.

### **Official's Response**

- (i) *The RSLAF chain of command is aware of the need to have a land document for the space occupied by the Brigade Headquarters hence efforts are being made to conclude the arrangement. Equally, this Brigade had and will continue to engage land owners and trespassers to be patient and desist from all attempts to deny or grab the occupied space from the RSLAF.*
- (ii) *For the Brigade Headquarters, save for one item i.e., canon printer, scanner and photocopier the other three items that were not registered were purchased out of regular funding from the RSLAF. However, all items have been registered as recommended, making the fixed asset register updated.*

### **Auditor's Comments**

During the verification, no ownership document or any other evidence of action taken to acquire the land from the land holding family was submitted. The fixed assets register for both the 5<sup>th</sup> Infantry Brigade and the 14<sup>th</sup> Battalion were still not updated. Therefore, these issues remain unresolved.

### 2.34.3. Poor Housing Facilities for Personnel

From the physical verification and discussions held with key personnel, we observed that accommodation for personnel under the 'Other Ranks' category remained a huge challenge as at the time of verification. Personnel were still living in deplorable houses. However, construction of houses for accommodation was slowly ongoing at the Brigade headquarters.

We recommended that the BC in collaboration with the QM should liaise with other relevant authorities including the DG at the MOD headquarters in Freetown to ensure that the ongoing construction of these affordable housing at the Brigade is accelerated.

#### **Official's Response**

*The audit captured the acute inadequacy of accommodation to house service personnel within the 5<sup>th</sup> Infantry Brigade Area of Operations (AO). The RSLAF chain of command is aware and working on addressing housing problem hence, this headquarters will continue to make the necessary follow-up through HQ, JFC. Meanwhile, the Brigade remains committed to the conduct of monthly barracks inspection with a view to maintaining the few available buildings.*

#### **Auditor's Comment**

During the verification, we observed that army personnel were still living in deplorable houses. Therefore, this issue remains unresolved.

### 2.34.4. Operational Challenges

Water and sanitation facilities were lacking. There were only two bore holes serving the entire 5<sup>th</sup> Brigade which was not enough to provide safe drinking water, especially during the dry season. There was no pipe borne water facility.

There was lack of mobility such as vehicles and motorbikes, and also lacked key equipment such as computers, printers, photocopiers and UPS to carry out its daily operations.

We recommended that the BC should liaise with other relevant authorities at the MOD headquarters in Freetown to provide the following:

- (i) affordable pipe borne water
- (ii) computer and its accessories
- (iii) increase in monthly imprest and ration cash allowance allocated to the 5<sup>th</sup> Brigade.

#### **Official's Response**

- (i) *The audit took note of inadequate bore holes at Gondama Barracks causing water shortage especially in the dry season for service personnel and their dependents in the Brigade. The RSLAF chain of command is aware of this shortage and efforts are being made at senior management level to address the challenge. Equally, this Brigade has approached a reasonable number of non-governmental organisations to assist with the construction of bore holes on humanitarian consideration. This headquarters will continue to remind the chain of command and relevant NGOs to construct additional boreholes.*
- (ii) *The audit took account of the Le5,000,000.00 MRC receive to augment inadequate general supplies and unforeseen challenges of service personnel. The increase in cost of needed items in the market and rise in payment for services to address soldier's welfare remains a challenge. This Headquarters will write to HQJFC to justify the need for an increase in MRC with a view to contributing to effective administration.*
- (iii) *The audit mentioned the inadequacy of the allocated monthly RCA of Le1,300,000.00 (one million, three hundred thousand Leones) for the purchase of perishable food items and fuel wood. The mentioned amount cannot buy the food items in the needed quantities due to the constant increase in market prices. This Headquarters will continue to remind HQ JFC to increase monthly RCA to enable the Brigade meet the standard of feeding.*

#### **Auditor's Comment**

Our recommendations were not implemented. The issues therefore remain unresolved.

## **2.35. MINISTRY OF TRANSPORT AND AVIATION - 2021**

### **2.35.1. Contracts not Performed after Receipt of Advance Payments**

#### *Advance Payment made without delivery of Vehicles to State House*

On 18th May 2021, the MTA signed a contract with Tropical Autos worth Le1,390,000,000 for the supply of two new vehicles to be assigned to different functional units at State House. Our review of relevant documents further ascertained that cumulative payment to the tune of Le983,000,000 (71%) has been made without any evidence of the vehicles being delivered, which is contrary to the terms of the contract. We also discovered that the advance payment guarantee and the performance bond expired on 17th August, 2021 without any evidence of renewal to ensure that the State is indemnified against potentially defaulting suppliers.

The PS and the Procurement Committee should ensure that delivery of the respective vehicles are immediately effected at no extra cost to the state.

#### **Official's Response**

*The supplier, Tropical Autos was to supply two vehicles for Head of Hospitality & Communications Department, State House at a total cost of one billion, three hundred and ninety million Leones (1,390,000,000). A contract was signed and advance payment of 30% was triggered upon signing.*

*Upon submission of bill of lading, a follow-up payment of 40% was also made. For the same reasons surrounding global supply chain disruptions, the supplier was unable to deliver as per contract delivery date. Several engagements were made and the supplier promised to deliver by end of September, 2022. Recently, a follow-up on the status of delivery has been made.*

*Whilst the Ministry awaits response from the supplier, the Ministry stands ready to follow through the process of termination in case the deadline of 30th September, 2022 is not met by the supplier.*

*The Ministry noted the recommendation of the audit team on the "Termination of Contracts" but would like you to know that termination of contract is a process provided for in the Procurement Act of 2016, and the Ministry is doing all it could to follow stipulated processes leading to the termination of the contract if the vehicles are not supplied against 30th September, 2022.*

#### **Auditor's Comment**

We noted the actions initiated by Management to enforce effective discharge of contractual obligations by the defaulting supplier. The audit team has equally noted the Ministry's consideration of due diligence in potential contract termination and the ensuing legal ramifications. However, there was no indication of the vehicles being delivered or contract terminated, and advance payments being fully refunded to the Consolidated Fund as recommended. Therefore, the issue remains unresolved.

#### *Advance Payment made without delivery of vehicles to State House and other public offices*

On 8th November 2021, the Ministry signed a contract with Mirakle Enterprises for a contractual price of Le9,820,000,000 for the supply of 15 new vehicles to be assigned to State House and other public offices. A 60% advance payment amounting to Le5,892,000,000 was later made to the supplier on 23rd December, 2021. It was therefore expected that the vehicles should have been delivered within four weeks from the date of advance payment (23rd December, 2021). The following anomalies were however noted:

- (i) Seven months after receipt of the payments, the supplier has still not delivered the vehicles or an equivalent in respect of amount already received.
- (ii) Furthermore, evidence of the relevant bill of lading to warrant payment of the additional 30% payment which amounted to Le2,946,000,000 in the 60% advance payment made to the supplier was not submitted for verification.

We concluded that the Ministry did not properly manage its procurement activities to achieve best value on meagre public resources. The PS and the Procurement Committee should ensure that delivery of the respective vehicles are immediately effected at no extra cost to the state.

### **Official's Response**

*The supplier (Mirakle Enterprises) was to supply 15 vehicles for public officials at a total contract amount of nine billion, eight hundred and twenty million Leones (Le9,820,000,000). After signing the contract, an initial advance payment of 30% was made. This was followed by an additional 30% payment upon submission of bill of lading. Delivery was expected to take place within six weeks, but the supplier later informed Management that he has challenges with the manufacturers of the vehicles due to Global Supply Chain disruptions which largely accounted for deferment of deliveries on all contracts he had signed with the Ministry and other MDAs. He therefore requested for an extension of the delivery date up until mid-July 2022. Several engagements were made and the supplier promised to deliver the said vehicles by end September, 2022. Recently, a follow-up on status of delivery has been made to the supplier. While we await his response, the Procurement Committee of the Ministry has decided to form a Contract Management Committee to follow up on all outstanding deliveries and also to effectively manage future contracts for better contract performance. Consequently, the Ministry stands ready to take remedial actions should the supplier fail to deliver the vehicles.*

### **Auditor's Comment**

The evidence of the bill of lading which triggered the initial 30% advance payment made to the supplier was submitted and verified. However, there was no indication of the vehicles being delivered or contract terminated and advance payments being fully refunded to the Consolidated Fund as recommended. Therefore, the issue remains unresolved.

### *Advance Payment made without delivery of vehicles to NEC*

The Ministry signed contract with Anagkazo Ventures Company Ltd. at a contract price of Le9,600,000,000 on 17th March, 2021 to supply 16 new Toyota Land Cruisers to the National Electoral Commission (NEC). Our review confirmed that a 30% advance payment of Le2,880,000,000 was made to the supplier on 7th October, 2021. Contractual terms stipulate that the 16 vehicles should be delivered within four weeks after receipt of the advance payment by the supplier. However, there was no indication of delivery of the said vehicles over eight months after the advance payment. The head of the Procurement Unit of the Ministry attributed the challenge in delivering the vehicles to global hike in prices which has prompted the supplier to call for a price adjustment before deliveries could be effected. The ASSL is of the view that performance should have necessitated price negotiations but this had not been the case. Our review could not verify any evidence of actions taken by Management to ensure effective discharge of the contract.

The PS and the Procurement Committee should ensure that delivery of the respective vehicles are immediately effected at no extra cost to the state.

### **Official's Response**

*The supplier (Anagkazo Venture) was to supply 16 vehicles for the National Electoral Commission (NEC) at a total contract amount of nine billion, six hundred million Leone (Le9,600,000,000). After signing the contract, an initial advance payment of 30% (Le2,880,000,000) was made. This was to be followed by an additional 30% payment upon the submission of bill of lading which was not received by the Ministry to trigger the said payment but rather, the contractor therefore requested for an extension of the delivery date up until the end of September, 2022. Recently, a follow-up on the status of delivery has been made to the supplier. Whilst we await his response, the Procurement Committee of the Ministry has decided to form a Contract Management Committee to follow up on all outstanding deliveries and also to effectively manage future contracts for better contract performance. Consequently, the Ministry stands ready to take remedial actions should the supplier fails to deliver the vehicles.*

*The Ministry noted the recommendation of the audit findings on “Termination of Contracts”. However, we want to draw the attention of the audit team that doing termination of contract is a process within the Procurement Act of 2016 and the Ministry is doing all it takes to follow stipulated processes leading to the termination of the contract if the vehicles are not supplied against 30th September, 2022. The process is ongoing, and Management will provide update when concluded.*

#### **Auditor’s Comment**

We noted the actions initiated by Management to enforce effective discharge of contractual obligations by the defaulting supplier. However, there was no indication of the vehicles being delivered or contract terminated and advance payments fully refunded to the Consolidated Fund as recommended. Therefore, the issue remains unresolved.

#### **2.35.2. Contract Termination without Recovery of Advance Payments**

The Ministry signed a contract with Regional Automotive on 17th March, 2021 at a contract price of Le1,237,520,000 for the supply of two new vehicles to be assigned to the Internal Audit Directorate at the Ministry of Finance. Under the terms of the contract, delivery of the two vehicles should be made within six weeks after the date of receipt of 30% advance payment. Review of payment records of the Ministry confirmed that the 30% advance payment amounting to Le371,256,000 was made to the supplier on 5th May, 2021. There was no evidence of delivery of the said vehicles (15 months after the advance payment); and both the advance payment guarantees and performance bond expired on 12th July, 2021 (three weeks after the expected delivery period).

A review of the minutes of the Procurement Committee meeting and relevant correspondences indicated that the supplier has defaulted on several delivery deadline extensions which increases the risk of failure to discharge its contractual obligations. The contract was then terminated and the supplier notified for a refund of the 30% advance payment.

Our review of payment records and enquiry with responsible officials confirmed that the Ministry had still not recovered the advance payment made to the supplier over six months after notification of the contract termination.

The PS and the Procurement Committee should ensure immediate recovery of the Le371.256 million advance payment within 15 days upon receipt of this report.

#### **Official’s Response**

*The Ministry noted the recommendation of the audit findings on “Termination of Contracts”.*

*We want to however, draw the attention of the audit team that doing termination of contract is a process within the Procurement Act of 2016 and the Ministry is doing all it takes to follow stipulated processes leading to termination of the contract if the vehicles are not supplied against 30th September, 2022. The process is ongoing and Management will provide update when concluded.*

#### **Auditor’s Comment**

There was no evidence to indicate refund of the 30% advance payment of Le371,256,000 to the Consolidated Fund as recommended by the audit team, and the vehicles have not been delivered. Therefore, the issue remains unresolved.

### **2.36. MINISTRY OF SOCIAL WELFARE (HQ) - 2021**

#### **2.36.1. Contract Awarded to the Same Supplier Using Different Names**

Even though the business name of a supplier was changed on 22nd August 2019, we observed that the business names were intermittently used for the award of contracts for the supply of goods and services. In this regard, we noted the following:

- The Ministry awarded a contract worth Le1,451,250,000 on 25th August, 2021 for the supply of skills training tools for persons with disabilities to “IN 2 Sierra Leone Ltd.” in 2021, even though the contractor's business name had been changed on 22nd August, 2019 to

“IN 2 Sierra Leone Travel Limited”. Moreover, we noted that the Freetown City Council certificate attached to the bid document was issued on 11th August 2021, while the evaluation was done on 9th August 2021, disqualifying “IN 2 Sierra Leone Ltd.” for the contract award.

- A contract worth Le85,581,681.00 in respect of the Minister’s travel to the United States of America was awarded on 19th October, 2021 to “IN 2 Sierra Leone Travel Ltd.” However, the NASSIT clearance, NRA tax clearance and Freetown City Council certificate submitted were for “IN 2 Sierra Leone Ltd.” instead of “IN 2 Sierra Leone Travel Ltd.”

We recommended that the PS should ensure the following:

- (i) That procurement processes are fair, transparent and competitive to ensure value-for-money in public procurement.
- (ii) That the Ministry desists from awarding contracts to “IN 2 Sierra Leone Ltd.” as its business name had been changed to “IN 2 Sierra Leone Travel Ltd.”

### **Official’s Response**

*The PS responded that the business registration of “IN 2 Sierra Leone Limited” was submitted during the bidding process. He added that at the time of the bid opening, it was “IN 2 Sierra Leone Limited” that was received. The supplier was informed and he said he had two companies: “IN 2 Sierra Leone Limited” and “IN 2 Sierra Leone Travels.” However, this has been noted and appropriate action will be taken accordingly.*

### **Auditor’s Comment**

The PS comment was noted. It is worth noting that the business name had been changed from “IN 2 Sierra Leone Ltd.” to “IN 2 Sierra Leone Travel Limited” on 22nd August, 2019. Therefore, “IN 2 Sierra Leone Limited” was not qualified for the award of the contract as was observed during the audit. Therefore, the issue remains unresolved.

### **2.36.2. Contract not awarded to the lowest bidder**

Our review of the contract for the rehabilitation of the remand home at Kingtom revealed that MAS Co. SL Ltd., which submitted the lowest bid price of Le736,368,000 was disqualified on the basis that its bid price was too low and the contract was awarded to ‘Another Line Investment’ with a bid price of Le1,282,826,575. However, the benchmark/basis for the disqualification of the MAS Co. SL Ltd. was not made available for review. We recommended that the Senior Procurement Officer ensure that procurement processes are fair, transparent and competitive to ensure value-for-money in public procurement.

### **Official’s Response**

*MAS Company SL Ltd. was not awarded the contract for the rehabilitation of the Remand Home at Kingtom because during the Technical Evaluation meeting, members carefully examined the three stages, the Preliminary, Technical, and Financial knowing fully well the horrible state of the Home. Furthermore, the Officer-in-Charge emphasised how the Home was in bad shape and the Senior Social Services Officers who were part of the Evaluation Committee reiterated the same about the deplorable condition of the Home.*

### **Auditor’s Comment**

Management’s response was noted. However, the benchmark cost for the rehabilitation for which MAS Co. SL Ltd. was disqualified was still not made available for verification. The issue therefore remains unresolved.

### **2.36.3. Selection criteria for grant to welfare institutions not fully followed**

No formal selection committee was set up to objectively look into/vet the eligibility of welfare institutions for government grants as against the set criteria outlined in the Ministry’s Grants Policy. As a result, Le570,000,000 was disbursed to various welfare institutions by the Ministry, whose eligibility for the grant was questionable. For instance, the criteria document stated the following:

- (i) A community stakeholder must recommend the beneficiary organisation to support the organisation's request for grants.

- (ii) A beneficiary organisation must have existed for not less than five calendar years.

We were not provided with recommendations from community stakeholders to support the organisation's grant request, nor the registration status of the welfare institutions that benefited from the grant to determine the length of existence to qualify for the grant.

Monitoring reports were not made available to the audit team to measure the impact of the grants given to these welfare institutions in their areas of operation.

We recommended that the PS should ensure that mechanisms are put in place for the establishment of the Grant Selection Committee and that grants given to welfare institutions should be in line with the set criteria.

### **Official's Response**

*The Permanent Secretary responded that the issue has now been addressed since the audit query was issued. A special committee has now been setup for the establishment of a proper and more permanent Grants Selection Committee with a mandate to review existing selection criteria with a view to come up with more realistic and tenable ones that will form the basis for awarding grants to deserving welfare institutions, and to conduct the selection process. He furthered that for the previous years, including the one under review, selection has always been done by key players in the Ministry including the Minister at the political level, the Permanent Secretary as the vote controller, the Professional Head at the highest professional level and the humble Director of Social Welfare as the technical lead on disability issues. The active involvement of all these actors, who constituted a kind of select committee then, with keen consideration of set criteria, is a testament to the Ministry's dedication to provide the grants taking into consideration the principles of fairness and objectivity.*

*The Permanent Secretary added that assessment/ monitoring is always a fundamental part of the grants disbursement process. For the period under review, the Payment Voucher requesting funds to facilitate monitoring of grant institutions, was processed but funds were yet to be accessed to undertake that activity.*

*As for the existing mechanism to undertake monitoring, may I refer you to the Ministry's internal auditors who have participated in previous monitoring exercises to ascertain the judicious utilisation of the grants.*

### **Auditor's Comment**

Management's response was noted. However, the list of the special committee members and their mandate and monitoring reports for grants provided to welfare institutions for the year under review were not provided for verification. The issues remain unresolved.

#### **2.36.4. Imprest not Retired**

Section 124(1) of the PFMR of 2018 requires that all standing and special imprest funds shall be fully retired at the end of a financial year, and any balance shall be refunded to the Consolidated Fund by 31st January of the following financial year. We however observed that monthly standing imprests totalling Le85,666,000 were without the necessary retirement details to show how they were utilised. We recommended that the PS should ensure that the retirements for the said amounts are made available for audit inspection.

### **Official's Response**

*The PS responded that the relevant retirement documents were available for audit verification.*

### **Auditor's Comment**

From the amount of Le85,666,000, retirement documents for imprests totalling Le55,616,000 (representing 65% of the total imprest) were not made available for verification. The issue is therefore partially resolved.

#### **2.36.5. No Limit on Imprest Spending**

During the review period, we noted that the Ministry had no ceiling or limit on imprest spending. As a result, common goods/items such as stationery, provisions, toiletries and tonners were bought regularly from the monthly standing imprest, thereby deliberately avoiding procurement processes as mandated by the laws. Moreover, no formal procedure was established for using of imprest as petty



cash vouchers, and requests from the end-user were not maintained. We recommended that the PS ensure that a clear procedure is established for the utilisation of imprest. Such a procedure should include the ceiling or limit above which spending on imprest should not be tolerated. Furthermore, the Principal Accountant should ensure that request from the end-user and a petty cash voucher is maintained for the proper accounting of imprests.

### ***Official's Response***

*The audit recommendation on the effective use of the standing imprest fund is strongly noted and appropriate action will be subsequently taken to address such anomalies.*

### **Auditor's Comment**

Management's response has been noted. However, the issue remains unresolved.

### **2.36.6. Payments without Supporting Documents**

During the review period, we noted that the Ministry received funds through projects supported by international institutions. Our review of the project documents revealed that funds totalling Le413,581,625 were made without payment vouchers and supporting documents, while further payments totalling Le2,398,327,091.25 were made without adequate supporting documents. Therefore, recommended that the Principal Accountant ensure that the payment vouchers and the relevant supporting documents are made available for audit verification.

### ***Official's Response***

*The relevant supporting documents were available for verification.*

### **Auditor's Comment**

From the amount of Le413,581,625, supporting documents amounting to Le377,292,350 were submitted and verified, leaving Le36,289,275 (8.8%) not verified. Similarly, of the Le2,398,327,091.25 adequate supporting documents amounting to Le740,509,721.30 were verified, leaving a balance of Le1,657,817,370.25 (69%) not verified. The issue is partially resolved.

### **2.36.7. Inadequate Control over Assets Management**

We observed the following:

- Thirty-two new motorbikes were donated to the Ministry by an International Organisation in 2020. However, a review of the assets register showed that only 16 were recorded in the register. Moreover, the locations of the remaining 16 new motorbikes were not disclosed during the audit exercise.  
Of utmost concern is that all 32 donated motorbikes had not been licensed.
- The assets register was not properly maintained and not regularly updated. In this regard, we noted that the identification marks on the register did not match with the actual identification marks on some of the assets. Moreover, the asset types, dates and acquisition cost were not indicated on the register. Consequently, we could not ascertain the existence of assets worth Le199,625,000.
- Several assets recorded on the assets register were not physically verified.
- The details of several assets in the offices, including 10 donated new motorbikes and 11 vehicles were not recorded in the assets register. Similarly, we observed that the Ministry paid for internet subscriptions for 17 MiFi devices in 2021. However, these were not recorded in the assets register.
- Life cards for vehicles and motorbikes on the assets register were not submitted to the audit team to verify the ownership status of the Ministry's fleet of vehicles and motorbikes.

We recommended that the Assistant Secretary should ensure the following:

- (i) Make available the assets in question for verification.

- (ii) Immediate action is taken to code all the Ministry's assets and update the assets register accordingly.
- (iii) A comprehensive verification of assets owned by the Ministry is undertaken, and the assets register is updated accordingly.
- (iv) The life cards should be submitted for verification.

### **Official's Response**

- (i) *All 32 new motorbikes that were donated to the Ministry by UNICEF in 2020 have now been captured in the Ministry's updated assets register, which is now available for your review.*
- (ii) *The said 32 motorbikes were distributed by UNICEF themselves, two per district, across the 16 districts all over the country and forwarded the distribution list to us.*
- (iii) *The Ministry has severally submitted payment vouchers to the AGD requesting payment to the Sierra Leone Road Safety Authority (SLRSA) and the National Insurance Company (NIC) respectively, for the licensing and insurance of the said motorbikes from our allocated budget line for that purpose. We are still awaiting approval for payment in that regard.*
- (iv) *The Ministry's assets register has been updated accordingly and is now available for audit verification.*
- (v) *The recently donated 10 new motorbikes from UNICEF have just been brought to the Ministry as at the commencement of this audit. Proper documentation and official handing over of the said motorbikes was yet to be done by the donor. All of these, including the distribution of the said motorbikes commenced just recently and the process is ongoing. Once the process is completed, all necessary documentation relating to this donation will be made available for audit purpose/ verification.*
- (vi) *There are only five available life cards for the very old (and some of them unserviceable) vehicles owned by the Ministry, the others cannot be traced any longer with the rampant fire incidents in the Ministry for the past few years. The said vehicles are however packed in the Ministry's SLRSA-approved maintenance carriage close to the SLRSA's branch office via Pademba Road and are readily available for your verification.*

### **Auditor's Comment**

Management's response was noted. However, with the exception of the five vehicle life cards submitted for verification, all other relevant documents to justify Mmanagements' claims were not made available for verification. The issues therefore remain partially resolved.

## **2.37. MINISTRY OF SOCIAL WELFARE, BOMBALI DISTRICT- 2021**

### **2.37.1. Inadequate Control over the Management of Assets**

During the review of the systems and processes in place to ensure that assets owned and controlled by the Ministry were properly maintained and safeguarded, we observed the following anomalies:

- Vehicles and motorbikes were in the custody of staff who were no longer stationed in the Bombali District. Further discussions on the issue with Management revealed that all efforts to retrieve the said vehicles and motorbikes had proved futile. Additionally, two unlicensed motorbikes were allocated to staff of the Ministry.
- Several assets were either not coded with durable labels, nor tagged to easily identify them or the codes on the assets did not match the ones in the inventory list. Moreover, some of the assets were placed in the wrong locations, which made it difficult for the audit team to verify them.
- Inventory lists were not displayed at the various office locations.

We therefore recommended that the Acting Regional Director ensure the following:

- (i) Collaborate with headquarters for the retrieval of the said vehicles and motorbikes.
- (ii) Assets are coded to prevent them from being stolen without noticing it easily.
- (iii) The inventory lists are displayed at each individual location.

### **Official's Response**

*The Acting Regional Director responded that the two unseen motorbikes and vehicles were under the possession of two ex-staff working with the Ministry of Gender and Children's Affairs in Bombali and Port Loko Districts respectively. He added that clarifications could be sought on these issues from the Ministry of Gender and Children's Affairs since some of the assets were understandingly shared between the two ministries following the separation. However, this issue was also raised with headquarters during the above-mentioned meeting and the leadership promised to amicably settle it.*

### **Auditor's Comment**

Management's response was noted. The issues however remain unresolved.

### **2.37.2. Assessment of Operational Effectiveness**

The following were observed during the assessment of the operational effectiveness of the Ministry:

- The Ministry entered into a public-private partnership agreement with a non-governmental organisation named "Commit and Act" to operate the safe home facility constructed by an International Organisation for sexual gender-based violence victims located at Magburaka Highway, Makeni. According to the memorandum of understanding, the Ministry was to develop minimum guidelines for the operation of the safe home. However, the guideline was not submitted for audit inspection.
- We also visited the National Commission for War Affected Children (NaCWAC) buildings at Rochain, Fullah Town, Makeni. It was revealed that, the purpose of the facility was to establish a remand home for all juvenile offenders within the North-East and North-West Regions. The team noted that the facility has never been put to use and has been completely abandoned by the Ministry.

We therefore recommended that the Acting Regional Director ensure the following:

- (i) Makes available the minimum operating guidelines developed by the Ministry for the operation of the safe home as stated in the Memorandum of Understanding.
- (ii) Collaborate with headquarters in Freetown to ensure the facility at Rochain functions effectively.

### **Official's Response**

*The Acting Regional Director responded that the Memorandum of Understanding or Public-Private Partnership for the utilisation of the Safe Home was established between the then Ministry of Social Welfare, Gender and Children's Affairs in Freetown, and Commit and Act Foundation. Ownership of the facility is between the now separated ministries. She added that a copy of the MOU/PPP agreement is available for verification and referred the audit team to the national office regarding the guidelines for the operation of the facility.*

*On the NaCWAC premises, the Regional Director responded that the facility at Rochain is currently not in operation due to financial shortfalls. They have raised this issue with headquarters and partners for financial support to ensure it functions effectively.*

### **Auditor's Comment**

Management's response to the Minimum Operating Guidelines and the functioning of the NaCWAC facilities were noted. However, the issues remain unresolved.

## **2.38. MINISTRY OF SOCIAL WELFARE, KENEMA DISTRICT - 2021**

### **2.38.1. Child Protection Management**

The Ministry does not have a holding centre in the entire District for the safe custody of absconded and lost and found children, including children in conflict with the Law. Though the Ministry has acquired a piece of land for constructing a remand home and holding centre for children, no funding was made available for the implementation of the construction work.

We recommended that the Deputy Director in collaboration with the Ministry, local councils and interested non-governmental organisations, put modalities in place that will ensure the provision of a safe holding Centre for children. We also recommended that the Ministry to work with development partners to ensure that a holding centre is constructed within the district.

**Official's Response**

*Deputy Director stated that this issue was noted, and going forward, management will inform the headquarters of the significant point raised in the welfare and management of these children.*

**Auditor's Comment**

There was no evidence to indicate that our recommendation would be implemented. The issue therefore remains unresolved.

**2.38.2. Disability Management**

We observed poor collaboration and coordination between the Ministry and the Commission for Persons with Disability Unit in the Ministry. We recommended that the Senior Social Disability Officer and the Ministry should ensure compliance with this Act.

**Official's Response**

*This issue is noted and going forward, the management will inform the headquarters for the significant point raised in the welfare and management of these children.*

**Auditor's Comment**

There was no evidence to indicate that our recommendation will be implemented. The issue therefore remains unresolved.

**2.39. MINISTRY OF LANDS, HOUSING AND COUNTRY PLANNING  
(HQ): 2020 & 2021**

**2.39.1. No Evidence of Banking of Revenue**

The audit team verified revenues totalling Le8,004,167,775 in the 2020 cashbook maintained by the Records Unit of the Ministry. From the review of the revenue bank statements (a Rokel Commercial Bank Account), banking of revenues totalling Le4,508,872,101 were verified leaving a balance of Le3,495,295,674 for which evidence of banking was not submitted for audit inspection. This was contrary to Section 44(1) of the PFMR, 2018.

We recommended that the Principal Accountant provide evidence to confirm the banking of the outstanding revenue.

**Official's Response**

*Management responded that they have started computerising the system of revenue collection and have designed a form to authenticate all revenue payments into the Consolidated Fund.*

**Auditor's Comment**

Documentary evidence to ascertain payment of Le3,495,295,674 into the bank were not submitted for verification. Therefore, the issue remains unresolved.

**2.39.2. Payments without Supporting Documents**

Our review of sampled payments from the Ministry's bank statements (Ministry's Imprest and Land Shelter Accounts) revealed that bank withdrawals by officers of the Ministry and payments to suppliers totalling Le2,107,633,425 were without payment vouchers and other relevant supporting documents. In addition, payment vouchers and other relevant supporting documents to the tune of

Le121,850,000.00 in respect of brushing, survey and plotting of lots in various locations were not submitted for audit review.

We recommended that the former PS and former Senior Accountant (2021) submit the relevant payment vouchers and supporting documents for audit inspection.

**Official's Response**

*Management responded that the said documents would be provided for review.*

**Auditor's Comment**

A payment voucher (PV) and supporting documents were submitted for a transaction of Le500,000,000 leaving a balance of Le1,607,633,425. Since only 24% of the total expenditure had PVs and supporting documents, we concluded that the issue is unresolved.

PVs and other relevant supporting documents to the tune of Le121,850,000 in respect of brushing, survey and plotting of lots in various locations were not submitted for verification. This issue is unresolved.

**2.39.3. Payments without Adequate Supporting Documents**

A review of sampled payments from the Ministry's cashbook and bank statements (Ministry's Imprest and Land Shelter Accounts) revealed that payments totalling Le1,163,793,775 were without adequate supporting documents, such as; approved end-users' requests, invoices, delivery note, L.P.O, back-to-office reports, etc. Additionally, expenditure returns such as signed beneficiaries list, requests, back to office reports, etc. to the tune of Le289,795,000 were not submitted for payments relating to brushing, survey and plotting of lots in various locations.

We recommended that the former PS and former Senior Accountant (during 2020 and 2021) should submit the relevant supporting documents for audit inspection.

**Official's Response**

*Management responded that the documents would be provided for review.*

**Auditor's Comment**

Contrary to Management's response, the alleged supporting documents were not submitted for verification. Therefore, the issue remains unresolved.

**2.39.4. Staff receiving DSA without Evidence of Attending Functions**

We observed that during the periods under review, the Ministry undertook series of activities in the provinces for which daily subsistence allowances (DSAs) were paid to various staff. We however noted that some of these staff signed attendance register in the Ministry on the same dates they were expected to be in the provinces. A total of Le220,270,000 was expended on these activities. Furthermore, there were no requests, concept notes or back-to-office reports to support the said activities. We recommended that the Principal Accountant should ensure that these staff refund the DSAs they received into the account of the Ministry and evidence of payment submitted for audit verification.

**Official's Response**

*The provincial trips were made to develop Standard Operating Procedures (SOP) for the smooth running of the Ministry. Such activities involved almost all the staff of the Ministry as they are required to make their own meaningful contributions. It's a Government Policy to provide Daily Subsistence Allowance (DSA) for all staff that travel to the provinces according to their grade levels and the number of days spent. It was at a particular occasion where some staff who were assigned to carry out some duty at the Head Office before travelling to the provinces stayed to accomplish their mandate before travelling.*

*The staff concerned, while at the Head Office, signed the Ministry's attendance register, but later went to the provinces to join their compatriots for the retreat. Management is therefore requesting that the matter be resolved and will ensure that such error will not repeat itself'.*

#### **Auditor's Comment**

Satisfactory evidence was not submitted for verification in support of the DSA payments to staff. Therefore, the issue remains unresolved.

#### **2.39.5. Procurement Splitting to Avoid Competitive Bidding**

In contravention of Section 37(2) of the Public Procurement Act of 2016, the Ministry in the FY2021 artificially split procurement activities into smaller amounts, using RFQ method instead of the NCB method. Office furniture and equipment costing Le313,600,000; office stationery costing Le297,874,000, sourcing the supply of assorted toner cartridges for various offices to the tune of Le257,400,000 and computer and office tools costing Le229,600,000, were procured using RFQs rather than the NCB procurement method and thereafter, awarded the contracts to various contractors. Similarly, the procurement of office stationery worth Le269,714,550 was split into smaller amounts in FY2020. In some instances, these contracts were awarded to the same supplier.

We therefore recommended that the former senior procurement officer be held accountable for the breach in the procurement law and regulations.

#### **Official's Response**

*The procurement plan for FY2020/2022 shows the quarterly procurement activities of the Ministry. However, due to the delay of funds from the Ministry of Finance, procurement process was carried out in bits based on the availability of funds'.*

#### **Auditors' Comment**

Documentary evidence to justify Management's assertion was not submitted for verification. Therefore, the issue remains unresolved.

#### **2.39.6. Stores Items not Accounted for**

Contrary to Section 180(2) of the PFMR of 2018, we observed that the assorted store items to the tune Le2,467,747,199 which were said to have been delivered to the Ministry, were not recorded in an accountable stores ledger.

Furthermore, details of how they were issued to the end-users were not made available for audit inspection. In spite of our recommendations in previous audit reports, there was also no indication of the use of stores records such as the store received vouchers, store requisitions and stores issued vouchers and stores ledger to ensure proper accountability and use of store items and consumables.

We recommended that the former Stores / Inventory Officer and the former PS should be held accountable for not making available stores records showing the use of items and consumables delivered to the Ministry.

#### **Auditor's Comment**

Management failed to respond to this issue or submit evidence that the recommendation was implemented. Therefore, the issue remains unresolved.

#### **2.39.7. Unverified Vehicles and Motorbikes**

We were provided with the updated list of vehicles and motorbikes owned and controlled by the Ministry. Upon comparison with the previous list obtained from the last audit file, we observed that 10 vehicles and six motorbikes were not recorded on the current list. Additionally, 12 vehicles and eight motorbikes were not presented for physical verification.

We therefore recommended for these to be made available for audit inspection.

**Official's Response**

*Management stated that they do not have 12 vehicles but will make available those operational vehicles for verification.*

**Auditor's Comment**

No vehicle was presented for verification. Therefore, the issue remains unresolved.

**2.39.8. Extension of Service of Retired Staff without Approval**

Contrary to Rule 12.3 of the Civil Service Code, Regulations and Rules/Administrative Manual 2011, the audit team observed that nine staff of the Ministry were granted an extension of service but reasons for granting these extensions were not made available. Furthermore, from the review of the nominal roll submitted by the Human Resource Officer, we observed that the names of two staff who had been due for retirement since 2017 and 2018 were on extension of service without Presidential approval. These staff were also in the Ministry's nominal roll without any justification and were paid the sum of Le353,363,124 from the period of 1st January to 31st December, 2021. Their personal files were also not submitted for audit inspection.

We recommended that the Senior HR Officer should provide the formal request addressed to the Human Resources Management Office (HRMO) for the extension of service granted to the nine staff and authorisation of these extension of service for audit inspection.

**Auditor's Comment**

Management failed to respond to this issue. The issue therefore remains unresolved.

**2.39.9. Assessment of Service Delivery by the Ministry**

*Database of lands reclaimed not submitted for audit inspection*

During our interview with the Director of Surveys and Lands, the audit team was informed about the process of reclaiming state lands. He stated that the Ministry reclaimed state lands during the period under review. However, we were not provided with evidence of such lands reclaimed, reallocated, regularised, and reports of revenue generated from such exercise. This was in violation of the provisions in Section 36(1a, b&d) of the Audit Service Act 2014.

We recommended that the Director of Surveys and Lands submit the database of lands reclaimed during 2020 and 2021.

**Official's Response**

*Management responded that they were currently developing the database of reclaimed state lands.*

**Auditor's Comment**

Evidence of development of the database was not submitted for verification. Therefore, the issue remains unresolved.

*Delay in investigation and reporting of land matters*

In an interview with the Assistant Staff Surveyor who was the head of Investigations Unit at the Ministry's New England Ville Office, it was revealed that investigations of land dispute matters referred to the Unit by the SLP for the period under review took an excessively long time to complete and report upon. We noted that investigations that were stipulated to complete within 21 days took over three months to complete. A review of the investigations ledger maintained by the Unit revealed that a significant number of cases referred to it were either pending or unallocated to an investigator due to the staff constraints.

Furthermore, the unit lacked office equipment such as computers, printers, etc. to facilitate the investigations they undertake. Additionally, the Unit did not have vehicle or motorbikes to aid the movement of the investigators.

We recommended that the Assistant Staff Surveyor in collaboration with the Director of Surveys and Lands identify the capacity gaps of this Unit and request for the needed office equipment and other resources to capacitate this Unit. Evidence of the action taken should be submitted for audit inspection.

#### **Auditor's Comment**

Management failed to respond to this issue or submit evidence that the recommendation was implemented. Therefore, the issue remains unresolved.

#### *Exposure of historic national land documents to theft and destruction*

We conducted a tour of the Ministry's New England Ville offices. We discovered that historic land documents in respect of international land borders and cadastral which were kept at the office building were grossly exposed to theft and destruction, as the building was in a dilapidated condition with leaking roofs and torn-apart ceilings. We further observed that there were no security personnel at the building to properly secure and safeguard these historic land documents. There was also no messenger at the office to safely and securely transport confidential documents between this office and headquarters.

We recommended that the Director of Surveys and Lands and the Permanent Secretary renovate the New England Ville offices and provide a secured location for the safekeeping of these historic land documents.

#### **Official's Response**

*The request has been made to the MoF for funds to renovate the office.*

#### **Auditor's Comment**

Documentary evidence for the renovation was not submitted for verification. Therefore, the issue remains unresolved.

## **2.40. MINISTRY OF LANDS HOUSING AND COUNTRY PLANNING, NORTH-EAST: 2020 & 2021**

### **2.40.1. Assessment of the Operational Effectiveness of the Ministry**

The team reviewed records and conducted interviews with key personnel of the Ministry. We observed the following:

- The office lacked adequate staff. The regional office had a staff strength of only nine pin-coded staff to cover the Bombali, Koinadugu, Tonkolili and Falaba districts. Moreover, we verified 23 volunteer staff working in the Ministry.
- Discussions with key personnel of the Ministry revealed that some staff had not been granted annual leave since 2012. Similarly, some personnel of the Ministry were granted leave in 2021 without leave allowances being paid to them as required by Rule 4.23 of the Civil Service Code, Regulations and Rules of 2011.
- A fixed assets register was not maintained, and most assets were not marked.
- The regional office did not receive imprest from headquarters for the period under review. As a result, staff contributed from their meagre salaries to pay for some office utilities like EDSA recharge. Consequently, there was an outstanding payment of Le2,248,000 for water rate.



- There is no official vehicle or motorbike assigned to the regional office to facilitate the movement of staff within the region.
- There was inadequate supply of office equipment such as printers especially A3 printers and computers for core staff. Most of the staff used their personal computers to carry out official duties.
- The staff quarters at 40 Soldier Street in Makeni was in a deplorable condition and unfit for dwelling.
- There was no internet facility in the regional offices to facilitate communication with the head office in Freetown.
- The government had not paid for the private-rented staff quarter at 8 Maurice Kargbo Street Makeni for over six years and the owners always intimidate staff occupying the said quarters for eviction.
- Site visit revealed that there are no physical land demarcation and signposts for the Magburaka Reservation State Land leading to the encroachment of the said land.
- Title documents for all government lands (owned or leased) in the North-East Region were not maintained at the regional office. The Teko Land in Makeni is owned by the Ministry of Agriculture and Forestry (MAF) but a certain family claimed that the Government of Sierra Leone had since relinquished the said land to them which gave them the right to sell it in pieces.

We recommended that the Acting Regional Director, the Director of Lands and Surveys, the PS and the Minister of Lands should address the observed inadequacies.

#### ***Official's Response***

*Management responded that all the findings are true and correct.*

#### **Auditor's Comment**

There was no evidence of action taken to address the audit observations, Therefore, the issues remain unresolved.

## **2.41. MINISTRY OF LANDS, HOUSING AND COUNTRY PLANNING, EAST - 2021**

### **2.41.1. Assessment of the Operational Effectiveness of the Regional Office**

During our review of the operations of the Ministry in the Eastern Region, we noted the following operational challenges:

- There was no evidence of inspection report or assessment of sites before the issuance of building permits. We noted that 87 building permits were issued to individuals and institutions for the period under review, without reports indicating that site assessment or inspection were conducted before permits were issued.
- We noted that 487 survey plans were purported to have been signed by a licenced surveyor and issued by the Kenema Lands Office for the period. There was however no evidence in the form of a licenced surveyor's profile, licence and any other documentation to confirm that the documents were signed by a professional surveyor.
- Site development was ongoing in the District without building permits. We also noted delays in the processing of building permits even though it is stated on the permit document that the processing duration should be 12 days.
- A service delivery charter was not in existence.
- No allocation was sent to the Ministry's Regional Office for the period under review.
- Fixed assets were not coded with unique identification codes.

- There was no evidence to indicate that layouts were done for newly established communities; as the layout plans were not available for audit review. As a result, disputed lands and conflict over access roads and boundary wall fences were on the increase.

We recommended that immediate efforts are made to ensure that the issues identified are addressed to ensure effective service delivery.

## **2.42. MINISTRY OF YOUTH AFFAIRS - 2021**

### **2.42.1. Withholding taxes deducted but not paid to the NRA**

Contrary to Section 130 of the Income Tax of 2000, withholding taxes totalling Le507,726,923.27 were deducted from payments to suppliers, but evidence of payments to the NRA was not submitted for audit inspection. This could result in the loss of public funds. We recommended that the Administrative and Finance Officers of the projects should ensure that payment is made immediately to the NRA and that the proof of payment is submitted for audit inspection.

#### ***Official's Response***

*We had paid the sum of NLe28, 611.11 (New Leones) with analysis of withholding tax to suppliers for services rendered. However, taxes deducted for 40% payment to contractors in respect of construction of car wash centres would be paid when funds are transferred to the sector from the Ministry of Finance, and evidence of payment submitted for verification. As per recommendations of the 2020 audit, overpaid PAYE taxes deducted from staff salaries, amounting to Le32,782,500 were to be paid back to the affected staff. However, owing that the NRA does not make payment refunds, a tax set-off arrangement was initiated by way of notification to the NRA, from whose outstanding tax payment owed, the overpaid taxes were deducted and paid to the affected staff.*

*From the outstanding balance of taxes owed, Le39,430,545.00 had been paid to the NRA.*

#### **Auditor's Comment**

Of the Le507,726,923.27, evidence of withholding taxes payment to NRA totalling Le68,041,660 (accounting for 13% of total withholding taxes) was submitted and verified, leaving a balance of Le439,685,263.27 unpaid. Since 77% of the withholding tax remained unpaid, we therefore conclude that the issue is unresolved.

### **2.42.2. Payments without Supporting Documents**

Contrary to Section 100 (1b) of the PFMR of 2018, bank withdrawals which amounted to Le557,251,524 were without payment vouchers and the relevant supporting documents. In addition, total bank withdrawals of Le283,161,118.40 were without adequate supporting documents such as: invoices, local purchase orders, back-to-office reports, etc.

The Senior Accountant and the Administrative and Finance Officers of the Projects should ensure that the payment vouchers and relevant supporting documents are submitted to the auditors.

#### ***Official's Response***

- The Le30,000,000 withdrawal was a backlog payment of Imprest for the 4th quarter of 2020.*
- The Le190,325,159 was part of the 20% refunds that was done by GIZ for a programme they fully funded. The file is available for verification.*
- The Le29,048,986 was the withholding tax amount paid back to GIZ for a programme they funded. It is their policy to pay taxes to the NRA on behalf of their implementing partners. However, vouchers and receipts of payment to GIZ are available for verification. Attached herewith for verification are documents detailing the transactions as shown below;*
  - *Imprest retirement in respect of the 4th Quarter 2020.*
  - *Payment for safety gears, roll up banners used at the launch of the National Youth Policy*
  - *Payment for window curtains for youth connect centres in Mattru, Mongo and Daru*
  - *Payment for two face sign posts for youth connect centres in Mattru, Mongo and Daru.*

- (iv) *The supporting documents of Le23,625,000 for the repairs and maintenance of AJG 347 were with the previous Procurement Officer who was transferred but are available for verification.*
- (v) *The back-to-office reports and signed distribution list of activities totalling Le 268,161,118.40 made from the National Youth Farm and District Account were in a separate file and are available for verification.*
- (vi) *As an audit response to audit query, please see documents for verification (payment voucher for transport allowance and other supporting documents).*

#### **Auditor's Comment**

Of the Le557,251,524, payment vouchers and relevant supporting documents for 84% of the payments which totalled Le468,631,524 were submitted and verified leaving a balance of 16% of payments totalling Le88,620,000, without payment vouchers and other relevant supporting documents. Therefore, the recommendation was substantially implemented.

Of the Le283,161,118.40, adequate supporting documents such as back to office report signed distribution list, invoices etc. were submitted for 75% of payments totalling Le211,988,715.20 leaving a balance of 25% payments amounting to Le71,172,403.20 without adequate supporting documents. Therefore, the recommendation was substantially implemented.

#### **2.42.3. National Youth Apprenticeship Programme not Developed**

The Ministry enter into agreement with Ingenious Consulting Limited for a monthly composite fee of Le40,000,000 for six months for the development of a National Youth Apprenticeship Programme.

On the review of payment records, we verified total payment of Le60,000,000 to the consultant but evidence of work done such as the inception report, report on the development of the apprenticeship programme, etc. was not submitted for audit inspection.

We recommended that the Component Manager should submit evidence of work done by the consultant. Otherwise, the money paid should be recovered and paid back into the Project's bank account and the evidence submitted for audit inspection.

#### **Official's Response**

*Attached for your kind consideration and subsequent action is the report from the consultant referred to the GoSL for the non-payment of its counterpart funding".*

#### **Auditor's Comment**

Report justifying consultation work done by the consultant was submitted and verified. However, there was no evidence of the development of the National Youth Apprenticeship Programme. Therefore, the issue remains unresolved.

#### **2.42.4. Advanced Payment Guarantee (APGs) and Status Report for Car Wash Centres Construction Not Submitted**

The Ministry's Livelihood Technical Skills Centre made 30% advance payments totalling Le653,430,628.53 to five contractors for the construction of cash wash centres without obtaining an advance payment guarantee (APG). From the review of report on the construction of car wash centres, works for these five car wash centres had not commenced. We recommended that the Director of Livelihood Technical Skills Centre should submit evidence of work done by these contractors to justify the advance payments made. Otherwise, the advance payment guarantees should be submitted for the payments made.

#### **Official's Response**

*"Submitted for audit verification is status/monitoring report March 2022 for work executed so far. Below are the locations of the sites:*

- *Gradient relocated to Metchem Junction, Hill Station back of Old School*

- *Misrael Kay Construction and General Supplies*
- *Interior Relocated to Moyamba Junction*
- *Abdul Majeed Construction and General Supplies Relocated to Y-Junction Bo Town*
- *Bangso Construction and Trading Enterprise relocated to Allen Town*

*Correspondingly, Advance Payment Guarantees for respective contractors are attached herewith”.*

#### **Auditor’s Comment**

Monitoring report including pictorial evidence of the construction of the relocated car wash centres in Metchem Hill Station, Y-Junction, Bo and Moyamba Town were submitted and verified.

Monitoring report including pictorial evidence of construction of car wash centres by Misrael Kay Construction and General Supplies and Bangso Construction and Trading Enterprise were not submitted for audit inspection.

Therefore, the issues are partly resolved.

#### **2.42.5. Contract renewal without appraisal of staff and non-Registration of staff with NASSIT**

There was no evidence of annual performance appraisal being conducted for 17 staff, even though their contracts were renewed. In addition, out of 26 staff files selected and reviewed, 22 staff from two projects: Livelihood Technical Skills Centre and Youth in Fisheries Project were without NASSIT details. Further discussions revealed that some of the project staff had not been registered with NASSIT. We recommended that the Assistant Director of Human Resources and the Project Managers should ensure that performance appraisals are conducted on an annual basis for all personnel before renewal of their contracts and ensure that staff of the Ministry and projects are registered with NASSIT.

#### **Official’s Response**

*“Attached for verification are appraisals for staff. Also, the sector will liaise with the office of the Human Resource Management to ensure all staff are registered with NASSIT”.*

#### **Auditor’s Comment**

Staff appraisal for three (18%) of the 17 staff were submitted and verified leaving a balance of 14 staff for which no appraisal was submitted. The issue is unresolved.

Additionally, we note management’s response on the registration of 22 staff with NASSIT. The NASSIT payment for 13(59%) staff in the Youth in Fisheries Project were submitted and duly verified leaving a balance of nine staff. The issue is partially resolved.

### **2.43. MINISTRY OF INFORMATION AND COMMUNICATIONS - 2021**

#### **2.43.1. Special Imprest for Media and Community Engagement not Accounted for**

Section 124 (6) of the PFMR of 2018 stipulates that special imprest shall be retired 30 days after the completion of the activity. This requirement was not met during 2021 as retirement details for special imprest amounting to Le548,220,250 were not submitted for audit inspection.

We recommended that the Senior Accountant should ensure that the special imprest is fully accounted for and paid back into the Consolidated Fund.

#### **Official’s Response**

*A total amount of Le338,220,250 was disbursed to the Communication Unit at State House for programme implementation. After several correspondences from the Permanent Secretary for retirement, the Ministry has now received the retirement documents and is available for audit inspection”.*

*“Also, the retirement documents for the cash withdrawal balance of Le210,000,000 from the Ministry of Information and Communications Imprest Account at BSL is now available for audit inspection. The delay in submission is due to the transfer of the Senior Accountant during the period under review to another MDA.*

### **Auditor's Comment**

We verified that of the Le548,220,250.00 special imprest amount, payment vouchers and relevant supporting documents for amounts totalling Le530,353,053.44(97% of the queried amount) were submitted for audit verification leaving a balance of Le17,867,197. Therefore, the recommendation was substantially implemented.

### **2.43.2. Withholding Tax not Paid to National Revenue Authority (NRA)**

Contrary to Section 130 of the Income Tax of 2000, withholding tax totalling Le69,527,645 was deducted from payments to suppliers but evidence of payments to the NRA was not submitted for audit inspection.

We recommended that the Senior Accountant should ensure that this amount is recovered and paid to the NRA and evidence submitted for audit inspection.

### **Official's Response**

*Evidence of payment for the Le69,527,645.00 was available for verification.*

### **Auditor's Comment**

During the verification exercise, evidence of payment for Le44,547,720(64% of total withholding tax) was submitted, leaving a balance of Le24,979,925. Therefore, the issue is partially resolved.

### **2.43.3. Payments of Salaries to Personnel who are not on the Ministry's Staff List**

A detailed review of the payroll vouchers and the staff list submitted for FY2021 revealed names of personnel in the payroll vouchers that were not on the Ministry's staff list for the period under review. As a result, payments totalling Le90,273,121 were made to 10 staff who were not employees of the Ministry. Additionally, out of 20 new staff selected for physical verification, eight did not show up for verification. A total salary of Le85,876,551 was paid to them in 2021. This shows that the Senior Human Resource had not been conducting monthly reconciliation between the Ministry's staff list and the payroll vouchers of the Accountant General's Department.

We recommended that the Senior Human Resource Officer reconcile the payroll voucher to the staff list by initiating actions to eliminate these names or update to the staff list.

### **Official's Response**

*The recommendation is noted but that we are challenged to do monthly reconciliation because of the limited access to the monthly payroll voucher form the Accountant General's Department (AGD)/ Human Resources Department due to confidentiality issues.*

*Out of the eight staff, six have shown up for the physical verification. One has abandoned her duty post and her salary has been stopped by the HRMO. The remaining one staff has not shown up for verification.*

### **Auditor's Comment**

We concluded as follows:

- Evidence of action taken to engage the HRMO and AGD in order to reconcile the Ministry's payroll to the staff list was not submitted for audit inspection. Additionally, the updated staff list was not submitted for audit inspection. Therefore, the issue remains unresolved.
- Three of the eight staff (38%) showed up for physical audit verification. A correspondence showing that one of the staff had been absent from work without the necessary authority was submitted. A total salary of Le46,977,990 was paid to the remaining five staff who did not show up for physical verification. Therefore, the issue is unresolved.

## **2.44. MINISTRY OF MINES AND MINERAL RESOURCES - 2021**

### **2.44.1. Payments without Supporting Documents**

Contrary to Section 100(1) of the PFMR of 2018, we observed that various bank withdrawals from the Diamond Mining Area Community Development Fund (DACDF) totalling Le1,354,994,324.90 were made without internal payment vouchers and relevant supporting documents.

We recommended that the Senior Accountant should ensure that the internal payment vouchers and relevant supporting documents are submitted for audit inspection. Otherwise, the said expenditure should be surcharged and disallowed.

#### **Official's Response**

*The documents requested to substantiate the various transactions are now available for inspection.*

#### **Auditor's Comment**

During the verification, we were provided with internal PVs and supporting documents for withdrawals amounting to Le1,234,595,815, leaving a balance of Le120,398,509.77 for which internal payment vouchers and relevant supporting documents were not submitted. Since 91% of the internal PVs and supporting documents were submitted, we concluded that the recommendation was substantially implemented.

### **2.44.2. Cheque and Cash Payments without Adequate Supporting Documents**

We observed that cheque and cash payments to staff of the Ministry and suppliers totalling Le928,867,439 were not supported with expenditure returns such as invoices, receipts and signed list of beneficiaries. We recommended that the Senior Accountant should ensure that the missing supporting documents are submitted for audit inspection.

#### **Official's Response**

*The documents requested to substantiate the various transactions are now available for inspection.*

#### **Auditor's Comment**

Evidence such as requisitions, invoices, receipts, signed list of beneficiaries, monitoring reports, back to office reports and a detailed activity plan etc., to justify the utilisation of expenditures totalling Le859,932,439 for the period under review were submitted and verified, leaving a balance of Le68,935,000 without adequate supporting documents. Since 80% of the PVs and supporting documents were submitted, we concluded that the recommendation was substantially implemented.

## **2.45. MINISTRY OF TOURISM AND CULTURAL AFFAIRS - 2021**

### **2.45.1. Payments without Supporting Documents**

We observed that bank withdrawals from the Ministry's imprest account, amounting to Le497,500,000, were without internal payment vouchers and the relevant supporting documents. This was in contravention of Section 100(1) of the PFMR of 2018.

We recommended that the PS ensure that the PVs and relevant supporting documents are submitted or the full amount refunded and paid back into the Consolidated Fund.

#### **Official's Response**

*The PS in his reply stated that management notes our comments with regards payments without supporting documents. These internal payment vouchers have been formed together with the relevant documentation and the vouchers are now ready for audit verification.*

### **Auditor's Comment**

From the total sum of Le497,500,000, internal payment vouchers and relevant supporting document totalling Le283,500,000 were submitted and verified, leaving a balance of Le214,000,000. Since 57% of the supporting documents were submitted, we concluded that the issue is partially resolved.

### **2.45.2. Value-for-Money not Exercised in the Use of Public Funds**

The sum of Le468,980,000 was expended for the procurement of various items to enhance the effective operation of the Office of the Entertainment Ambassador. The team of auditors on the 24th of August, 2022 visited the office and verified that the items were supplied; but as at the time of the visit, the office had not been set up even though rent was paid since December 2021. It was also strange to note that the assets procured and supplied were yet to be packed as office setting requires; the carpet had not been completely fixed, the Smart TVs and generators were still in their boxes and other items such as desktop computers were yet to be fixed. We recommended that the said amount be refunded into the Consolidated Fund.

### **Official's Response**

*Upon the visit of the auditors to the entertainment office located at 58 Bathurst Street, Freetown, on 24th August, 2022, Francis F. Solokor was with them as the entertainment business adviser supporting the ambassador for entertainment and investment. Coincidentally, we had a work going on with the Electoral Commission Sierra Leone to shoot a video of a song for registration. Therefore, the office was not functional as expected.*

*Few furniture meant for particularly the Ambassador's office were still in their boxes because he was away in the United States of America and he wanted the setup of his office in his presence. Other than that, 90% of all furniture and computers were setup and in use. These included all ACs properly fixed and installed, conference table and chairs, office tables and chairs, water dispensers, laptop computers, stationery etc. Because we don't have budget for staff including cleaners, we often clean once every two weeks. This cost is from our pockets. Upon their visit, the office was not cleaned as expected as the cleaner's timetable was two days after their visit.*

### **Auditor's Comment**

Management's response to the Office of the Entertainment Ambassador is noted. However, as at the time of completing this audit, the office was not put into use even though the sum of Le468,980,000 had been expended on its effective operation. Therefore, this issue is unresolved.

### **2.45.3. Items Bought for the Cultural Village at Mabala not Brought to Account**

We observed that some items, valued at Le1,657,950,000, procured for the furnishing of the cultural village at Mabala, were reported to have been stolen, as the items were not made available for physical verification. However, we were not provided with the police report to substantiate that these items were indeed stolen.

We recommended that the police report to confirm that the items were stolen should be submitted by PS to the ASSL for verification.

### **Official's Response**

*The Permanent Secretary gave a detailed explanation to the issues raised by the ASSL and indicated that a report was made to the police.*

### **Auditor's Comment**

We were not provided with evidence of Police reports to substantiate that the items valued at Le1,657,950,000 were actually stolen. Therefore, this issue is unresolved.

## **2.46. MINISTRY OF WORKS AND PUBLIC ASSETS - 2021**

### **2.46.1. Payments without Adequate Supporting Documents**

Section 100(1) of the PFMR of 2018 stipulates that no payment from the Consolidated Fund or a donor or special fund shall be made without a payment voucher and a complete set of supporting documents. During 2021, payment vouchers amounting to Le614,920,000 were without adequate supporting documents. Additionally, the IFMIS printout indicated payments of Le2,466,820,028 in respect of property rate to local councils for government property in various locations across the country without evidence of demand notices, and the local council receipts to justify payments. Since these transactions were without adequate supporting documents, we were unable to ascertain whether proper public financial management procedures were followed, and or whether the goods were delivered or services rendered.

We recommended that the Principal Accountant should ensure that documentary evidence in support of the expended amounts is submitted for audit inspection. In future, the Principal Accountant should ensure that for all payments, the required supporting documents are attached to the payment vouchers and retained for reference and audit purposes.

#### **Official's Response**

- (i) The Accountant General's Department will never process payments without all relevant supporting documents. However, copies of the documents have been retrieved for your final verification.*
- (ii) The Councils normally prepare their demand notice (Formal Request) for chargeable property. However, no receipt had been submitted so far for payment made to them. Management is only notified of payment through the expense analyses. Going forward, the Account Department will ensure receipts are obtained for all payments made.*

#### **Auditor's Comments**

- Supporting documents in respect of payments totalling Le361,020,000 were submitted and verified leaving a balance of Le253,900,000 without supporting documents. Since 58% of the total payments had adequate supporting documents, we concluded that the issue is partially resolved.
- Copies of demand notices and local council receipts in respect of property rate totalling Le2,466,820,028 were not submitted for verification. The issue remains unresolved.

### **2.46.2. Salary Paid to Unverified Staff**

In contravention of Sections 112 (2) and 115 (d) of the PFMR of 2018, the names of 47 staff on the salary voucher did not show up for physical verification. A total salary of Le355,605,488.00 was paid to them during 2021. Additionally, we noted that staff files were not updated with staff records such as academic certificates, NASSIT registration, job descriptions/roles and responsibilities.

We recommended that the Assistant Director of Human Resource should ensure that unverified staff must immediately avail themselves for physical verification; failing which, their names will be communicated to the Director General, Human Resources Management Office (HRMO) to be deleted from the Ministry's payroll.

#### **Official's Response**

*In light of the above, the Human Resources Unit has noticed that most of the names mentioned in the draft have been retired, deceased or posted to the provinces. Especially for those who are current staff of the Ministry, they had been informed accordingly and ready for physical verification at your convenience.*

#### **Auditor's Comments**

Of the 47 staff, only 10(21%) availed themselves for physical verification, leaving a balance of 37. A total salary of Le278,772,492.00 was paid to the unverified staff for the period under review. Therefore, the issue is unresolved.



### **2.46.3. Revenue not Banked**

Section 44 (1) of the PFMR of 2018 stipulates that all public monies, including but not limited to tax and non-tax revenues, shall be paid into the Consolidated Fund, unless otherwise provided by an Act of Parliament. This requirement was not met during 2021, as revenue totalling Le46,160,000 was not banked.

We recommended that the NRA Revenue Collector should submit evidence of banking of the said amount.

#### **Official's Response**

*Management is currently working with the NRA officer to make the documents available for your final verification.*

#### **Auditor's Comments**

There was no evidence of banking of revenue collected totalling Le46,160,000. The issue remains unresolved.

## **2.47. MINISTRY OF TRADE AND INDUSTRY – 2021**

### **2.47.1. Ineffective Implementation of the Destination Inspection Scheme**

A Cabinet Conclusion of 1st June 2011, directed the setting up of a Destination Inspection Secretariat within the Ministry of Trade and Industry (MTI) which in collaboration with other stakeholders should monitor and supervise the operations of the Destination Inspection Service Providers. The discharge of this critical mandate was prescribed to be carried out through the work of committees including a Customs Revenue.

The Reconciliation Committee which should meet on a quarterly basis, in addition to undertaking monthly reconciliation of revenue assessed and collected by the contracted service providers. We however noted that such directives were never complied with by the MTI and its stakeholder institutions. As a consequence, effective supervision and monitoring mechanisms were not put in place to ensure that government derives maximum benefit from the operations of the service providers.

In the same vein, there was no indication of quarterly meetings and monthly reconciliations undertaken by the Customs Revenue Reconciliation Committee to assure the completeness of revenue reported by the service providers.

The Destination Inspection Supervisor should proffer valid explanations backed by relevant documents for not ensuring the proper functioning of the Destination Inspection Secretariat in accordance with the Cabinet Conclusion and the agreement with service providers.

#### **Official's Response**

- (i) The Destination Inspection Secretariat in the Ministry of Trade and Industry (MTI) has noted the issues raised by the audit team on the Management of the Destination Inspection (DI) Scheme. Below are the responses to the various queries:*
- (ii) Prior to the Single Treasury Account, some amount of money used to be retained in the Ministry for the effective operation of the DI Secretariat, but with the introduction of the Single Treasury Account all monies were directed into same and thus, the Secretariat is now faced with financial constraint to carry out its robust monitoring mandate, as there is no money assigned for the operation of the Secretariat. These issues were extensively discussed with the audit team.*
- (iii) Under extreme financial difficulty, the Oversight Committee was able to meet for the period under review and originals of the record of minutes and attendance list were handed over to the audit team as proof. On revenue reconciliation, the MoF is directly charged with the responsibility to reconcile projected monthly returns as against actual revenue collected. In this vein, several correspondences were sent to the MoF to call an inaugural meeting for same. This correspondence was submitted to the audit team for their perusal. The Implementation Committee*

*which is headed by the MTI was unable to meet for the period under review. This was due to the non-availability of funds. For such meetings to hold, sitting fees and refreshment are usually provided to all stakeholders.*

*(iv) Because the MTI signed the DI agreement with the service provider on behalf of the Government, the Ministry assumed the oversight responsibility of the DI Scheme and subsequently the Chair for the meetings.*

#### **Auditor's Comment**

We noted the response proffered by management in relation to the dysfunctionality of the Destination Inspection Secretariat which they attributed to lack of funding. The vote controller in the Ministry of Trade and Industry is reminded of his primary responsibility to spearhead effective implementation of the Destination Inspection (DI) Agreement the MTI signed with service providers. Therefore, his oversight function in this regard would include effective collaboration with critical DI stakeholders and ensuring adequate funding, supervision and monitoring of the respective committees. Therefore, the issue remains unresolved.

### **2.48. MINISTRY OF WATER RESOURCES: 2019 – 2021**

#### **2.48.1. Withholding Taxes not Paid to the National Revenue Authority**

Contrary to the provision of Section 117 (4) (5) of the Income Tax Act of 2000, we observed that withholding taxes amounting to Le40,401,365 were not deducted from payments made to suppliers, and paid to the NRA. We recommended that the Principal Accountant should ensure that the amount identified is immediately recovered from the contractors and paid to the NRA, and evidence of payment forwarded to the ASSL for verification.

#### **Official's Response**

*Management notes the findings and recommendations, and wishes to inform that evidence of NRA payment through the BSL is available for your verification.*

#### **Auditor's Comment**

Evidence of payments of withholding taxes to the NRA was not submitted for verification. The issue therefore remains unresolved.

#### **2.48.2. Competitive Procurement Procedures not Followed**

We observed that an amount totalling Le905,310,000.00 was paid to a supplier for hiring of water bowsers for the Freetown Dry Season Water Project (FDSWP) in 2020. Based on the threshold of the amount expended, the NCB procurement method should have been used. There was however no evidence of a procurement process being followed which is contrary to Section 41(1) of the PPR of 2020.

We recommended that the Principal Accountant and the Procurement Officer provide evidence of procurement process being followed.

#### **Official's Response**

*Management notes the findings and recommendations, and wishes to inform that moving forward, we would ensure to follow all procurement procedures.*

#### **Auditor's Comment**

The Ministry should have sought suitable procurement method which could have maximised value-for-money for the hiring of water bowsers at a cost of Le905,310,000. The issue therefore remains unresolved.

### **2.48.3. Procurement Splitting to Evade National Competitive Bidding Method**

We observed that a total of Le218,261,925 expended for the procurement of connection materials in 2020 was split into smaller thresholds and RFQ method used instead of the required NCB method which could have resulted in greater value-for-money.

We recommended that the SPO should provide written justification for the use of the wrong procurement method.

#### ***Official's Response***

*Management notes the findings and recommendations, and wishes to inform that moving forward, we would ensure to fully follow all procurement procedures as recommended.*

#### **Auditor's Comment**

During the verification, the SPO did not provide any written documentary evidence to justify the use of the wrong procurement method. The issue therefore remains unresolved.

### **2.48.4. Access not Granted to Physically Verify Project Activities**

Despite several requests by the auditors to physically verify project activities, the Ministry denied us access to carry out the verification exercise on the construction of one spring box water tower fence, the distribution of four tap stands and community training at Mayenkench, Calaba Town, and a rooftop water collection system, and installation of solar panel in Freetown. These activities were undertaken in 2019 and 2020 for a total cost of Le214,999,513 and Le124,940,693 respectively.

In addition, we were also not granted access to verify projects costing Le79,257,383,848 implemented by SALWACO for and on behalf of the Ministry during the period 1st January, 2019 to 31st December 2021. This was done in order to independently confirm deficiencies revealed in a Joint Assessment on SALWACO's operation carried out countrywide by the Ministry of Water Resources.

We recommended that the PS should grant the auditors access to the project sites to enable them verify the said projects.

#### ***Official's Response***

*The PS responded that: "Management notes the findings and recommendations, and wishes to convey the Ministry's willingness to grant the auditors access to the project sites to enable them verify the aforementioned projects."*

#### **Auditor's Comment**

The audit team was not provided access to verify the said projects. The issues therefore remain unresolved.

## **2.49. MINISTRY OF LOCAL GOVERNMENT AND RURAL DEVELOPMENT (MLGRD) – 2021**

### **2.49.1. Stores Management and Control**

Physical verification of store items and review of store ledgers revealed the following:

- There was a difference between the FY2021 closing balances and the FY2022 opening balances.
- Physical count balances of items in the store did not agree with the allocated store ledger balances.
- Some items were not recorded in the allocated store ledger.
- The values of the store items were not included in the allocated store ledger.
- There were no regular inspections of the stores, as there was no report submitted, which is contrary to the provisions of the PFMR of 2018.

This was due to negligence on the part of the Stores and Inventory Officer who failed to do due diligence to his job description. As a result, store items had been misused in the absence of proper controls.

The Stores and Inventory Officer should ensure that there are proper safeguards to account for all store items.

**Official's Response**

*The reason for the variances in the ledger balances was due to the fact that the Internal Audit Section of the Ministry requested my documents since November 2021 and were only released when the external auditors requested them officially from the internal auditors. This brought about the late postings in the ledgers. The ledgers have now been updated for your perusal.*

**Auditor's Comment**

Stores reconciliations were not done to investigate and correct the discrepancies between the closing and opening balances for FY2021 and FY2022 respectively. In addition, Stores Inspection Report and the updated ledgers were not submitted for verification. The issues are therefore unresolved.

**2.50. PROVINCIAL SECRETARY'S OFFICE, EAST - 2021**

**2.50.1. Fixed Assets Management**

There was poor control over the management of quarters in the District Offices in Kenema, Kailahun and Kono. We observed the following:

- There was no survey plan indicating boundaries and measurement of the quarters in the district offices.
- List of those entitled to quarters and agreement for quarter allocation to staff were not submitted to the auditors.
- Plans to rehabilitate dilapidated quarters or maintenance plan was not communicated and forwarded to the Ministry of Works and Public Assets.
- Inventory list and assets register were not submitted for audit verification.

We recommended that the Provincial Secretary should ensure that the Estate Officer provide the following to the Audit Service for inspection:

- (i) Survey plan indicating boundaries and measurement of the quarters in the district offices
- (ii) List of those entitled to quarters and their agreements
- (iii) Inventory list and assets register for verification

**Official's Response**

*The issue of poor control and the management of quarters are noted. Several requests had been made to the Ministry of Works and Public Assets in respect of the maintenance, apportionment and allocation of quarters to staff.*

**Auditor's Comment**

There was no documentary evidence to attest to proper control and management of quarters in the provincial offices. Therefore, the issues are unresolved.

**2.51. PROVINCIAL SECRETARY'S OFFICE, NORTH-WEST: 2019-2021**

**2.51.1. Inadequate Staff**

A review of the staff establishment revealed that of the 23 staff to be posted to the Provincial Secretary's Office, only two (8.7%) positions were filled, leaving 21 (91.3%) posts vacant. As head of the entity, we recommended that the Provincial Secretary liaise with the Ministry of Local Government and Rural Development and the HRMO to address the staffing matters.

### **Official's Response**

*The Provincial Secretary stated that there had been no staff recruitment since the establishment of the PS Office in 2017. He furthered that he is aware of the precarious situation and would like to respond as follows."*

- (i) "Upon assumption of duty in March 2021, the matter was reported to the Director-General, HRMO and copies of the report were extended to the Secretary to the President for his information and appropriate action.*
- (ii) On 23rd August 2021, the Secretary to the President wrote a memo to the Director-General, HRMO requesting him to consider the request made by the Provincial Secretary, NorthWest region.*
- (iii) Following the 2022 Manpower Hearing by the HRMO in 2021, the positions were approved for recruitment".*

### **Auditor's Comment**

Correspondence sent to HRMO was seen. However, the issue remains the same.

### **2.51.2. Payments without Supporting Documents**

The Provincial Secretary's Office, North-West, did not submit any documentary evidence (payment vouchers, receipts, requests, delivery notes, invoices, etc.) for payments totalling Le1,455,656,250 in 2019. We recommended that the Provincial Secretary and the Account Assistant ensure that the supporting documents regarding the expended amounts are submitted to the audit team for verification.

### **Official's Response**

*At the time of the audit, no documents were submitted because the outgoing Accountant did not hand them over to the incoming Accountant. However, Management retrieved the supporting documents from the Accountant General, and they are available for inspection.*

### **Auditor's Comment**

Of Le1,455,656,250, supporting documents valued at Le630,656,750 (43%) were submitted for verification, leaving a balance of Le824,999,500 without any document. A review of the documents submitted for verification revealed that two payments totalling Le233,000,000 were without adequate supporting documents such as receipts and claim sheets. Therefore, the issue is partially resolved.

## **2.52. THE PROVINCIAL SECRETARY'S OFFICE, SOUTH: 2020 & 2021**

### **2.52.1. Management of Government Quarters in Bo**

We observed the following:

- A comprehensive database that includes details of occupants of the 236 government residential quarters in Bo for the year under review was not submitted for audit.
- A substantive Estate Officer was not in post.
- There was no documented policy on allocation of government quarters.
- Some of the quarters were in deplorable condition and needed urgent rehabilitation.
- Some retired government personnel were still occupying quarters; while transferred personnel were also occupying some of these quarters without evidence of approval.
- The water and toilet facilities were poor.
- Additional structures had been constructed within government residential quarters without evidence of prior notice and approval of the Provincial Secretary's Office.

We recommended that the Provincial Secretary's Office should ensure that adequate measures are put in place for the proper management of government quarters.

### **Official's Response**

The Provincial Secretary responded as follows:

- (i). *"The set-up of the comprehensive database system is currently in progress and we hope to submit it for audit verification. However, we are being challenged with mobility to carry out this exercise adequately.*
- (ii). *The management, control and allocation of government quarters in Bo, has been the sole prerogative of the Provincial Secretary from time to time. However, for the purpose of oversight, these functions can be delegated to officers from time to time to aid the administrative obligations of the Provincial Secretary. Accordingly, therefore, the Provincial Secretary is the substantive Estate Officer who appoints an officer with a duty to perform oversight functions.*
- (iii). *Management notes your concerns and we will try to set-up an internal documentary policy for the management of government quarters going forward.*
- (iv). *Management will intensify efforts to encourage occupants of government quarters to undertake regular repairs and maintenance on their quarters.*
- (v). *Your observation is noted. However, we have made efforts to surmount such problems and we will continue to do so in future.*
- (vi). *It is equally so on the issue of transfers. We will continue to make efforts in this regard.*
- (vii). *We encourage occupants to make frantic efforts to fix-up toilet facilities and boreholes as there are no fixed resources set aside for this.*
- (viii). *We agree that additional structures have been constructed by officials within the government residential quarters. As an office, we have made several efforts to seek redress of this situation with the owners of these structures but to no avail.*

### **Auditor's Comment**

Management's responses are noted. The issues however remain unresolved.

## **2.53. LOCAL GOVERNMENT SERVICE COMMISSION - 2021**

### **2.53.1. Poor Management of Staff Records**

Archiving vital information of staff is a key function of human resources managers. A review of staff files revealed the following:

- Some staff files of the Commission lacked information such as letter of appointment, letter of acceptance, educational achievement, oath of secrecy, etc.
- Staff appraisals for the 22 local councils staff were not carried out. Furthermore, some files were not submitted whilst those submitted were empty.

We recommended that the Human Resources Officer should ensure that staff files are updated with the relevant documents.

### **Official's Response**

- (i) *The 11 staff whose personal files were not maintained or updated have been asked to submit their remaining documents in order to maintain their files updated.*
- (ii) *As for the Councils' staff, a letter has been sent to them to submit their credentials that are lacking in their various files.*

### **Auditor's Comment**

Correspondence to the staff (including local council core staff) for updating their credentials and other information in the staff files were not submitted. In addition, staff files for staff of the Commission and core staff of the 22 local councils were not updated. Therefore, the issues were unresolved.

## **2.54. MINISTRY OF ENERGY: 2019 – 2021**

### **2.54.1. Lack of Monitoring and Supervision of Agencies by the Ministry**

We observed that the Ministry did not supervise and co-coordinate with the EDSA and the EGTC to ensure energy efficiency in the country. This is evidenced by the fact that, despite several requests made by the auditors to the PS, evidence of reports on the effective monitoring and supervision of the activities of these institutions was not submitted.

We recommended that the PS should submit for inspection evidence such as monitoring reports to confirm whether the Ministry supervised and co-ordinated the activities of the EDSA and the EGTC.

#### **Official's Response**

*The PS is a member of the Board of Directors for the two entities - EDSA and EGTC - and briefs the leadership and staff of the Ministry on the activities of the institutions. Joint monitoring and supervision activities are being made by the two entities and the Ministry.*

#### **Auditor's Comment**

During the verification, evidence of monitoring and supervision reports, memorandum of understanding and minutes of coordinating meetings were not submitted for inspection. The issue therefore remains unresolved.

## **2.55. MINISTRY OF POLITICAL AND PUBLIC AFFAIRS (MPPA) - 2020**

### **2.55.1. Artificial Splitting of Procurement to Evade Competitive Bidding**

Contrary to the provisions in Section 37(1) of the Public Procurement Act of 2016, the Ministry artificially split procurement activities valued at Le135,800,000 into smaller amounts and used RFQ method rather than the NCB procurement method and awarded the contracts to various contractors. In some instances, these contracts were awarded to the same supplier.

We recommended that the PO should be held accountable for this procurement breach.

#### **Official's Response**

- (i) The reality is that, when the new officers were posted to the Ministry by the HRMO, there were inadequate furniture to facilitate a congenial work environment for them and funds were only disbursed based on available allocation released by the MoF which also does not come on time thereby making it impossible to process the said activities under the NCB Method of Procurement contrary to the report of the ASSL.*
- (ii) The RFQ method was used as a default method instead, to execute the said procurement activities charged under the 3<sup>rd</sup> and 4<sup>th</sup> quarters allocation of fiscal year 2020.*

#### **Auditor's Comment**

Management's comment noted. We, however, still concluded that the queried procurements were artificially split to avoid using the appropriate procurement method. Therefore, these issues remain unresolved.

### **2.55.2. Salary Paid to Unverified Staff**

Contrary to Section 112(2) of the PFMR, 2018, we noted from a review of the payroll that estimated salaries totaling Le309,051,696 were paid to six individuals whose names were not found on the Ministry's staff list. Personnel files were neither maintained for those six individuals nor were they available for physical verification. If done during the period under review, monthly payroll reconciliation would have identified and resolved these individuals. Therefore, we could not confirm whether these individuals were staff of the Ministry.

We recommended that the Human Resource Officer in collaboration with the Head of Payroll Unit at the Accountant General's Department should ensure that periodic payroll reconciliations are carried out on the Ministry's payroll records. The Director General, HRMO should also institute an

investigation into the total amount paid and ensure that the names of these individuals are immediately deleted from the Ministry's payroll.

#### **Auditors Comment**

There was no Management response on this issue or evidence that the recommendations were implemented. Therefore, the issue is unresolved.

### **2.56. SIERRA LEONE POLICE, HEADQUARTERS – 2021**

#### **2.56.1. Provision of Armed Guard Services without Contract Agreements**

We observed that the SLP provided armed guard security services to individuals and to institutions without signed contract agreements that sets the rights and obligations of both parties. We could not confirm the accuracy and completeness of Le4,809,783,096 that was reported as revenue collected from the provision of armed guard security services.

We recommended that the Head of Finance should submit the contract agreements between the SLP and other organisations and individuals for the provision of armed security services.

#### **Official's Response**

*The contract documents have been prepared, signed and sent to all clients for their affirmation signature for documentation.*

#### **Auditor's Comment**

During verification, contract documents in respect of armed guard services between the SLP and other organisations and individuals were not provided. Therefore, the issue remains unresolved.

#### **2.56.2. General Observations**

The following were observed:

- There were a lot of unserviceable and derelict vehicles and motorbikes packed at the transport headquarters and garage of the SLP at Kingtom; depriving the garage valuable space to carry out urgent repairs and maintenance to vehicles. The garage lacked diagnostic machines and working tools (such as pressing tools used to press parts of vehicles including under-carriers) for the repairs of vehicles and motorbikes. In addition, the roof at the garage was in a dilapidated state and therefore needed urgent repairs.
- The Freetown East Regional Office was challenged with vehicles for the movement of personnel in responding to distress calls. Of the four vehicles that were allocated to the region, two had been at the garage in Kingtom for over a year without repairs.
- The toilet facilities at the Ross Road Police Station detention cells were in an unpleasant state. The lack of water supply to clean these facilities cannot be overlooked.
- A twenty-feet container was used as the exhibit store at the Ross Road division. There was no dual control in the process of receiving and disposing of exhibits in and out of the store. Exhibits were not properly kept with tags for easy identification.
- Of the four vehicles that were assigned to the Kissy Divisional headquarters, only one was functional, which was not enough to cover the areas (i.e., spanning from Kissy, Portee, Wellington, Calaba Town, Allen Town, Jui, Grafton, Hasting, Yams Farm to Rokel community) managed by the division.
- The Kissy Divisional headquarters lacked computers and printers to help in the execution of police duties. In addition, no provision was made for special cells for juveniles that were under custody. Furthermore, we observed that a dilapidated building was used as an exhibit store.



### **Auditor's Comment**

Management did not provide any response to the above observations. Therefore, the issues remain unresolved.

## **2.57. SIERRA LEONE POLICE, SOUTH - 2021**

### **2.57.1. Assessment of the Operational Effectiveness of the Regional Office**

During our review of the operations of the Sierra Leone Police (SLP) in the southern region, we noted the following operational challenges:

- No evidence of funds allocated for the running of the clinic.
- The healthcare centre did not have any ambulance to convey patients to the Clinic for treatment and also for those with referral cases.
- The labour ward, the laboratory, the drug store and other facilities within the clinic were without electric fans and air conditioners to provide ventilation in the clinic.
- The clinic was in urgent need of additional structure/wards to accommodate the influx of patients to the clinic.
- The building and the toilets facilities need urgent rehabilitation, as the floors, windows, ceilings and roof of the building and the toilets were dilapidated.
- The wards lacked adequate hospital beds. The labour ward had only one modern delivery bed and one makeshift delivery bed for pregnant women. In addition, the clinic lacked furniture such as benches and chairs for visitors and even patients waiting for treatment.
- There was no access to safe drinking water. One borehole water facility was used for cleaning purposes.
- The incinerator was damaged and not in use for the safe disposal of unwanted materials. Waste materials were burnt in a temporal pit while awaiting the rehabilitation of the damaged incinerator.
- The 2021 budget for the SLP South, was not fully funded to support the Regional Headquarters and the seven divisions in the region. From a total annual budget of Le10,861,150,000 to cover its operational activities in the seven divisions and the Regional Headquarters, only Le20,000,000 (that is 0.18% of the total estimated budget for 2021) was allocated to the SLP South.
- The entire southern region is without a pathologist.
- Desktop/laptop computers and other equipment such as photocopiers and printers to carry out their day-to-day administrative activities were absent. Further enquiry revealed that photocopying and printing of documents were done in public commercial centres.

We recommended that immediate efforts are made to ensure that the issues identified are addressed to ensure effective service delivery.

## **2.58. SIERRA LEONE POLICE, NORTH-EAST - 2021**

### **2.58.1. Assessment of the Operational Effectiveness of the Regional Office**

During our review of the operations of the SLP in the North-Eastern Region, we noted the following operational challenges:

- There was insufficient imprest and medicare support.

- There were inadequate equipment and facilities at the police clinic. Equipment and general medical consumables such as beds, tables, delivery sets, mattresses, gloves, aprons, etc., were in short supply to carry out major and basic health care services.
- The police clinic had no functioning ambulance. It was further revealed that patients were mainly transported to the clinic using motorbikes, which can also worsen their medical condition or expose their lives to a high risk of accident.
- The clinic had minimal space to accommodate the number of patients who visit the clinic.
- There was lack of sufficient office space for the personnel to perform their duties effectively and efficiently, especially in the Family Support Units and the Crime Units. In addition, the crime units lacked adequate personnel to handle their areas of operation fully.
- There were insufficient vehicles to carry out the operations of the SLPNE. The number of vehicles in the region is not proportional to the geographical area covered by the police. Therefore, the SLPNE cannot fully cover the whole region regarding patrols and response to distress calls.
- The cells at the Makeni, Kabala, Magburaka and Pamlap Divisions cannot accommodate many suspects under detention for investigations. The facility at the Makeni Division was built to accommodate 25 inmates. Makeni city has expanded over the years. Though the crime rate is reducing but still high, congestion in the available cells may lead to other health and social problems for the detainees, especially during an outbreak.
- The various divisions within the region lacked computers, printers and photocopiers to help execute police duties. Most office work is done at public computer cafes, which could expose the force to divulging classified security information to the public.
- There was inadequate supply of crowd control equipment and related gadgets such as water cannons, handcuffs to arrest suspects.

## **2.59. SIERRA LEONE POLICE, EAST: 2020-2021**

### **2.59.1. Revenue not Supported by Documentation**

The Region does not receive monthly payment report from the Account Department in Freetown. As such, we could not confirm whether a total of Le6,000,000 paid by both a bank and hotel, was paid to the Sierra Leone Police; as there were no evidence of payment transfers and/or receipt. Additionally, we could not confirm whether revenue to the tune of Le1,857,600,000 were paid in the Sierra Leone Police account regarding deployed armed personnel within the Region.

#### **Auditor's Comment**

There was no Management response and no evidence that revenue totalling Le1,863,600,000 (Le1,857,600,000 + Le6,000,000) was paid to bank. Therefore, the issue is unresolved.

### **2.59.2. Assessment of the Operational Effectiveness of the Regional Office**

During our review of the operations of the SLP, Eastern Region, we noted the following operational challenges:

- There was no safe box to keep valuables and cash at the office.
- Details of payments were not recorded in the cashbook.
- The fixed assets register presented was not adequately prepared.
- No regular maintenance work was carried out on official vehicles and motorbikes.
- There was no segregation of duty in the stores management. The Regional Store Officer was the one responsible for requesting, receiving, checking and distribution of store items.
- The Oath of Secrecy Declaration was not fully complied with by some staff.

- Performance appraisal reports and personnel files were not made available for audit inspection.
- The vehicles and motorbikes for the Region were without licences.

## **2.60. LAW OFFICERS DEPARTMENT: 2020 & 2021**

### **2.60.1. Payment of Daily Subsistence Allowances without Adequate Supporting Documents**

We observed that DSA payments to personnel amounting to Le206,400,208 and Le97,453,133 for 2020 and 2021 respectively, in respect of overseas travel, were not adequately supported by documents such as back-to-office report, boarding passes, travel tickets and copies of passport attached to the payment vouchers.

We recommended that the Accountant should submit the missing documents for audit inspection.

#### ***Official's Response***

*Management stated that the missing supporting documents are available for audit verification.*

#### **Auditor's Comment**

During verification, supporting documents were not made available for Le206,400,208.00 and Le 97,453,133.00 for 2020 and 2021 respectively. Therefore, this issue remains unresolved.

### **2.60.2. Special Imprest not Retired**

We observed that retirement details and records to support special imprest totalling US\$3,000, paid to the former Attorney-General and Minister of Justice in respect of overseas travel during FY 2020 were not presented for inspection.

We recommended that the Accountant should submit the retirement details and records.

#### ***Official's Response***

*Management responded that letter of notification to the former Attorney-General and Minister of Justice in respect of the retirement of US\$3,000 are available for audit verification.*

#### **Auditor's Comment**

During the verification exercise, retirement details to support special imprest of US\$3,000 was not made available for audit inspection, therefore, this issue remains unresolved.

## **2.61. JUDICIARY OF SIERRA LEONE, HEADQUARTERS – 2021**

### **2.61.1. Revenue Receipts Books not Submitted for Inspection**

Receipt books to support total collections of Le72,137,000 and Le576,515,456 by the Main Law Courts Building and the Fast-Track Commercial Court respectively, were not submitted for inspection. We recommended that the Commissioner, Non-Tax Revenue should ensure that the Manager Non-Tax and the revenue collectors provide the used receipt books.

#### ***Official's Response***

*The Commissioner Non-Tax Revenue stated that: "The NRA noted the audit recommendations and will liaise internally to avail the receipt books for audit verification."*

#### **Auditor's Comment**

A total of 70 receipt books with a value of Le6,890,500 from the Main Law Courts Building and 11 receipt books with a total value of Le502,917,706 from the Fast-Track Commercial Court were presented during the verification exercise. Overall, as receipt books were submitted for Le509,808,206 (which is 97% of the total collections), we concluded that the recommendation was substantially implemented.

### **2.61.2. Receipts not Traced to Revenue Cashbook**

We observed that collections amounting to Le34,827,000 and Le10,775,000 as per the receipt books were not recorded in the revenue cashbooks maintained by the Main Law Courts Building, and the Fast-Track Commercial Court.

We recommended that the Commissioner, Non-Tax Revenue should ensure that the Manager Non-Tax and the Revenue Collectors provide the updated cashbooks for audit reviews.

#### **Official's Response**

*The Commissioner Non-Tax Revenue stated that: 'The soft copies of the revenue cashbooks for the various Law Courts are available for audit verification.'*

#### **Auditor's Comment**

During the verification, the updated revenue cashbook was presented for the Main Law Courts Building. We noted that two receipts books with a total value of Le33,987,000 for the Main Law Courts Building and Le10,775,000 for the Fast-Track Commercial Court were not recorded in the revenue cashbook. As only Le840,000 (2% of the total revenue of Le45,602,000) was recorded in the updated cashbook, we concluded that the issue is unresolved.

## **2.62. SIERRA LEONE CORRECTIONAL SERVICE, NORTH-EAST: 2020-2021**

### **2.62.1. Procurement Documents not Provided**

Documents such as contract agreements, delivery notes and schedule of requirements for the supply of condiments to the Makeni, Mafanta, Magburaka and Kabala correctional centres, for the year under review were not made available for inspection. This made it difficult for the audit team to ascertain the actual quantities that were supposed to have been supplied and compare same with what was supplied. We recommended that the Regional Commander submits the relevant contract documents for verification.

#### **Official's Response**

*In his response, the Regional Commander stated that the contract agreements are always kept at the headquarters and never released to the regions. However, they have requested the documents from headquarters and will be made available when they receive them from headquarters.*

#### **Auditor's Comment**

Management response is noted. However, the issue remains unresolved, as the documents were not submitted for audit.

### **2.62.2. Inadequate Facilities to Hold Inmates**

During the audit, we inspected the correctional centres of Makeni, Mafanta and Magburaka and observed the following:

- The correctional centres in the North-East Region were overcrowded with inmates and challenged with personnel to man the centres, considering the number of inmates they hold. For example, the male Correctional Centre in Makeni has five cells originally established to hold 83 inmates, with about 16 inmates per cell at a time. As at the time of audit, it had 160 inmates, with about 32 inmates per cell, doubling its original capacity and thereby resulting in overcrowding.
- The cells of the Makeni Correctional Centre were not ventilated. Moreover, the ceilings are low and made of corrugated iron sheets, making them extremely hot for human habitation.
- Makeni Correctional Centre has minimal quarters available to accommodate the 81 staff operating the Centre.

We recommended that the Regional Commander liaise with headquarters and other relevant stakeholders to improve the standard of inmates and their wellbeing. Moreover, arrangements should be made to procure new beds for inmates, and increase correctional centres in the region.

### **Official's Response**

*In his response, the Regional Commander stated that the Government is aware of the issue and has taken the following actions:*

- *Construction of correctional centres in Kamakwie is now in progress to ease the congestion in Makeni, Magburaka and Kabala correctional centres.*
- *Land has been secured for constructing the Mongo Correctional Centre in the Falaba District.*

### **Auditor's Comment**

Management's response is noted. However, the issue remains unresolved inspite of our recommendations in previous audit.

## **2.63. SIERRA LEONE CORRECTIONAL SERVICE, SOUTH - 2021**

### **2.63.1. Assessment of the Operational Effectiveness of the Regional Office**

During our review of the operations of the Sierra Leone Correctional Service (SLCS) in the southern region, we noted the following operational challenges:

- Standing imprest and ration for officers, were in most cases not remitted on a timely basis.
- There was lack of adequate accommodation for inmates and officers.
- There were no skills and training centres for inmates at the Male Correctional Centre.
- The toilet facility at the Bo Female Correctional Centre was not used by inmates because of location of the septic tank.
- The Centre did not have health centres/clinics to aid effective health service delivery in the various centres in the Region.
- The Bo Female Correctional Centre, and correctional centres in Moyamba, Bonthe, Mattru Jong and Pujehun did not have standby generators or solar panels to provide electricity to these centres.
- Uniforms were not supplied to officers in the Region. Enquires revealed that the last time officers were supplied uniforms was in 2016.
- Utility vehicles and motorbikes were not allocated to key personnel in the SLCS, South, to enhance effective operations in the region. In addition, there was no vehicle attached to the four correctional centres outside Bo District (i.e. Pujehun, Moyamba, Bonthe, and Mattru) to attend court hearings in Bo and Moyamba.
- Office equipment such as computers, printers, photocopiers, desks, chairs, cabinets, etc. were not adequate to help in the effective execution of duties of the SLCS, South. There was also no internet facility in the regional office. Most of the office work were done at public computer cafes.
- The SLCS owned property such as buildings which were used as barracks for junior officers and the administrative building for the SLCS, South. However, documents such as survey plan, transfer agreement, title deeds and other relevant documents to confirm ownership of these properties were not made available for verification.
- The SLCS Regional Headquarters had inadequate office space to accommodate all staff. Various offices were combined and more than one officer share a single room to carry out their work.

We recommended that immediate efforts are made to ensure that the issues identified are address to ensure effective service delivery.

## **2.64. OFFICE OF THE ADMINISTRATOR AND REGISTRAR GENERAL - 2021**

### **2.64.1. Unexplained difference between the NRA and OARG records**

We observed an unexplained difference of Le160,404,075 between the NRA revenue cashbook and the OARG cashbook.

We recommended that the Commissioner, Non-Tax Revenue and the Registrar, OARG, should provide evidence in the form of reconciliation, explaining the difference. Otherwise, the amount should be recovered and paid back into the Consolidation Fund.

#### **Official's Response**

*The Commissioner, Non-Tax Revenue, stated that: "The difference of Le160,404,075 was as a result of amount recorded in the NRA revenue returns under the business and others registration revenue streams, but was not assessed by the OARG business and others registration sections.*

*This might be as a result of the NRA collecting revenues outside of the OARG activities. Management will therefore engage with the NRA for further clarification in order to put measures in place to resolve such issues in future. Evidence of the above discrepancy will be provided by the NRA for audit verification".*

#### **Auditor's Comment**

From the amount of Le160,404,075, evidence of Swift transfer payment of Le86,762,452 (54%) was submitted and verified. However, evidence of banking to explain the difference of Le73,641,623.00 was not submitted. Therefore, the issue is partially resolved.

## **2.65. OFFICE OF THE ADMINISTRATOR AND REGISTRAR GENERAL, EAST: 2020 & 2021**

### **2.65.1. Revenue Records not Reconciled with NRA**

There was no evidence to indicate that the OARG reconciled its records with that of the NRA's for 2020 and 2021 financial years. In addition, there was no confirmation from the NRA for total amounts of Le77,196,346 and Le106,038,054, alleged to have been collected in respect of business and marriage registration fees for 2020 and 2021 respectively. Consequently, the auditors could not verify whether these monies actually reflected in the Consolidated Fund.

The Regional Head should ensure that going forward, regular reconciliations should be performed with the NRA, and any differences should be fully investigated and the appropriate corrective measure taken. This should be reflected in the records of the OARG.

#### **Official's Response**

*The Regional Head stated that: "Every registered document bears the payment slip and the NRA receipt which indicates the payment of the supposed instrument into the sub-single account provided by the NRA. The Kenema regional office of the OARG had since last year (2021) informed the regional office of the NRA for a monthly reconciliation of all our payments which is yet to be effected. We will further meet with the management of the NRA in Kenema for their immediate response in respect of the said promise".*

#### **Auditor's Comment**

Even though Management has agreed to take further steps to implement the audit recommendation, the issues remain unresolved.

### **2.65.2. Fixed Asset Management**

We observed the following:

- The regional office in Kono did not make available records of fixed assets (fixed asset register) for audit inspection.

- The fixed asset register presented by the regional office in Kenema was not properly prepared. This was observed as the identification codes and location of their assets were not stated in the said register.

#### **Auditor's Comment**

There was no management's response and no evidence that the issue was addressed by the department.

## **2.66. OFFICE OF THE CHIEF MINISTER – 2021**

### **2.66.1. Irregularities in the Payments to Media Houses**

We observed that payments totalling Le161,835,000 in respect of various media houses were made in cash to staff of the office rather than to the service providers. We could not confirm whether the said payments were actually received by the intended beneficiaries.

We recommended that the Director of Finance submit documentary evidence for payments made to intended beneficiaries. Otherwise, the amount should be paid back into the Consolidated Fund.

#### **Official's Response**

*Audit observation is noted. However, payments that were made for media activities for which signed beneficiaries' payment vouchers (i.e. Journalist) are available for audit verification.*

#### **Auditor's Comment**

During the verification, documentary evidence to support that payments amounting to Le121,835,000 (75%) was made to media houses were provided. However, Le40,000,000 remains unsupported. Therefore, the recommendation was substantially implemented.

## **2.67. IMMIGRATION DEPARTMENT (HQ) – 2021**

### **2.67.1. ICT Unit not Properly Structured**

We observed the following during a review of the ICT Unit of the Department:

- There were no formal plans for disaster recovery to enable the retrieval of vital information in the event of an unavoidable loss of key data.
- The inventory list submitted for ICT equipment in the Department was not comprehensive, as it lacked asset tag, serial number and user identification. The lack of proper IT hardware records will lead to poor management of assets. Assets could be exchanged or converted into personal use without trace.
- Most staff were not using the official email address. Official communications were done using private email addresses. There is a tendency for unauthorised users to access high risk data, security and confidential information of the Department.

We recommended that the Head of IT Unit should develop a disaster recovery plan, maintain an updated inventory list of all ICT equipment and also institute an official email address for all staff that would serve as an official communication tool.

#### **Official's Response**

- Disaster recovery plan is yet to be formal simply because we are yet to digitalise the process. The process is all manual.*
- Inventory list is not comprehensive because of the break in communication between the ICT Unit and the Procurement Officer and Store Officer. We are not privy to ICT equipment ordered and delivered, therefore it makes it difficult to have the required information to update the list.*
- We noted that official email addresses created and provided are not being used by personnel; Management will take appropriate action to get it done.*

### **Auditor's Comment**

The recommendations were not implemented. The issues therefore remain unresolved.

#### **2.67.2. Issuance of Stamp Visas Instead of Visa Stickers**

We observed that the Immigration Department is issuing visas in a stamp form, rather than actual visa stickers. Issuing visas in stamp form makes it difficult to ensure complete trace of the quantities of visas issued and revenue collected. In an interview, the Head of Foreign Nationals explained that the discontinued use of stickers was due to the fact that the printing cost was borne by the Department, while the visa revenue was collected by the NRA. The cost led to added burden on the funds allocated to the Department by the GoSL.

We recommended that the Chief Immigration Officer and the relevant authorities should ensure the re-introduction of visa stickers, and discontinue the practice of issuing rubber stamp visas. In the process, the cost of printing stickers should be budgeted for and the Department should consider engaging the services of a local printer.

### **Auditor's Comment**

During verification, no written official response was provided on the issue of issuance of stamp visas instead of visa stickers. The issue therefore remains unresolved.

## **2.68. CABINET SECRETARIAT - 2020**

### **2.68.1. Extension of Contract**

We noted that extension was granted to two contract staff who received a total gross salary of Le598,669,082 beyond the acceptable limit of two years. This is in contravention of Rule 2.16 of the Civil Service Code, Regulations and Rules of 2011.

We recommended that the Senior Human Resources Officer should proffer written explanation, supported by documentary evidence why the contract extension went beyond two years.

### **Official's Response**

*Management stated that they note the audit finding and corrective actions will be taken to address the situation.*

### **Auditor's Comment**

There was no justification for the extension of staff contract. Therefore, the issue remains unresolved.

## **2.69. HUMAN RESOURCES MANAGEMENT OFFICE - 2021**

### **2.69.1. Extension of Service**

We observed that over the years, the HRMO had been extending the services of staff who had attained the statutory retirement age of 60 years. Some extensions were in excess of the acceptable limit of two years, contrary to Rule 2.16 of the Civil Service Code of 2011, while others were at a lower level that should not attract extension. In most cases, these extensions were without justification. However, during a meeting with the Director General (HRMO), he stated that the extensions were in most cases a necessity because the knowledge and experience of some civil servants required retention, as the office seeks replacement. He further stated that, the extensions should however be controlled.

We recommended the following:

- i. The Director General, HRMO and the Cabinet Secretary (Head of Civil Service) should look at or consider the possibility of extending the retirement age beyond 60 years.
- ii. They should ensure that the extension of contracts for all civil servants should not exceed the required maximum two-year period as required by the Civil Service Code of 2011.
- iii. All extensions of contracts beyond two years should have written authorities to justify the extension.



- iv. The Director General, HRMO should keep track of civil servants that are close to retirement and develop a succession plan at least one to two years prior to their retirement. This is in order to avoid the issue of giving extensions to retirees whose professions and skills are readily available in the job market.

**Auditor's Comment**

There was no written response from the Director General (HRMO). ASSL will continue to follow up this issue in subsequent audit.

## CHAPTER III – PUBLIC ENTERPRISES, COMMISSIONS AND DONOR-FUNDED PROJECTS

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## **MAIN POINTS**

### **What We Examined**

We audited the Annual Financial Statements of Public Enterprises (PEs) and Commissions. In doing so, we used the risk-based process and conducted the following:

- Review of internal control systems and procedures.
- Physical examination of assets.
- Substantive verification of samples of transactions to support documentation.
- Other tests as we considered necessary in the circumstances.

The focus on conducting these financial statement audits was for us to obtain reasonable assurance whether the financial statements were free of material misstatement and to determine whether they present a true and fair view of the financial position and operations for the accounting period under review.

Notably, public enterprises and commissions are set up for the delivery of various services to the citizens, and therefore have distinct enabling legislation, with which they must comply in achieving these deliveries.

In conducting our audits, we included a review of compliance with such legislation. The audit teams examined the underlying accounting records, from which the financial statements were prepared as well as the system of internal control in place to ensure the accuracy and overall integrity of how business is conducted. This is done in accordance with accepted professional auditing standards and ethical requirements recognised by the public and private sector auditing profession globally. At the end of the examination, the auditors issue to shareholders, a short-form report called an ‘Audit Opinion’.

### **Why It Is Important**

The Public Financial Management (PFM) principle commonly describes elements of an annual budget cycle, which typically centers around budget formulation, budget execution, accounting and reporting, and external security and audit. The latter strongly supports that for financial reporting purposes, as well as transparency and accountability, the ASSL should include all bodies that fall within its ambit of control.

Public enterprises and commissions are within the GoSL’s ambit of control. By their legal nature, they are more at a distance from government than MDAs and as such, they are more remote from the scrutiny of Parliament. This remoteness, combined with the fact that, to varying degrees, both earn and expend public funds, which makes scrutiny by an independent external auditor on an annual basis more important.

### **What We Found**

The significant matters identified in the audit of public enterprises and commissions fall into the following categories:

- Payments without supporting documents
- Tax and NASSIT irregularities
- Payroll irregularities
- Contracts and Procurement irregularities
- Revenue Management irregularities

The irregularities with financial impact (Estimated Loss) identified are provided in Table 3. These observations are expanded upon in greater detail in the paragraphs that follow.

<b>Table 3</b> <b>Summary of Irregularities with Financial Impact (Estimated Loss) Across PEs</b>						
Nature of Irregularities	2017	2018	2019	2020	2021	
	Le	Le	Le	Le	Le	US\$
Payment Without Supporting Documents	1,517,963,285.25	153,920,920.00	175,929,615.00	4,350,147,105.30	826,618,001.00	
Statutory deductions not paid (Tax & NASSIT)		23,205,322.00	497,849,217.48	1,480,520,542.32	14,345,290,172.25	132,000.00
Payroll		16,250,000.00		1,329,225,443.00	56,000,000.00	
Contracts & Procurement				499,942,500.00	901,389,969.75	
Revenue				12,662,897,160.96	21,412,122,288.34	
<b>Total</b>	<b>1,517,963,285.25</b>	<b>193,376,242.00</b>	<b>673,778,832.48</b>	<b>20,322,732,751.58</b>	<b>37,541,420,431.34</b>	<b>132,000.00</b>

Although a number of ICT issues were observed during the audit and across several institutions, due to their sensitivity and security implications, those issues have been restricted to correspondence with the clients and Parliament. The said institutions are as follows: Bank of Sierra Leone: FY2017 to FY2020, Electricity Distribution & Supply Authority: FY2019 to FY2021, Environmental Protection Agency: FY2020 and Sierra Leone Commercial Bank Limited: FY2020

Overall, we continue to suggest a need for improved financial management across PEs and Commissions with a clear focus on basic principles of internal controls.

## DETAILED FINDINGS AND RECOMMENDATIONS

### Submission of Financial Statements

Section 86. (1) of the PFMA of 2016 states that: “*Within three months after the accounts of a financial year are closed at the end of a complementary period mentioned in section 44, the vote controller of every entity in subsection (3) of section 86 shall submit to the Auditor -General annual financial statements of the entity for the financial year*”.

This requirement was not met by some entities during 2021. We observed the following:

#### (i) Non-submission of Financial Statements

As at 31st March 2021, the following PEs and commissions failed to submit their financial statements for the following financial years as stated in the table below.

Table 3.1 - Non-submitted Financial Statements		
No.	Institution	Financial Year
1	Sierra Leone Postal Services Limited	2019 - 2021
2	Sierra Leone Telecommunications Company	2020 - 2021
3	National Assets Commission	Since formation
4	National Drugs Control Agency	Since formation
5	National Pharmaceutical and Procurement Unit	Since formation
6	Western Area Hospital Board	Since formation

#### (ii) Late Submission of Financial Statements

The following PEs and commissions failed to submit their financial statements on or before the stipulated deadline of 31st March, 2022.

Table 3.2 - Late Submission of Financial Statements			Date received
No.	Institution	FY	
1	National Minerals Agency	2021	4/5/2022
2	Income Tax Board of Appellate Commissioners	2021	6/4/2022
3	Guma Valley Water Company	2021	6/5/2022
4	Office of the Ombudsman	2021	6/5/2022
5	Office of National Security	2021	9/5/2022
6	Sierra Leone Roads Authority	2021	12/5/2022
7	National Commission for Persons with Disabilities	2021	12/5/2022
8	National Water Resources Management Agency	2021	2/6/2022
9	Justice Sector Coordination Office	2021	2/6/2022
10	Produce Monitoring Board	2020- 2021	5/4/2022
11	Sierra Leone Agricultural Research Institute	2021	6/6/2022
12	National Electoral Commission	2021	9/6/2022
13	Anti-Corruption Commission	2021	15/3/2022
14	Tertiary Education Commission	2021	16/5/2022
15	Sierra Leone Broadcasting Corporation	2021	17/5/2022
16	National Commission for Democracy	2021	18/5/2022
17	Sierra Leone National Commission on Small Arms	2021	18/5/2022
18	National Commission for Social Action	2021	19/5/2022
19	Independent Procurement Review Panel	2021	20/4/2022

Table 3.2 - Late Submission of Financial Statements			
No.	Institution	FY	Date received
20	Freetown Polytechnic	2021	20/5/2022
21	National Youth Commission	2021	20/5/2022
22	Central Intelligence and Security Unit	2021	20/6/2022
23	Universal Access Development Fund	2021	20/6/2022
24	Medical and Dental Council	2021	24/5/2022
25	University of Sierra Leone Teaching Hospitals Complex	2021	25/5/2022
26	Office of the National Commission for Children	2021	26/5/2022
27	National Tourist Board	2021	27/5/2022
28	Sierra Block Concrete Products Limited	2021	28/6/2022
29	University of Sierra Leone	2020-2021	29/4/2022
30	Sierra Leone Road Transport Corporation	2021	30/5/2022
31	Statistics Sierra Leone	2021	31/5/2022
32	National Commission for Privatisation	2021	31/5/2022
33	Sierra Leone Investment and Export Promotion Agency	2021	31/5/2022
34	National Disaster Management Agency	2021	31/5/2022
35	Sierra Leone Health Service Commission	2021	31/5/2022
36	National Youth Services	2021	31/5/2022
37	Sierra Leone Maritime Administration	2020-2021	31/5/2022
38	National Insurance Company	2020-2021	31/5/2022
39	National Protected Area Authority	2020-2021	31/5/2022
40	Legal Aid Board	2021	31/5/2022
41	Pharmacy Board of Sierra Leone	2021	27/7/2022
42	Sierra Leone National Conservation Trust Fund	2019-2021	9/9/2022
43	Sierra Leone Housing Corporation		21/9/2022
44	Sierra Leone Produce Marketing Company		31/8/2022
45	Sierra Leone State Lottery		21/9/2022
46	Corporate Affairs Commission		9/8/2022
47	Council of Legal Education - Sierra Leone Law School		31/5/2022
48	Independent Media Commission		15/8/2022
49	National Medical Supplies Agency		24/8/2022
50	Golden Tulip Essential Kimbima Hotel		6/10/2022



### **3.1. BANK OF SIERRA LEONE – 2017**

#### **3.1.1. Completeness of Notes**

Due to fast developing Accounting Standards, the completeness and correctness of the notes to the Financial Statements had been identified as a key audit matter. In the course of our audit, we emphasised on the completeness and correctness of the notes. We noted that in some instances, notes were not complete, or line items were incorrectly classified. The effect of International Financial Reporting Standard (IFRS) 9 has to be implemented by the Bank from 1st January 2018. IFRS 9 requires an entity to recognize a financial asset or liability in its statement of financial position when it becomes party to the contractual provisions of the instruments. From our discussions with the Bank, this has not yet been implemented although there are plans in place to build the Bank's capacity to adequately manage the implementation of the Standard.

We recommended that the Bank fast-track the implementation of IFRS 9 to fully comply with the requirements of the Standard but also take steps to ensure all relevant disclosure requirements are addressed.

#### ***Official's Response***

*The Bank will ensure that there is adequate disclosure of items in the financial statements. The Bank is in the process of recruiting an IFRS Consultant who will develop and implement a program to strengthen accounting policies and procedures in the Bank including the implementation of IFRS 9. The Consultant will also provide training to staff of Finance Department. In addition, discussions are ongoing between the Bank and the International Monetary Fund in that regard.*

#### **3.1.2. KPMG Report – Open Issues**

The KPMG, an external audit firm, conducted an 'Agreed Upon' procedures on the systems and processes regarding the currency management and wider banking operations, covering the period from 1st August 2015 to 31st July 2017. The results of this special audit identified control deficiencies over the Banking and other connected Units as detailed below:

- (a) It was observed that the Bank's internal controls on systems and processes on currency management and banking operations require urgent improvement and updates to meet generally accepted standard practices;
- (b) the lack of implementation of internal controls and safeguards over valuable moveable items and cash;
- (c) out-dated Operations Policy Manual;
- (d) inability to customise sensitive documents for banking transactions;
- (e) lack of review culture, access rights management, segregation of duties and regular and effective training;
- (f) The review of general IT controls that support the key applications and processes unveiling similar deficiencies;
- (g) Performance of timely reconciliations of transactions.

We recommended that in addition to the action plan, management institute measures to mitigate the control deficiencies identified above.

### **Official's Response**

#### ***The Bank's internal controls on systems and processes on currency management and banking operations***

*The Internal Audit Department verified the recommendations in the KPMG report that has already been implemented as at April 2019. The department continue to monitor internal control issues in Banking Operations and General Security.*

#### ***The lack of implementation of internal controls and safeguards over valuable moveable items and cash***

*In addition to the Safe Custody Register, a register has been opened to record cash movements of foreign currencies between the Supervising Cashier and the Foreign Currency Cashier.*

#### ***Outdated Operations Policy Manual***

*The Department has completed the update of the manual and has forwarded same to the Risk Management Unit for review, after which it will be forwarded to Management for approval.*

#### ***Inability to customize sensitive documents for banking operation transactions***

*Effective April 2019, action has been taken to pre-number the deposit slips.*

#### ***Lack of review culture, access rights management, segregation of duties and regular and effective training***

*The updated manual will address review culture, access rights management and segregation of duties highlighted in the KPMG report. Capacity building/training is ongoing.*

#### ***The review of general IT controls that support the key applications and processes***

*An audit review of computer operations and IT Security and Business Continuity have been carried out as at March 2019 and report issued. The Audit Committee met on 8th May 2019, to discuss the audit findings and action has been taken to implement some of the recommendations. Deadlines were also given to implement the audit recommendations that were outstanding.*

#### ***Performance of timely reconciliation of transactions***

*Daily reconciliation of foreign transactions and suspense accounts are now being done.*

### **3.1.3. Completeness of the 2016 Annual Reports**

We observed that the Bank is yet to complete its 2016 annual reports for publications as required by best practice. The Bank's internet homepage only provided the 2016 Annual Financial Statement including the Independent Auditors Report. We recommended that actions are taken to finalise the 2016 annual reports, and going forward, the Bank should ensure this task is concluded in a timely manner.

### **Official's Response**

*Action has been taken to publish the 2016 and 2017 Annual Reports and Statement of Accounts. As to compliance going forward, the Bank is working on modalities to initiate an interim audit within the audit cycle to ensure that a greater part of the audit process is covered within the reporting year, with less audit carried out after the end of the year. This will ensure timely preparation of audited financial statement, which will be compiled together with the economic report to be presented to Parliament before the stipulated deadline in the BSL Act.*

### **3.1.4. Expenses**

We noted that some departments by the nature of their operations utilise cash for minor disbursement for which cash floats are allocated. We noted from our review of the schedule of advances that floats

given to some staff have been outstanding for over two years. We recommended that outstanding balances in the cash floats schedule be investigated and regularised.

### **Official's Response**

*The Human Resources Department will take action to recover outstanding imprest from staff.*

## **3.2. BANK OF SIERRA LEONE - 2018**

### **3.2.1. Review of Procurement Processes**

We observed that the Bank's procurement plan was not updated with the actual dates on which the various procurement activities were scheduled. Additionally, procurement activities executed during the period were not done according to the stipulated timeframe as stated in the procurement plan. We further noted that there were deviations from the sourcing methods stated in the approved procurement plan compared to the methods used without any valid justification.

Based on the result of our assessment, we observed that procurement procedures as spelt out in the Public Procurement Act (PPA), 2016 and the Public Procurement Regulations, (PPR) 2006 were not complied with in the instances detailed below:

#### **i. Procurement of drugs - Le35,711,500**

We noted that the procurement activity was captured on the procurement plan as National Competitive Bidding (NCB). However, during the review, we observed that Request for Quotation (RfQ) was the utilised sourcing method employed without any valid justification for such a deviation from the approved procurement plan.

- The contract agreement and the local purchase order were not seen during the review.
- The delivery note, invoices, receipts, and goods received note were not seen during the review.
- The award and rejection letters issued to the unsuccessful bidders were not seen during the review.

#### **ii. Procurement of stationery - Le59,984,000**

- The procurement method for this activity was captured on the procurement plan as an NCB. However, we noted that the procurement method utilised was a RFQ, without any valid justification or approval.
- The contract agreement and local purchase order were not seen during the review.
- The delivery note, invoice, receipt and goods received note were also not seen.

#### **iii. Procurement for the supply and installation of one 200KVA generator - Le286,000,000**

- The proposed method stipulated on the procurement plan was International Competitive Bidding (ICB). However, we noted that National Restricted Bidding was used as the method for sourcing without any justification from the Procurement Committee to deviate from what was stipulated in the approved procurement plan.
- Evidence of the 10% performance bond and 30% advance payment guarantee submitted by the bidder was not seen in file.
- Minutes of the bid opening was not seen in file.
- Copy of the signed contract agreement was also not seen.

**iv. Reprinting of resized family bank notes –US\$5,161,100**

- We observed that the Procurement Committee minutes for the approval of the decision to use sole-sourcing as a method of sourcing, following the no-objection from the National Procurement Authority was not seen during the review.
- Moreover, evidence to support the claim that the following sole sourcing method was published in the gazette, newspaper of national circulation was also not seen.
- A copy of a valid signed contract agreement was also not sighted in file.

**v. Procurement of cleaning services - Le50,550,000**

- The evaluation report reviewed was inconsistent and failed to provide a clear description of the outcome of the evaluation process.
- Copies of the newspapers advert for the Expression of Interest (EOI) were not seen.
- We noted that the procurement reference number BSL/GSD/2018/0005 was the same as that for the printing of consumables captured on the procurement plan.
- Sourcing method was not done according to plan as what was stated in the procurement plan was Quality Cost-based Selection, whereas the method utilised was EOI.

**vi. Procurement of hospitality items -Le232,182,973**

- The sourcing was not done according to the procurement plan. We observed that the NCB was the sourcing method employed, instead of International Competitive Bidding (ICB).
- Minutes of the bid-opening was not available in file.
- Copies of adverts in three national newspaper publications for the supply of hospitality items were not seen.
- We observed that the contract agreement was signed after the bid validity period had expired (bid validity was dated 6th July 2018 for 120 days). Contract signature date was January 2019 without any documentation to support extension of the bid validity period.

**vii. Procurement for the supply of office furniture - Le54,280,000**

- A valid delivery note, goods received note and signed local purchase order were not seen.
- The sourcing method stated in the procurement plan was ICB. However, we noted that RfQ was the sourcing method utilised without any justification for such a deviation from the approved plan.

We recommended that the anomalies highlighted be addressed as a matter of urgency. Specifically, full documentation for each procurement must be properly done and maintained in file for audit or reference purposes. Additionally, the procurement laws and procedures must be complied with and this must be regularly checked by the Internal Audit Department.

***Official's Response***

*We note the external auditor's comments regarding the above and will in future ensure that the Procurement Plan is updated with the actual dates that the procurement activities were undertaken.*

*We also note that the stipulated timeframe (planned dates) for the implementation of procurement activities were not strictly observed due to unavoidable circumstances, as the procurement process can only commence after the relevant request and approval have been received from the end-user department. This will be closely monitored in future.*

*Deviations from the sourcing method stated in the approved Procurement Plan were necessitated by changes in procurement requirements as advised by end-user Departments. We note your comment regarding deviations from the sourcing method and will ensure that valid justifications are provided in such circumstances.*

***Procurement of Drugs - Le 35,711,500***

- *As at the time of initiation of the procurement process, the end-user department revised the requirements which fell within the RFQ threshold.*
- *Contract agreement was not signed as is normally the case for procurements undertaken by RFQ. Local Purchase Order (LPO) was issued to the supplier (which serves as the agreement)*
- *The LPO, Delivery Note, Invoice and Goods Received Note comprised the documents that were forwarded for payment to Finance Department.*
- *Evidence of award letters and rejection letters were not applicable in the case of procurement by RFQ except for tenders. The LPO serves as the award letter.*

***Procurement of Office Stationery - Le59,984,000***

- *As at the time of initiation of the procurement process, the end-user department revised the requirements which fell within the RFQ threshold.*
- *Contract agreement was not signed as is normally the case for procurement undertaken by RFQ. LPO was issued to the supplier which serves as the contract agreement.*
- *The LPO, Delivery Note, Invoice, Receipt and Goods Received Note comprised the documents that were forwarded for payment to the Finance Department.*

***Procurement of 200KVA Generator - Le286,000,000***

- *The urgent need for a generator at the Kenema Branch led to the purchase of one 200 KVA generator from among other generators which total estimated cost initially fell within the ICB threshold.*
- *Justification of change of procurement method from ICB to Restrictive Bidding (RB) is evidenced by minutes of the Procurement and Awards Committee dated 24th April, 2018.*
- *The supplier pre-financed the procurement and therefore did not submit an Advanced Payment Guarantee.*
- *Record of bid opening procedures in the form of a matrix contains details of the bids submitted (bidder, bid price, documents submitted etc.), details of officials who opened the bids and bidders' representatives present during the opening of bids. Signed copies are available for sighting.*
- *Signed Contract Agreement for this procurement activity is available for sighting.*

***Reprinting of Banknotes - US\$5,161,100***

- *The request for the reprinting of Bank notes was presented to the Procurement and Awards Committee and the above was discussed in meetings convened on 26th and 27th March 2018.*
- *The Committee reviewed the existing Contract Agreement between the Bank and Messrs De La Rue.*
- *The Bank has been in a long- term contractual agreement with Messrs De La Rue spanning over several years.*
- *The credibility of Messrs De La Rue had since been established as a reputable business organisation.*
- *Given the sensitive nature of the procurement, the Bank was constrained to publish details of this sole source procurement in the gazette and newspapers.*

***Procurement of Cleaning Services for the Bank - Le50,550,000***

- *The procurement process in respect of the above was discontinued.*
- *No bidder was awarded a contract.*

***Procurement of Hospitality Items-Greenfield Farm - Le232,182,972.50***

- *As at the time of initiation of the procurement process, the end-user department revised the requirements which fell within the NCB threshold.*
- *Record of bid opening procedures in the form of a matrix contains details of the bids submitted (bidder, bid price, documents submitted etc.), details of officials who opened the bids and bidders' representatives' present during the opening of bids. Signed copies are available for sighting.*
- *The newspapers in which the "Invitation for Bid" was published are available for sighting.*
- *We note that the contract was signed after the bid validity period due to several unforeseen circumstances. The bid validity period will be strictly monitored in future.*

### ***Procurement of Office Furniture - Le54,280,000***

- *The change of procurement method was necessitated by the urgent need for office furniture for new departments established in 2018.*
- *The Delivery Note, Goods Received Note and LPO comprised the documents that were forwarded for payment to the Finance Department.*

### ***Procurement of Office Furniture - Le 50,025,000***

- *The Change of procurement method was necessitated by the urgent need for office furniture for new departments established in 2018.*
- *The Delivery Note, Goods Received Note and LPO comprised the documents that were forwarded for payment to the Finance Department.*

### **3.2.2. Forensic Report – Open Issues**

The bank engaged a consultant to conduct forensic audit on the activities of the Bank. Results of this forensic audit identified control deficiencies on the activities of the Bank are detailed below:

- review of the accounts identified several dormant and suspense accounts with no movement since 2015;
- the need to review and update a whistle-blower policy;
- the lack of an IT policy addressing access to IT-Systems, IT-Security, supplier security, information security and cyber security;
- the review of IT general controls supporting the key applications and processes unveiling similar deficiencies;
- it was revealed that, US\$40,000 was deposited by the Ministry of Fisheries and Marine Resources, but was not recorded in the T24;
- none of the IT systems had the functionality to generate audit trail showing additions, amendments, or suspensions/deletions and
- there was no sequential numbering on the Certificates of Destruction with respect to currency notes destroyed.

We recommended that in addition to the action plan, management implement measures to mitigate the control deficiencies identified above.

### ***Official's Response***

#### ***Dormant Account***

*The Accounts Technical Committee met and deliberated on ways to resolve this issue. All 125 accounts have been closed.*

#### ***Whistleblower Policy***

*The Whistleblower Policy has been approved by the Board.*

#### ***Policies to Address Information Security Management***

*The Bank has an IT Security Policy which was updated and approved by the Board in February, 2020.*

#### ***Review of IT General Controls***

*The Management Information Systems Department has reviewed the IT Security Policy, including research, analysis and benchmarking the IT Security Policy of other central banks to address issues relating to access control, cybersecurity, and IT incident management and supplier security.*

#### ***US\$40,000 deposited by the Ministry of Fisheries and Marine resources, not recorded in the T24***

*A special investigation was carried out by the Internal Audit Department and the findings were discussed by the Audit Committee of the Board.*

### ***Audit Trail of the Bank's IT Systems***

*The IT Systems in the Bank have audit trail showing additions, amendments, or suspensions/deletions.*

### ***Certificate of Destruction***

*The Certificate of Destruction had been sequentially numbered.*

### **IFRS 9 / IFRS 7**

We conducted a financial asset classification exercise to assist us in identifying the Bank's business model for managing the financial assets and the contractual cash flow characteristics of those assets. During the exercise, we noted that the basis for classification was not consistently documented and, in some cases, not at all documented.

For financial assets measured at amortised cost, we conducted an exercise to assist us in identifying the Bank's approach to assess a loss allowance for expected credit losses. During the exercise, we noted that the Bank has neither implemented procedures for assessing the loss allowance, nor does it have regular access to the value drivers necessary for assessing the loss allowance.

We conducted a review of the procedures implemented to assure the provision of disclosures in the Bank's Financial Statement that enable users to evaluate the significance of financial instruments for the Bank's financial position and performance, and the nature and extent of risks arising from financial instruments to which the Bank is exposed during the period and at the end of the reporting period, and how the bank manages these risks. During the review we noted that the awareness of the requirements stipulated in IFRS 7 is not adequate and no such procedures have been implemented.

We recommend that the Bank invests in knowledge and procedures with respect to IFRS 9 and 7.

### ***Official's Response***

*An IFRS 9 Implementation Plan duly approved by the Executive is being rolled out. A Steering Committee overseeing the development of the IFRS Model as well as a Working Group which is responsible for developing the Model has been set up. Currently, the Working Group has developed, classified and measured the Financial Instrument Business Model for which approval has been granted.*

### **3.2.3. Expenses**

We noted that some departments, by the nature of their operations, utilise cash for minor disbursement for which cash floats are allocated. We also noted from our review of the schedule of advances that floats given to some staff had been outstanding, some for over two years. We recommended that outstanding cash floats schedule be investigated and regularised.

### ***Official's Response***

*Due to the balances in the Advance Cash Account, the Board has mandated that all outstanding imprests be deducted from the salaries of all affected staff. Also, no staff should be granted more than one imprest at a time. The Bank has revised the Imprest Policy which has been forwarded to Management for approval.*

## **3.3. BANK OF SIERRA LEONE - 2019**

### **3.3.1. Review of the Procurement Processes**

<b>Name of Contract</b>	<b>Findings</b>	<b>Contract Sum Le</b>
Refilling of fire extinguisher canisters. 2019	<ul style="list-style-type: none"><li>Entities must clearly describe the goods, works and services they intend to acquire. It was observed that the refilling materials were not listed so as to achieve best value.</li></ul>	54,605,000.00

Name of Contract	Findings	Contract Sum Le
	<ul style="list-style-type: none"> <li>▪ Preliminary evaluation examines whether bids are complete and responsive to the basic requirements and instructions of the tender document. We noted that a contract was awarded to a supplier who was not fully responsive.</li> <li>▪ Detailed evaluation of technical specs tendered by bidders should be done to determine substantially responsive bids. However, we noted that the evaluation process failed to do as required by the Public Procurement Act of 2016.</li> <li>▪ Price comparison is carried out to determine the lowest evaluated responsive price. We discovered that a supplier with a bid price of Le49,470,000.00 was not considered for the contract.</li> <li>▪ Procuring entities are required to issue a purchase order to a bidder that submits the lowest-price quotation, meeting the delivery and other requirements of the RfQ. We noted that the purchase order circumvented the Procurement Act of 2016.</li> </ul>	
Procurement of window curtains for the Kenema Branch. 2019	<ul style="list-style-type: none"> <li>▪ The “Receipt of Order by the Supplier” section of the Local Purchase Order was not duly completed by the supplier as required.</li> <li>▪ RfQs were issued on 15th January and closed on 23rd January 2019 (9 days).</li> <li>▪ We discovered that quotations were opened on 6th March and evaluation concluded on 1st July 2019.</li> <li>▪ Specs were not clearly stated.</li> <li>▪ It is mandatory that bidders complete and return “Section D” of the RFQ. In this instance, the bidder failed to complete this section.</li> <li>▪ Procuring entities are required to issue a purchase order to a bidder that submits the lowest-price quotation, meeting the</li> </ul>	52,458,000.00



Name of Contract	Findings	Contract Sum Le
	delivery and other requirements of the RfQ. We noted that the purchase order circumvented the Procurement Act of 2016.	
<b>Procurement of Toners 2019</b>	<ul style="list-style-type: none"> <li>▪ Preliminary evaluation examines whether bids are complete and responsive to the basic requirements and instructions of the tender document. We noted the award of a contract to supplier who was not fully responsive.</li> <li>▪ Detailed evaluation of technical specs tendered by bidders should be done to determine substantially responsive bids. However, we noted that the evaluation process failed to do as required by the Public Procurement Act of 2016.</li> <li>▪ Price comparison was carried out to determine the lowest evaluated responsive price. We discovered that a supplier with a bid price of Le13,685,000.00 was not considered for the award of a contract.</li> <li>▪ Procuring entities are required to issue a purchase order to bidder that submits the lowest-price quotation, meeting the delivery and other requirements of the RFQ. We noted that purchase order was placed with bidders who failed to act accordingly.</li> </ul>	19,320,000.00

We recommended that the anomalies highlighted be addressed as a matter of urgency. Specifically, full documentation of each procurement must be properly done and maintained in file for reference. Additionally, the procurement laws and procedures must be complied with and this must be regularly checked by the Internal Audit Department.

### ***Official's Response***

#### ***Refilling of Fire Extinguisher Canisters - 2019***

- *We note the findings regarding a clear description of goods and would ensure that a detailed description of the goods is indicated in all procurement documents as required.*
- *The bids were examined in line with procedures contained in the Public Procurement Act of 2016 and Public Procurement Regulations of 2020 by firstly conducting a preliminary examination to determine whether the bids were complete and responsive to the basic requirements of the RfQ and thereafter technical and financial evaluations.*
- *At the preliminary examination stage, the bids were examined to ascertain whether they are complete and responsive to the basic requirements, and it was confirmed that the bid submitted by one of the suppliers was substantially responsive (additionally all specified documentation - Business Registration Certificate, NRA Tax, and NASSIT Clearance Certificates were confirmed to be valid).*

- *The bids submitted by the other bidders were not substantially responsive as the Evaluation Committee ascertained that the required business documents submitted were expired. They were therefore eliminated at the preliminary examination stage and did not proceed to the technical and financial evaluation stages. One of the bidders submitted an expired NRA Tax Clearance Certificate (valid up to 10th March, 2020) as at bid closing 16th April, 2020. This was considered a major breach by the Evaluation Committee. Please note that the above procedure is in line with Section 53(2) of the Public Procurement Act of 2016.*
- *The winner emerged as the only responsive bidder who proceeded to the technical and financial evaluation stages.*
- *Please note that entities are required to issue a purchase order to the bidder that submits the lowest evaluated and substantially responsive bid, which was complied with (see Section 56 (1) of the Public Procurement Act of 2016) thus the Act was not circumvented.*

#### ***Procurement of Window Curtains for the Kenema Branch - 2019***

- *We note that the "Receipt of Order by the Supplier" section was not completed. The Unit would ensure that suppliers are sensitised on full completion of bidding documents or RfQ (especially suppliers resident in the provincial towns).*
- *The bidding period was shortened in a bid to salvage the situation then, which the Head, Kenema Branch had described as risky "as the glasses around the Banking Hall were so transparent that staff were exposed to serious risks".*
- *The Procurement Unit always ensures that bids are evaluated as soon as they are opened. However, in the above-mentioned procurement, there were constraints of proximity between the Procurement Unit and the supplier (who is resident in Kenema).*
- *The items required were considered as common off-the-shelf items and were described as such in the Schedule of Requirements section of the RfQ. However, we note that the bidder did not complete 'Section D' of the RfQ. The Unit will continue to monitor all RfQs submitted to ensure proper completion of same.*
- *Please note that an LPO was issued to the single bidder upon confirmation by the Evaluation Committee that their bid was substantially responsive and technically compliant with a reasonable delivery period of two weeks for the sewing and installation of window curtains at the Kenema Branch. Their prices were also ascertained to be competitive. The contract was therefore awarded in line with Section 56 (1) of the Public Procurement Act of 2016.*

#### ***Procurement of Toners - 2019***

- *The bids were examined in line with procedures contained in the Public Procurement Act of 2016 and Public Procurement Regulations of 2020 by firstly conducting a preliminary examination to determine whether the bids were complete and responsive to the basic requirements of the RfQ, and thereafter technical and financial evaluations.*
- *Based on the evaluation methodology adopted (i.e., lowest-priced bid of the technically compliant and responsive bid) the contract was awarded to Supplier A that was declared substantially responsive and technically compliant.*
- *Please note that Supplier B submitted two quotes; one for original toners (Le25,900,000) and another for compatible toners (Le13,685,000). Compatible toners are not genuine HP toners and do not comply with the Bank's specifications; thus, it was not considered during the evaluation.*
- *Price comparison (for original/genuine HP toners) was done and the bid price of Le19,320,000 (submitted by Supplier A) was ranked first (being the least price) against the bid price of Le25,990,000 (submitted by Supplier B) and Supplier A was therefore recommended for the award of contract.*
- *Based on the above, a local purchase order was issued to the bidder that submitted the lowest evaluated and substantially responsive bid in line with Section 56 (1) of the Public Procurement Act of 2016".*

### 3.3.2. Risk Management Framework

A Risk Management Unit had been established within the Bank in January, 2017 to carry out the risk management function of the Bank. The Unit is charged with the responsibility of implementing an Enterprise Risk Management Framework. However, we requested the risk register for the period under review but we were not provided with the register, and we were informed by the Manager at the Risk Department that no work was done by the Risk Management Unit for the period. We recommended that all functions tasked by The Risk Management Unit i.e., witnessing of sensitive and risk-prone operations mentioned in the implication and findings be performed by those responsible in order to minimise the occurrence of fraud and error going undetected.

#### **Official Response**

*In 2020 and 2021, the Risk Management Unit rolled out workshops on Risk Control Self-Assessment (RCSA), and Risk Register. Subsequently, RCSA, Risk Register, and Risk Treatment Plan Templates were completed and received from all Departments/Units. After the receipt of all submissions in March 2022, the Bank of England's Technical Assistance Team reviewed the Departmental RCSAs, Risk Registers, and Treatment Plans. Based on the review, a video conference was organised on 25th March 2022, to discuss recommendations for further improvements to these documents in a bid to ensure the efficiency of the process. All risk champions together with the Risk Management Unit were in attendance.*

*Subsequently, the Unit held discussions on a department-by-department basis in April 2022 comprising Heads of Department/Unit, Division Heads, Section Heads, and other relevant staff to provide guidance on the amendments proposed by the Bank of England.*

*The Risk Register will be ready by end June 2022 followed by a Risk Report in July 2022.*

### 3.3.3. Organisational Manuals

The following were observed, even though it had been raised in previous audits:

- Against the background of the manuals provided to us, we determined the absence of a bank-wide comprehensive register of manuals, process descriptions and guidelines.
- The manuals provided to us are based on scans of paper documents. The quality of the scanned manual was in some cases of poor quality, i.e., pages were distorted or had fallen off.
- Some manuals lacked a log containing the respective updates and changes. In addition, in some cases they did not contain any information about the creators and releasers.
- The manuals of the financial market as well as the Banking Department lack an overarching and concise description and presentation of how market risks (i.e., credit risk, interest rate risk, foreign exchange risk and liquidity risk) are identified, assessed and managed.
- The Manual of the Account and Finance Unit does not take into consideration the adoption of IFRS 9.

The following recommendations were made:

- We recommended the creation of a bank-wide register/index of all manuals and process descriptions.
- Manual scanning of paper documents should only be done in exceptional cases. Manuals and other process descriptions should be available in electronic format (PDF & Word).
- Include a tabular log in all manuals and process descriptions.
- Expand the manuals in the Financial Market and Banking Departments to include the above-mentioned aspects in order to present the definition of the target object in a sufficiently granular manner.

### **Official's Response**

*The Bank has adopted and applied IFRS which is clearly stated in Section 2.0 of the Manual of Operations and Section 19 of the Bank of Sierra Leone Act of 2019 and IFRS 9, therefore is part of the standards applied.*

*A risk register relating to the operations of the banking and payment system was developed and forwarded to the Risk Management Unit. The register reflects risks identified, assessed and how they will be managed.*

*We note the other findings regarding the Manual of Operations, and the Bank will ensure the following:*

- *Ensure that a bank-wide register/index of all manuals and process descriptions are created.*
- *Ensure that manual scanning of paper documents should be done in exceptional cases and that manuals and other process descriptions are available in electronic format.*
- *Include a tabular log in all manuals and process descriptions.*

## **3.4. BANK OF SIERRA LEONE - 2020**

### **3.4.1. A review of the procurement processes**

<b>Name of Contract</b>	<b>Findings</b>	<b>Contract Sum (Le)</b>
Procurement of Hospitality Items 2020.	<ul style="list-style-type: none"><li>▪ We noted that purchase order was placed with Messrs Alandkez (SL) Ltd., though the bidder did not meet the delivery requirement stated in the tender document.</li><li>▪ Payment voucher, invoice and delivery note not found in file.</li></ul>	58,881,000.00
Procurement of Computer Repairs and Maintenance Items 2020	<ul style="list-style-type: none"><li>▪ We noted that purchase order was placed with Messrs Rhapsody Info Tech, though the bidder did not meet the delivery requirement stated in the tender document.</li><li>▪ Payment voucher, invoice and delivery note not found in file.</li></ul>	40,365,000.00
Procurement of Computer Consumables 2020	<ul style="list-style-type: none"><li>▪ Financial evaluation was undertaken to determine the most economic price. We however noted that the contract was awarded to Messrs Computer Shop for Le783,322,500.00 causing the Bank to loss Le499,942,500.00.</li></ul>	783,322,500.00

We recommended that the anomalies highlighted be addressed as a matter of urgency; specifically, full documentation of each procurement must be done appropriately and maintained in a file for reference. Additionally, the procurement laws and procedures must be complied with and this must be regularly checked by the Internal Audit Department.

### **Official's Response**

#### **1. Procurement of Hospitality Items - 2020**

- *We note that the "Receipt of Order by the Supplier" section was not completed. The Unit would ensure that suppliers are sensitised on full completion of bidding documents and RfQ.*
- *We note that entities are required to issue a purchase order to the bidder that submits the lowest evaluated and substantially responsive bid, which was complied with in this case.*

- Messrs Alandkeꝛ (SL) Ltd. submitted the lowest evaluated bid price of Le58,881,000 as against bid prices submitted by Greenfield Farm - Le71,468,200 and New Generation Solutions – Le112,077,000. Messrs Alandkeꝛ (SL) Ltd. also met the preliminary requirements of the bid as all required documentation - Business Registration Certificate, NRA Tax and NASSIT Clearance Certificates were confirmed to be valid.
- It should also be noted that the Bank made savings of Le53,196,000 and Le12,587,200 for not awarding the contract to New Generation Solutions and Greenfield Farm respectively. Even though the responsive and technically compliant bids (i.e., Alandkeꝛ (SL) Ltd. and New Generation Solutions) did not meet the delivery requirements (immediate supply) of the Bank, it was considered prudent to award the contract to Alandkeꝛ (SL) Ltd. having submitted the lowest evaluated bid price meeting the Bank's specifications.
- The records revealed that even though the contract was awarded to Messrs Alandkeꝛ (SL) Ltd. on 29th April, 2020, the items were supplied to the Bank on 12th May, 2020 (within 14 days period, even though they had indicated 30 days delivery period)
- Payment vouchers, invoices and delivery notes are available for verification.

## **2. Procurement of Computer Repairs and Maintenance Items - 2020**

- The bids were examined in line with procedures contained in the Public Procurement Act of 2016 and the Public Procurement Regulations of 2020, by firstly conducting preliminary examination to determine whether the bids were complete and responsive to the basic requirements of the RfQ and thereafter technical and financial evaluations.
- The only bid received for this procurement was submitted by Rhapsody Infotech which was considered to be substantially responsive and technically compliant (i.e., all required documentation were valid and the bid met the Bank's specifications). The LPO was thus issued to the single bidder upon confirmation by the Evaluation Committee that their bid was substantially responsive with a reasonable delivery period of 18 days. Their bid price was also ascertained to be competitive.
- Payment vouchers, invoices and delivery notes are available for verification.

## **3. Procurement of Computer Consumables - 2020**

- The bids were examined in line with procedures contained in the Public Procurement Act of 2016 and the Public Procurement Regulations of 2020, by firstly conducting a preliminary examination to determine whether the bids were complete and responsive to the basic requirements of the RfQ and thereafter technical and financial evaluations.
- The Evaluation Committee noted that prices quoted by Messrs Eddie-K Enterprise were deemed unrealistic in comparison with the NPPA Price Norm and online prices which brought the quality of the toners to question. It was also noted that detailed technical specifications were submitted for only three items.
- Messrs Computer Shop was awarded the contract after the Evaluation Committee had confirmed that they were substantially responsive and technically compliant (submitted detailed technical specifications for all items) and the prices quoted by the supplier were deemed realistic in comparison with the NPPA Price Norm and online prices obtained for genuine toners.

*We shall continue to closely monitor the procurement process to ensure full compliance with the legal provisions.*

### **3.4.2. Confirmation of Balances**

We issued circularisation to ascertain the accuracy of the balances reported in the books as deposits from governments, banks, and other financial institutions. We experienced delays in receiving responses from these third parties, and in some instances did not receive any response. We carried out additional work on the responses obtained and noted that reconciliation exercises were not done on time to verify that balances with third parties agree with the balances held in the Bank's records. Similar issues had been raised in previous audits but were not addressed.

We recommended that in future, follow-up procedures are instituted to ensure timely responses to circularisation are provided. Timely reconciliation should also be performed to harmonise the Bank's records with records of deposits made by banks and other financial institutions.

**Official's Response**

*We note your comment. Follow-up procedures will be instituted to ensure timely response to circularisation are provided.*

**3.4.3. Property, Plant and Equipment**

During the exercise, we noted that some of the assets were not marked or labelled in the Bank's name to complement our audit comfort on the ownership and security of the assets. It was recommended that the fixed assets be marked with identification to provide comfort on ownership and mitigate the risk of theft.

**Official's Response**

*The items listed above have been labelled accordingly with the exception of building materials which had been subsumed in the main bank building.*

**3.4.4. Human Resources Management**

We reviewed the operating effectiveness of controls over the preparation, review and approval of monthly payroll vouchers and noted that there was no evidence to confirm that initials/signatures were appended on vouchers to confirm the existence of segregation of duties on the management of payroll in the HR Department. This issue had been raised during our previous audits. We recommended that staff take responsibility for the tasks they perform by appending their signatures on the related payroll vouchers/other documents.

**Official's Response**

*The Bank has taken action on the matter and that the signatures of designated staff are appended on the processed monthly payroll vouchers and other documents forwarded to the Finance Department for payment. Copies of the signed reports are retained in the Human Resources Department for the record.*

**3.4.5. Expenses**

We requested supporting documentation for some expense lines for the period amounting to Le2,760,541,485.22 and noted that they were not provided for review. We recommended that long outstanding balances in the cash floats schedule be investigated and regularised and that all supporting documentation requested be made available for review.

**Official's Response**

*We note the findings and that the outstanding documents will be available for inspection.*

**3.5. SIERRA LEONE COMMERCIAL BANK LIMITED - 2020**

**3.5.1. No Collateral Valuation Reports**

Collateral property should be valued by a professional valuer in order for the bank to determine the maximum credit facilities they can grant a customer. During our review, we noted that the Bank had approved facilities for Whitepole Limited for Le2.4 billion without reassessing the value of the submitted collateral. We recommended that the Bank should obtain the valuation report regarding the collateral security provided by the customer; and to ensure that it is properly valued by a professional appraiser.

**Official's Response**

*The revaluation report had been obtained and is available for verification.*

### **Auditor's Comment**

The valuation report for Whitepole Limited was not submitted. The issue is unresolved.

### **3.5.2. Non-compliance with the Bank's Risk Acceptance Criteria**

We observed that a facility of Le17.8 billion was granted to Jolaks Manufacturing during the year.

The required documentation (Financial Statement) for prior approval, was not submitted.

We recommended that Management should strictly follow applicable preapproval documentation, as minimum standards, in the lending process.

### **Official's Response**

*The Bank maintains audited accounts for customers.*

### **Auditor's Comment**

During the verification, the audited Financial Statement for Jolaks Manufacturing was not provided. The matter is therefore unresolved.

### **3.5.3. Non-Compliance with the Bank's Lending Procedures**

During the course of our audit, we observed that the Bank was not in possession of original mortgage securities for customers who were granted the facilities. From review of customers' files, we noted that these facilities had been secured with legal mortgage as indicated in the facility letter, but the Bank was not in possession of these legal mortgages for Bradcorp Global Development and International Construction.

We recommended that Management should ensure adequate and tangible security is obtained to cover the exposures.

### **Official's Response**

*The two highlighted accounts are already collateralised with proper securing arrangements and documentation. Others had been sent for registration, but we do have a challenge with the slow pace of registration at the Registrar General's Office. We will continue with our follow-up until we get the registration process of outstanding collaterals completed.*

### **Auditor's Comment**

During the course of the verification, we noted that Bradcorp Global Development did not provide any collateral for the loan of Le10.2 billion; whereas, the International Construction did not provide collateral security for its loan. This issue is unresolved.

### **3.5.4. Long Outstanding Items on the Bank's Reconciliation**

During our review of the Bank's reconciliation statements, we noted that the following reconciling items in the NOSTRO accounts had not been cleared as at the date of our review:

Date	Description	Amount (US\$ / €)	Bank
28th Jan. 2019	Treasury Liquidation	US\$1,000,000	Crown Agent Bank
30th Apr. 2019	Investment Premature Liquidation	US\$1,572,000	Crown Agent Bank
1st Apr. 2019	Investment Int. Premature	US\$71.58	Crown Agent Bank
6th Mar. 2019	ELC/0140/19	US\$191.57	Crown Agent Bank
10th Jul. 2019	ELC/0252/18-1	€2,295,56.3	Crown Agent Bank (EURO)
20th Aug. 2019	ELC/0199/19	€110.37	Crown Agent Bank (EURO)

We recommended that Management should be able to recognise and resolve long outstanding items as they emerge. Management should actively investigate these reconciling items to ascertain whether they were as a result of fraud or error, and seek to eliminate them from the cashbook; as unexplained transactions in the cashbook will not show the actual cash position of the bank as at 31st December, 2021.

**Official's Response**

*We have carefully reviewed those outstanding items relating to Global Trade in the Vostro general ledgers. We have investigated, and corrective entries would be posted based upon the availability of foreign exchange. We will ensure long outstanding items are reconciled and posted correctly.*

**Auditor's Comment**

The items were still outstanding as at 31st December 2021. The matter therefore remains unresolved.

**3.5.5. Inconsistency in the Management of Payroll**

We noted that salaries paid to directors are different from the one on the payroll. See analysis below:

	MD	DMD	Director 1	Director 2	Director 3	Director 4
Payroll	45,753,381	30,243,017	17,709,962	19,729,142	21,748,321	19,729,142
Salaries paid	57,000,000	50,000,000	28,041,667	31,441,667	34,841,667	31,441,667
Difference	11,246,619	19,756,983	10,331,704	11,712,525	13,093,345	11,712,525

We recommended that a different payroll should be maintained for Directors if Management want to keep it confidential from the Human resource department and put measures in place to protect it from all employees.

**Official's Response**

*The Variance between the HR payroll sheet and the actual payroll costs in respect of the above salaries is due to Board – approved increments made during the period. However, these increments were not reflected in the HR payroll since the payments of these salaries were being processed by the Finance Department. Management has taken note of this discrepancy and approved the synchronisation of both the HR payroll data to that of the Finance Department.*

**Auditor's Comment**

Management vowed to ensure compliance going forward. However, this is yet to be done in the subsequent year of 2021. We encountered the same issue during the ongoing audit. This issue is yet to be resolved.

**3.5.6. Non-Compliance with Bank of Sierra Leone's Recruitment Policy**

Section 5.3.6 of the Prudential Guideline states that, banks are required to inform the Bank of Sierra Leone of all recruitment and disengagement of other staff. During our review, we requested the correspondence sent to Bank of Sierra Leone for recruitments and disengagements of other staff for the period under review, but this was however not made available to us.

We recommended that Management should ensure that going forward, correspondence is sent to the Bank of Sierra Leone whenever staff are recruited or disengaged.

**Official's Response**

*Management notes the comment and shall ensure all engagements and disengagements are advised to the central bank accordingly.*



### Auditor's Comment

Management had vowed to comply with the Prudential Guidelines. However, this issue remains unresolved.

### 3.5.7. Filing Issues

During our review, we noted that the client did not maintain proper filing, as a result, board approval and authenticity letter for zero-coupon bonds for the following transactions were not sighted:

Nominal value (US\$)	Discount amount (US\$)	Value date	Maturity date	Comments
3,763,805.58	3,362,611.48	17th Dec. 2018	9th Dec. 2020	Board approval not sighted
3,717,243	3,186,568	17th Dec. 2018	5th Sep. 2021	Board approval not sighted
3,740,327	3,162,499	17th Dec. 2018	4th Dec. 2021	Board approval not sighted
2,363,981	1,924,178	18th Apr. 2019	29th Nov. 2022	Authenticity letter from Bank of Sierra Leone not sighted
1,800,000	1,614,979	6th May. 2019	15th Jan. 2021	Authenticity letter from Bank of Sierra Leone not sighted
2,363,981	1,926,053	16th Jul. 2019	24th Nov. 2023	Authenticity letter from Bank of Sierra Leone not sighted

We recommended that the Treasury Department should ensure that all supporting documents in respect of their dealings are filed appropriately and should be easily retrieved whenever requested.

### Official's Response

*All Zero-Coupon Bonds documentation are always collated and filed at the Corporate Secretary's Unit and ready for review at all times.*

### Auditor's Comment

The matter still remains unresolved as the authenticity letter and the Board approval for the above list were not provided for review. The issue remains unresolved.

## 3.6. SIERRA LEONE AIRPORTS AUTHORITY - 2020

### 3.6.1. Bank Confirmations not Submitted

Bank confirmations were not received from the Standard Chartered Bank, First International Bank, the Sierra Leone Commercial Bank and Zenith Bank for 15 bank accounts operated by the Authority. The General Manager (GM) should ensure that follow ups are done with the banks and confirmation sent to the Audit Service.

### Official's Response

*The GM in his response said: "Official letters had been written to the banks informing them of the omissions and requesting them to confirm their existence or disclose the accounts and their balances imminently; given a stern explanation why they omitted the accounts (evidence of such letter is also available)".*

### Auditor's Comment

Bank confirmations for 15 accounts maintained at the various banks were not submitted for inspection. Therefore, we could not obtain third-party evidence to substantiate the Authority's bank balances for the period under review. Our recommendations were not implemented. Therefore, this issue is unresolved.

### **3.6.2. Non-deduction of Withholding Taxes**

Withholding taxes totalling Le27,407,309.26 in respect of goods and services were not deducted and paid to the NRA. This violated Section 129(1 & 2) of the Income Tax Act of 2000.

The GM and Finance Director should ensure that withholding taxes of Le27,407,309.26 are recovered and paid to the NRA and receipts justifying payments should be submitted to the Audit Service.

#### **Auditor's comment**

No response was received from Management. Our recommendation was not implemented. Therefore, this issue remains unresolved.

### **3.6.3. Lack of Credit Control Policy**

The Authority did not have the policy to regulate the management of receivables. The GM, and the Finance and Commercial Director, should ensure that a policy for the effective management of receivables is developed and submitted to the Board of Directors for approval. Evidence of actions taken should be submitted to the Audit Service.

#### **Official's Response**

*The GM in his response said: "Management is in the process of developing a receivable policy that will define how the Authority processes receivables".*

#### **Auditor's Comment**

A credit-control policy dated January 2005 was submitted and verified. However, we noted that the Board had not approved the policy submitted. Our recommendation was not implemented. Therefore, this issue remains unresolved.

### **3.6.4. Updated Receivable Statement of Accounts and Reconciliation**

Receivable balances as per the general ledger and Financial Statements were categorised and summarised based on different revenue streams with no detailed breakdown/analysis provided for audit. The GM and Finance Director, should ensure that the detailed breakdown/analysis of receivable balances as per the general ledger and Financial Statements are submitted to the Audit Service.

#### **Official's Response**

*The Authority has been reporting its receivables based on the different revenue streams. We however noted the auditor's recommendations, and Management is currently in discussion with other stakeholders to introduce this change recommended by the auditors. Going forward, monthly reconciliation of receivable balances will be prepared.*

#### **Auditor's Comment**

A detailed breakdown of receivable balances as per the general ledger and financial statements was not submitted for verification. Therefore, this issue remains unresolved.

### **3.6.5. Encashment of Leave Days**

A review of the staff leave expenses revealed the following:

- Staff at the executive grade were paid cash as a buyout for half of their annual leave days. This is referred to as "Leave Encashment" in the expense ledger.
- A total of Le192 million was paid during the year as leave encashment.
- No evidence was presented to justify the basis for this practice.

The GM, FD and the Head of Human Resources, should ensure the following:

- Evidence justifying the encashment of leave totalling Le192 million is submitted to the Audit Service.

- The practice of leave encashment should be discontinued going forward. Management either exercise the option of leave days being divided, based on the exigency of work, or employees approved to proceed and utilise all entitled leave days without a break.

**Official's Response**

*This practice was adopted for the exigency of the job. As most of the engineering unit operations and other operational units are complex, Management encourages staff with the necessary experience, competence and expertise to perform tasks rather than providing temporary employment / contract to personnel who do not have prior knowledge of the Authority's operations. Notwithstanding, Management is revising its administrative handbook that will address all human resources issues.*

**Auditor's Comment**

Evidence in the form of a written policy justifying the basis of the leave encashment totalling Le192 million was not submitted for verification.

**3.6.6. Recruitment of Staff from Contract to Permanent**

On 1st August 2020, Management absorbed two contract staff as permanent staff. The following documents were not submitted for audit inspection: job adverts, application letters, invitation to attend interviews, interview score sheets, police clearance reports, medical reports and reference letters. We therefore could not confirm whether the recruitment process was open, fair and credible, and was in accordance with Article 8 of the Authority's Terms and Conditions of Service.

The GM and the Human Resources Director, should ensure that the requested documents are submitted to the Audit Service.

**Official's Response**

*The auditor's comments and recommendations are noted. Management would put in place structures that will ensure compliance.*

**Auditor's Comment**

Management's response was noted. However, the requested documents were not submitted for verification. Therefore, the issue is unresolved.

**3.6.7. Business without Contract**

A physical inspection of business operating within the terminal building, and in the Authority's area of control revealed that 17 businesses were operating without a signed agreement with the Authority. This restricted us from confirming the revenues collected from these businesses.

The GM and Commercial Manager should ensure that a contract with a clear understanding of the 'rights to conduct business' between the Authority and its clients is prepared, signed by parties involved and retained for reference purposes. Upon receipt of this report, evidence of actions taken should be submitted to the Audit Service.

**Official's Response**

*It is no secret that the aviation industry was the worst hit by the global COVID-19 pandemic. Implementing the GoSL's emergency response restriction to the COVID-19 pandemic, operations at the airport were shut down for over four months. This limited strict supervision and monitoring of outlets. Upon resumption of operations, Management had engaged businesses operating within the terminal building and other areas the Authority's control, in signing a contract agreement. Notwithstanding, contract agreement has been signed by some businesses while this process is still ongoing. Copies of signed contract agreements are available for your review.*

**Auditor's Comment**

Contract agreements between businesses operating in the terminal building and other Authority-controlled areas were not submitted for verification. In addition, no evidence of actions taken by the Authority to remedy the situation was submitted. Our recommendations were not implemented. Therefore, this issue is unresolved.

**3.6.8. Assets not Insured**

The Authority's property, plant and equipment such as vehicles and office buildings were not insured during the year under review. In addition, life-cards and insurance policy for the fire engines were not provided for audit review.

The GM, FD and Estate Officer should ensure that all motor vehicles, plant & equipment and office buildings owned and controlled by the Authority are insured in the event of loss, damage and disaster. Evidence of action taken must be submitted to the Audit Service.

**Official's Response**

*Life-cards and insurance policies are now available for your verification.*

**Auditor's Comment**

Insurance policies and life-cards were not submitted for verification. The issues remain unresolved.

**3.6.9. Service Level Agreement not Submitted**

During the audit review, we noted that IT services for the Great Plains (GP) software were outsourced to a consulting firm (IT Warehouse) that provides hosting and maintenance, but service level agreements for these services were not submitted to auditors for review.

The GM and the IT Manager, should ensure that the service level agreement is submitted to the Audit Service.

**Official's Response**

*The auditor's comment and recommendation are noted. The Service Level Agreement between the Authority and IT Warehouse is now available for your review.*

**Auditor's Comment**

An excerpt of the service level agreement was submitted and verified. However, a complete copy of the agreement to confirm date and signatories to this agreement was not submitted for verification. Therefore, this issue is partially resolved.

**3.6.10. Computers not Coded**

Computers used by the Authority were not coded. The GM and the head of IT should ensure that all computers owned and controlled by the Authority are coded and details recorded in the non-current asset register.

**Official's Response**

*The auditor's comment and recommendation are noted. This process, regarding the coding of our computers is ongoing, and computers are available for your review.*

**Auditor's Comment**

Physical inspection of computers revealed that they were not coded. Our recommendations were not implemented. Therefore, this issue is unresolved.

### **3.7. SIERRA LEONE PORTS AUTHORITY - 2021**

#### **3.7.1. Ineffective Management of Disbursement**

A review of transactions incurred by the Authority revealed the following:

- (i) Payments which totalled Le310,245,000 were made without adequate supporting documents such as payment vouchers, receipts, invoices, delivery notes, beneficiary list etc.

The Authority made corporate social responsibility (CSR) payments to various organisations and individuals. The audit team could not understand the basis upon which these payments were made, as they did not fall within the normal operations of the Authority. In addition, documents to support samples of CSR payments totalling Le384,000,000 were not submitted for inspection.

We recommended that the Financial Controller should ensure that the relevant supporting documents, in respect of Le310,245,000 and Le384,000,000 are forwarded to the Audit Service.

#### **Official's Response**

*Management strives to maintain adequate internal controls relating to effective management of disbursement.*

- *The necessary supporting documents are available for audit review.*
- *It is the Authority's strategy to conduct business in a way that is ethical, society friendly and beneficial to the community in which we operate in terms of development. Our Corporate Social Responsibility (CSR) spending (based on approved budget & policy) involves a range of activities such as working in partnership with local communities, conduct socially sensitive investment, develop relationship with employees, invest in national development projects and activities for environmental conservation and sustainability.*
- *The necessary supporting documents are available for audit review”.*

#### **Auditor's Comment**

From a total of Le310,245,000, adequate supporting documents were submitted and verified for the sum of Le245,245,000 (79%), leaving a balance of Le65,000,000 not supported. Therefore, our recommendation was substantially implemented.

Supporting documents for CSR activities totalling Le304,000,000.00 (74%) were provided and verified, leaving a balance of Le80,000,000.00 not supported. Regarding explanations offered, the areas of support as detailed above were so general and can be opened to manipulation. This can result in duplication as areas identified have institutions established by the Government for the provision of these services for which finances and operational support are available. These payments do not fall within the normal operations of the Authority. Therefore, our recommendation was substantially implemented.

#### **3.7.2. Medical Facilities for Staff of the Authority**

We observed that the sum of Le32,550,000 was paid to a dentist for dental services rendered to an employee. A review of the HR policy and interview conducted with the Senior Medical Officer revealed that the Authority does not have a ceiling (maximum amount per employee) for medical services provided to employees.

The following recommendations were made:

- The Financial Controller and the Human Resources Manager should in future, ensure that the dictates of the Authority's Human Resources Policy are strictly adhered to.
- The Financial Controller should provide justification (i.e., explanation and the relevant documentary evidence) for the Le32,550,000, that was paid for dental services, to the ASSL, otherwise, the full amount should be refunded into the Authority's account, and the evidence retained for verification.

- The GM should ensure that ceilings for the payment of staff medical bills are set for the various levels within the Authority.

### **Official's Response**

- *We note the findings and risk stated that Management strives to ensure that the Authority's Human Resource Policy dictates are adhered to.*
- *The Authority was constrained to honour the bill as it was outside the scope for workmen's compensation. Furthermore, 10.1.4 of the Human Resource Policy was open-ended in the scope of management responsibility. This has been addressed by the revised Employee Handbook awaiting validation.*
- *The revised Employee Handbook contains a ceiling for staff medical bills.*

### **Auditor's Comment**

An excerpt of the draft Human Resource Policy revealed that the Authority had included dental care (basic tooth extraction) as part of employee medical facilities with costs not more than Le400,000. However, this document is yet to be approved by Management. Our audit recommendations were not implemented. Therefore, this issue is unresolved.

During the verification exercise, evidence to confirm that the Authority has a ceiling (maximum amount per employee) for medical facilities offered to employees was not submitted and verified. Our audit recommendations were not implemented. Therefore, this issue is unresolved.

### **3.7.3. Breach of Procurement Procedures**

Below is an extract from a contract signed on 16th June, 2021 between the SLPA and IN 2 Sierra Leone Limited for the supply of two 30-seater Toyota Coaster buses, and 1 Toyota Land Cruiser hard-top for a negotiated bid price of Le1,613,368,500.

*Clause No. 2 of the addendum to the contract agreement and the schedule of requirements revealed that the items (vehicles) should be delivered to the purchaser within six weeks from the signing of the addendum agreement.*

*General conditions of contract (GCC) clause No. 7.2 states that: "The proceeds of the performing security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete its obligation under the contract".*

*In addition, Clauses 22.3, 23.1 and 24 of the GCC require the Authority to terminate the contract and charge liquidated damages.*

However, these items were yet to be delivered by the supplier even though the six weeks' period had expired. A review of the documents revealed the following:

- The Authority did not adhere to the terms and conditions of the contract to address the issue of non-delivery, even though the Authority had made 30% advance payment of Le457,389,969.75 to the supplier upon signing the contract.
- The addendum to the contract was not dated to enable the auditors conclude whether it was timely and necessary.
- The Advance Payment Guarantee (APG) provided by the Commerce & Mortgage Bank (SL) Plc which expired on 22nd December 2021, was yet to be renewed by the supplier, as at the time of the audit exercise.

The following recommendations were made:

- Management and the NPPA should effect the clauses stated above as the supplier has failed in its obligation and the delivery period has elapsed.
- The Company Secretary should ensure that mechanisms are put in place to address this issue and evidence of action taken by Management forwarded to the ASSL for verification.

### **Official's Response**

- *Management strives to ensure that internal controls relating to procurement regulations and policies are adhered to.*  
*Management could not activate the APG clause as the supplier had made a specific request to the NPPA seeking modifications to bid price, and change in brand, among others. Approval for modification on terms of supply was eventually granted in favour of the supplier.*
- *We note that the effective date of the addendum to the contract was 4th February 2022, which was left out in error.*
- *We note that action had been taken by Management to terminate the contract for the purchase and supply of two 30-seater Toyota Coaster buses. The necessary supporting documents are available for audit review.*

### **Auditor's Comment**

- Written correspondence between the supplier and the Bank was not submitted to enable the team determine what actions Management had taken to recover the APG paid to the supplier.
- Management's concern is noted. As the addendum was dated 14th February 2022, the supplier was materially in non-compliance with the contract as it had been 20 weeks since the addendum agreement was signed.
- A letter dated 4th July 2022, addressed to the CEO of IN 2 Sierra Leone Limited (supplier) was submitted and verified. However, a copy of this letter was not sent to the NPPA for their advice on the matter.
- Given the above, our audit recommendations were not implemented. Therefore, this issue is unresolved.

### **3.7.4. Receivables Confirmation**

- We circularised 19 debtors with an aggregate balance of US\$2,391,631 in the books of the Authority. From the 19 debtors, we received responses from 11 who confirmed a total amount of US\$479,739. The amounts not confirmed by the remaining eight debtors totalled US\$1,911,892.
- We noted a difference of US\$49,762.25 between the amount recorded in the receivables register and the amount confirmed by Bollore Transport & Logistics as receivables balances as at the end of 2021. The amount in the receivables register was US\$140,402.25 while that confirmed by Bollore Transport & Logistics was US\$90,640.

We recommended that the GM and the Financial Controller should ensure the following:

- Evidence of follow-up with the 11 debtors' confirmations are sent to the Audit Service.
- Investigate the identified difference, reconcile the books of accounts, and submit the revised general ledger and financial statements to the ASSL.

### **Official's Response**

*The GM in his response said: "Management strives to maintain adequate internal controls in the management of receivables.*

- *We note the eight debtors who failed to respond to the circularisation sent to them. We can confirm that SLNSC and SLNSC (Kingbo) responded to the circularisation by confirming a total amount of US\$1,404,922.75.*
- *On the subject matter of ISS Ltd. debt totalling US\$131,215, it constitutes a disputed amount based on the interpretation of the clause in the Mining Agreement. The Authority had sought concurrence from the Ministry of Finance and Ministry of Mines.*
- *Evidence of payment confirmation for the remaining debtors is available for audit inspection. (Freetown Terminal Ltd., Mediterranean Shipping Co. and Total SL Ltd.)*

- *We note your comment on Bollore Transport and Logistics (BTL) unconfirmed balance of US\$49,762.25. Evidence of confirmation of payment for US\$17,734.75 is available for audit review. The balance of US\$32,027.5 is the subject of a dispute yet to be resolved”.*

### **Auditor's Comment**

We received confirmations from the SLNSC and SLNSC (Kingho), totalling US\$1,404,922.75. Bank statements and bank instruction letters were submitted and verified for three customers (Total (SL) Ltd., Mediterranean Shipping Co. and Freetown Terminal Limited).

Management's response in respect of ISS Ltd. is noted. However, we encourage management to take necessary action to resolve these disputed amounts.

A letter dated 6th August 2018, from Bollore Transport & Logistics addressed to the Senior Account Manager, SLPA, disputing the invoice raised for marine charges in respect of KARADENIZ POWER SHIP was submitted and verified. A review of Bollore's bank statements revealed that the company paid the sum of US\$17,734.75 to the Authority regarding invoices due for payment. Our audit recommendations were partly implemented.

## **3.8. SIERRA LEONE ROADS AUTHORITY - 2021**

### **3.8.1. Inadequate Controls over the Disbursement of Funds**

The sum of Le28,125,000 was paid as sitting fees to board members for which minutes of the board meeting were not presented for audit inspection, and Le24,050,000 was paid as sitting fees to board members who were absent for board meetings. We recommended that the relevant supporting documents are forwarded to the Audit Service.

### **Official's Response**

*Management has taken note of your recommendations pointed out in i, ii & iii., and wish to state that:*

*The SLRA has, and will always ensure that all public funds are properly and appropriately accounted for.*

*The management apologises for not submitting all the documents during the audit.*

*However, the SLRA confirmed during the exit meeting that most of the documents had been located and were available for your review and clearing.*

*Management is therefore looking forward to your visit to clear the issue raised.*

### **Auditor's Comment**

Evidence justifying payment totalling Le28,125,000 and Le24,050,000 were not provided for audit verification. This issue therefore, remains unresolved.

### **3.8.2. Management of Non-current assets**

Section 16.1 of the Accounting Manual of the Authority states that adequate documentation should be maintained on fixed assets to determine costs and ensure assets' location and condition. The team, however, noted that the Authority did not have an Asset Register/Asset Listing for the period under review. We recommended that the Director General should ensure that the Director of Finance records details, including identification codes of all assets owned and controlled by the Authority. Evidence of actions taken should be submitted to the Audit Service.

### **Official's Response**

*The Director General (DG) in his response said: "There is a listing of non-current assets. The challenge is that of completeness. Management agrees that a comprehensive list of assets with codes and location was not presented during the audit. Honestly, the issue about contracting a valuator has dragged on for too long and it is overdue. However, management*



wants to assure the ASSL that the issue will be resolved by the next audit. This should not come up again in future audits as it is embarrassing”.

#### **Auditor’s Comment**

Evidence of efforts made to confirm that the asset register has been, and will be maintained, was not provided to the audit team for inspection during the verification exercise; therefore, this issue remains unresolved.

### **3.9. SIERRA LEONE ROAD TRANSPORT CORPORATION: 2017 - 2019**

#### **3.9.1. Bank Accounts not Part of the Financial Statements**

We observed that bank accounts (three at Ecobank and six at SLCB) were not part of the Financial Statements under review even though they were confirmed by the Corporation’s bankers. We recommended that senior officers of the Corporation should engage these bankers with a view of resolving this issue. All transactions relating to these bank accounts should be recorded as part of the account of the Corporation.

#### **Official’s Response**

*Management had written to the Ecobank and Sierra Leone Commercial to close all dormant accounts in the name of the Sierra Leone Road Transport Corporation (SLRTC). However, one of the accounts at the SLCB is an account maintained by the SLRTC training school and is not part of the current Financial Statements.*

#### **Auditor’s Comment**

We were not provided with letters written to the banks requesting the closure of the said dormant bank accounts. This issue is unresolved.

#### **3.9.2. Collection of Bus Hire Debts and Staff Loans**

We observed that the Corporation was not making much effort to collect its long outstanding bus-hire debts and, staff loans and advances totaling Le353,627,115 and Le16,760,660 respectively. We recommended that the Corporation should pursue the collection of these debts. The Corporation should review its policies relating to bus hire credit and staff loans.

#### **Official’s Response**

*Most of the bus-hire debtors are government related. Management will intensify efforts to contact the respective offices. Our Human Resources Manager confirmed that the names of four staff queried by the auditors had never been staff of the SLRTC. However, four other staff had loans which took effect in 2019 and these loans should be paid within one year.*

#### **Auditor’s Comment**

Sales receipts were verified for bus-hire debts collected from four customers (3%) which amounted to Le9,000,000. However, adjustments had not been made to account for these transactions in the Financial Statements. Our records also revealed that persons who were claimed not to have been staff members of the Cooperation, were actually staff of the SLRTC. This issue is unresolved.

#### **3.9.3. Suppliers Balances**

We observed that documentation to support the below-mentioned total suppliers’ balances were not available for audit inspection: 2017 - Le784,235,304; 2018 - Le1,489,387,846; 2019 - Le1,295,623,823. We recommended that documentation to enable us determine the accuracy of these suppliers’ account balances should be made available for verification.

**Official's Response**

*The current position is that we now have a reconciled suppliers' balances which agrees with our respective creditor's ledger.*

**Auditor's Comment**

We were not provided with the relevant supporting documents to correctly verify these suppliers' balances. This issue remains unresolved.

**3.9.4. Valuation of Inventories**

Valuation reports indicating the below-mentioned information were not made available for inspection:

- Description of the stock item
- Quantity
- Unit cost
- Total value

Total stock balances for the years under review are as follows:

2017 - Le1,994,780,022.78

2018 - Le4,702,452,831.23

2019 - Le3,792,564,104.87

We recommended that valuation reports supporting the inventory balances indicated in the Financial Statements under review, should be made available for verification.

**Official's Response**

*This audit finding has been noted and management will take corrective action.*

**Auditor's Comment**

This issue remains unresolved since no action had been taken to implement our recommendation.

**3.9.5. Store Issue Vouchers**

The following issues were noted:

- Goods issued from the stores were posted to the Quick Books Accounting System without any store issue vouchers. The said amount stands at a total of Le259,736,429.
- Some store issue vouchers were not posted to the Quick Books Accounting System with a total amount standing at Le572,821,264.
- We noted some differences between the amounts indicated in the store issue vouchers and the amount recorded in the Quick Books Accounting System standing in the negative of Le430,853,508.

We recommended that store issue vouchers should be reviewed by senior officers of the Corporation before they are posted to the Quick Books Accounting System. Evidence of such a review should be indicated on the vouchers.

**Official's Response**

*These audit findings had been noted and Management will take corrective action.*

**Auditor's Comment**

Our recommendation was not implemented. This issue remains unresolved.

**3.9.6. Other Income**

The required third-party documentation to support the completeness of the below-mentioned account balances were not available for verification.

2017 - Le68,694,000

2018 - Le23,805,250

2019 – Le65,866,633

We recommended that the required third-party documentation be made available for verification.

**Official's Response**

*Management wishes to comment as follows:*

**Cash Shortage:** *This audit finding had been addressed in subsequent years. This item is no longer treated as revenue.*

**Miscellaneous Income:** *In 2017, amounts in respect of workshop revenue were misallocated as Miscellaneous Income. In the case of 2019, the amount recorded represents payment received from government for the training of school bus drivers.*

**Auditor's Comment**

We were not provided with all relevant supporting documents to correctly verify these balances. This issue remains unresolved.

**3.9.7. Payments without Supporting Documents**

Payments amounting to Le164,647,615 were without supporting documents.

We recommended that supporting documents relating to these transactions are submitted for verification.

**Official's Response**

*The audit finding has been noted, and Management will ensure that corrective actions are taken.*

**Auditor's Comment**

We were not provided with the relevant supporting documents for verification. This issue remains unresolved.

**3.9.8. Board of Directors**

We observed that the Corporation was managed in 2018 and 2019 without a Board of Directors that should have carried out oversight functions. We recommended that the Corporation should always be under the control of the Board of Directors. Steps should be taken to appoint directors to oversee the management of the Corporation.

**Official's Response**

*Management is aware of this audit finding and has brought it to the attention of the National Commission for Privatisation.*

**Auditor's Comment**

Our recommendation was not implemented. The issue remains unresolved.

**3.9.9. File Management System**

During the course of our audit exercise, we observed that petty cash vouchers and toll gate receipts were in disarray and placed in boxes instead of arch lever files. We recommended that all accountable documents be arranged and filed properly using arch lever files.

**Official's Comment**

*Management over the years has been using alternative means of filing as we are constrained in using the recommended method.*

**Auditor's Comment**

Petty cash vouchers were no longer maintained but the issue of toll gate tickets remains unresolved.

### **3.10. CIVIL AVIATION AUTHORITY - 2020**

#### **3.10.1. PAYE Taxes and NASSIT Contributions not Paid to the NRA**

We observed that PAYE taxes and NASSIT contributions amounting to Le1,180,815,433 and Le1,238,895,810 respectively, were not paid to the NRA for the financial year under review. We recommended that the Agency should take action and deal with those obligations as soon as possible.

##### ***Official's Response***

*PAYE taxes and NASSIT contributions were not paid due to the effect of the COVID-19 pandemic on the income of the Authority. However, the outstanding NASSIT payment has been made and the receipt available for verification. Management notes the recommendation of the auditors with regards the payment of PAYE taxes and is currently negotiating with the Ministry of Finance and the NRA on the payment of all outstanding PAYE taxes.*

##### **Auditor's Comment**

The Agency has made effort to pay the outstanding balance NASSIT contributions. We will follow up on the outcome of the negotiation with MoF and NRA in subsequent audit.

### **3.11. SIERRA LEONE HOUSING CORPORATION: 2018 - 2019**

#### **3.11.1. Project fund**

The Sierra Leone Housing Corporation received fund from the Ministry of Finance through the Ministry of Land to implement a project named Promotion of Local Building Material Production and Construction, and Youth Empowerment. We noted that the Corporation did not open a separate account for the implementation of the Project. They used an existing account of the Corporation which had an overdrawn balance of -Le9,013,709.32. We recommended that Management should ensure that each and every project implemented by the Corporation should have a separate account.

##### ***Official's Response***

*Management of the Corporation will ensure that each and every project implemented by the Corporation will have a separate account.*

##### **Auditor's Comment**

Our recommendation was not implemented. The issue remains unresolved.

#### **3.11.2. Allowance for Doubtful Debts Policy**

The Corporation does not have a formal allowance for doubtful debts policy to ensure the adequacy of allowance for doubtful debts and bad debts written off. We recommended that Management decide on a set of procedures to assess the credit worthiness and the amount of credit to grant each customer. After the preliminary assessment, Management should also lay down a set of procedures to monitor the payment pattern of each customer in order to assess if the policy should be amended.

##### ***Official's Response***

*Management notes the observations and recommendations. An action to develop a policy will be effected.*

##### **Auditor's Comment**

Our recommendation was not implemented. The issue remains unresolved.

### **3.12. NATIONAL REVENUE AUTHORITY: 2021**

#### **3.12.1. Inadequate Control of the Management and Security of Assets**

We noted that not all assets (including office equipment, furniture, fixtures and fittings, etc.) owned by the NRA were labelled with the NRA's unique serial number as prescribed in Object 5.2 of the approved Finance and Budget Department Policies and Procedures Manual.

We further noted that the NRA occupies the WAMA Building situated at ECOWAS Street, and some material amounts totalling Le4,289,805,741.57 were spent on renovation of the said building. However, we requested the tenancy agreement to justify the said expenditure, but it was not provided for audit inspection. We recommended that the Commissioner General (CG) should ensure that all assets owned and controlled by the Authority must be marked with unique identification codes and details appropriately recorded on the asset's register to be verified by the Audit Service.

#### ***Official's Response***

*The CG in his response stated the following:*

- *Asset coding is ongoing and most of the assets of the Authority have been labelled. Evidence of such labelling is available for audit review.*
- *Documents in respect of WAMA tenancy agreement are available for audit inspection.*

#### **Auditor's Comment**

The asset listing was submitted for verification but did not include the date of purchase of the assets. As a result, the team could not ascertain whether they were new assets and could therefore not conduct physical verification. The issue remains unresolved.

The tenancy agreement was not submitted for verification. The issue therefore remains unresolved.

#### **3.12.2. Withholding Taxes not Deducted and Paid to the NRA**

Upon review of the schedule of assets acquired during 2021, we noted a piece of land purchased (CAPEX 0521010) by the NRA for US\$1,320,000, but the NRA did not deduct the withholding tax of 10% (US\$132,000). This was in contravention of Section 123A of the Income Tax Act of 2000. We recommended that this amount (US\$132,000) should be recovered from the payee and paid into the Consolidated Fund and evidence of payment submitted to the Audit Service.

#### ***Official's Response***

*The CG in his response stated: "The auditors' comment is noted; and we have written a letter to the legal representative of the Company through whom funds were paid. The Commissioner, Domestic Tax has also been informed to take the necessary action."*

#### **Auditor's Comment**

A letter written to the legal representative was submitted for audit verification. There was however no response or evidence of payment of taxes made available to the auditors during verification. This issue remains unresolved.

### **3.13. NATIONAL SOCIAL SECURITY AND INSURANCE TRUST - 2020**

#### **3.13.1. Ineffective Management of Land and Property**

The following were observed on the Trust's property at Gloucester Village:

- (i) There was no perimeter fence to protect the property.
- (ii) Approximately 60% of the land worth Le25,055,991,830, has been encroached upon by private individuals/entities, with massive construction going on.

- (iii) The GoSL had secured the remaining 40%, worth Le9,443,481,532, and a signpost indicating "STATE LAND" was seen erected on the land. This showed that the land may be owned by the GoSL and not the Trust.

The following recommendations were made:

- (i) All land owned and controlled by the Trust are appropriately demarcated, perimeter fence constructed, and the services of a caretaker or security personnel be contracted to secure the land to prevent encroachment.
- (ii) Appropriate notices/publications are issued through the print and electronic media, and community involvement to further deter encroachment.
- (iii) Through its Legal Division and collaboration with the Ministry of Lands and the Judiciary, the Trust should institute legal action for the repossession of all lands being encroached upon.

### **Official's Response**

*Management notes the concerns of the auditors and the appropriate actions will be taken to secure both lands. The Trust is awaiting the survey report from the Ministry of Lands for informed decision.*

### **Auditors Comment**

Correspondence between the Trust and the Ministry of Lands was not submitted to confirm negotiations or agreement reached between the two parties. Therefore, this issue is unresolved.

#### **3.13.2. Towama**

- (i) There was no perimeter fence to protect the property.
- (ii) There was massive encroachment, with several constructions ongoing.

The following recommendations were made:

- (i) All land owned and controlled by the Trust are appropriately demarcated, perimeter fence constructed, and the services of a caretaker, or security personnel be contracted to secure the land to prevent encroachment.
- (ii) Appropriate notices/publications are issued through the print and electronic media, and community involvement is also sought to deter encroachment.
- (iii) Through its Legal Division and collaboration with the Ministry of Lands and the Judiciary, the Trust should institute legal actions for the repossession of all land being encroached upon.

### **Official's Response**

*Management notes the concerns of the auditors and the appropriate actions will be taken to secure the land.*

### **Auditors Comment**

There was no documentary evidence submitted to confirm that action had been taken by Management to address this issue. Therefore, this issue is unresolved.

#### **3.13.3. Shengbe**

There was no appropriate documentation justifying ownership of land worth Le13,909,213,785.26, nor was a perimeter fence erected. We recommended that evidence of actions taken to rectify this issue is submitted to the Audit Service.

### **Official's Response**

*Management notes the concerns of the auditors. Appropriate actions will be taken to demarcate the land and erect visible pillars along the perimeter of the land.*

### **Auditor's Comment**

Conveyances and survey documents to confirm that the Trust has control over and ownership of the property was not submitted for verification. Therefore, this issue is unresolved.

#### **3.13.4. Ineffective Management of Disbursement**

We identified the sum of Le1,177,310,440 being payments for corporate social responsibility (CSR) made to various organisations. However, the audit team could not ascertain the basis upon which these payments were made, as they did not fall within the normal operations of the Trust. In addition, documents to support such costs were not submitted for inspection. We recommended that the Director of Finance and the Director-General should ensure that appropriate explanations with supporting evidence be provided to justify payments made towards CSR.

### **Official's Response**

*The payment relates to donations made to the fight against the COVID-19 pandemic which is in line with the Trust's CSR policy. The amount was approved by the Board of Trustees and excerpt of the approval is available for audit inspection.*

### **Auditor's Comment**

A report on the validation workshop on the review of policies and procedures of NASSIT dated 12th November, 2021 was submitted and verified. The report revealed that policies and procedures were reviewed by Management and copies were presented to the Administrative Sub-Committee of the Board for validation and necessary recommendations. Among them is the NASSIT CSR Policy. Subsequently, as the Trust awaits the approved CRS policy, this expenditure is deemed ineligible; therefore, this issue is unresolved.

#### **3.13.5. Steering Committee's Terms of Reference not Approved**

The DG did not approve the IT Steering Committee's Terms of Reference of the Trust. Moreover, minutes of the IT Steering Committee meeting was not made available for our review. The effective monitoring and supervision of ICT projects and investments without such a vital committee could not be guaranteed. The GM and IT Manager should ensure that the IT Steering Committee is formed with appropriate members having the skills, experience, and qualifications. Details of members must be submitted to the Board for approval.

### **Official's Response**

*The finalised copy of the IT Steering Committee Terms of Reference had been presented and discussed at the Administrative Sub-Committee of the Board and is awaiting final Board's approval.*

### **Auditor's Comment**

A report of the policies and procedures by the Trust was submitted and verified. We noted that these policies and procedures were thoroughly and extensively reviewed by Management and presented to the Administrative Sub-Committee for validation and onward submission to the Board of Trustees for approval. However, these policies are yet to be approved. Therefore, this issue is partially resolved.

#### **3.13.6. NAPOS Application Software with no Vendor Support**

We noted that the NAPOS System, which was the Trust's main operational software, was no longer supported by the vendor. There was no agreement submitted for audit, to justify after-sales services in the event of a software maintenance and upgrade. If the Trust, however, continues to use the current system, there is the potential exploitation of zero-day vulnerabilities. The DG and the Acting Director of IT should ensure that with immediate effect, appropriate actions are taken so that the system will

be adequately supported to mitigate against potential exploitation. Evidence of actions taken should be forwarded to the Audit Service for verification.

**Official's Response**

*Management notes the concern and recommendations of the auditors. The Trust has severed relationship with the vendor and software support has been provided in-house by the Trust's ICT staff.*

**Auditor's Comment**

There was no evidence to indicate that the system was supported by the vendor at the time of the audit. The ICT Division has also not provided any representation to attest their capacity and experience. This issue remains unresolved.

**3.13.7. Underutilisation of the NAPOS System at the Kono Branch Office**

At the Trust's Kono Office, the following were observed:

- (i) Transactions relating to contributions made by business entities were not posted in the NAPOS system, even though it was observed that the system was functional and users had access to it.
- (ii) Automated receipts were not generated from the NAPOS system. Instead, they were done manually.
- (iii) Contribution records were maintained in Microsoft Excel and forwarded to the North-Eastern Regional Office in Makeni for inputting and onward submission to headquarters.

The DG and the Acting IT Director should ensure the following:

- (i) All transactions, including contributions received, are promptly and appropriately recorded in the NAPOS System; and disciplinary actions should be taken against staff who failed to utilise the system.
- (ii) Issuing receipts outside the NAPOS system is discouraged, and business entities advised not to accept manual receipts.
- (iii) Maintaining contribution records in Microsoft Excel is discontinued immediately; and the North-Eastern Regional Office in Makeni is instructed not to accept contribution records in Microsoft Excel.

**Official's Response**

*It was Management's decision to have Kono Sub-Office operate the way it is. However, Management notes the concerns and appropriate measure will be put in place to correct this anomaly.*

**Auditor's Comment**

Evidence for the mobilisation of IT equipment and staff, to the sub office in Kono to support Management action in its quest to address this issue was not submitted and verified. Therefore, this issue is unresolved.

**3.14. NATIONAL SOCIAL SECURITY AND INSURANCE TRUST - 2021**

**3.14.1. Vehicle Loan to Staff**

Section 16(10) of the Car Loan Policy of the Trust states: "The vehicle will be registered in joint names of the staff and the Trust and insured comprehensively". In violation of this section of the Car Loan Policy, the Trust failed to insure comprehensively vehicles acquired under the loan policy with a purchase value of Le1,624,599,920. Further inquiry revealed that a third-party insurance cover was done. We noted that one of the vehicles was not jointly registered with the staff and NASSIT.



In addition, life cards and insurance documents for four vehicles with acquisition costs totalling Le1,049,671,250 were not submitted for audit.

We recommended that all vehicles used by staff in the executive grade should be comprehensively insured, and an insurance policy justifying compliance be submitted to the Audit Service.

That the policy is submitted to the Board for approval, and upon approval, it should be disseminated to all staff within the finance section. Evidence of action taken should be submitted to the Audit Service.

### **Official's Response**

#### **(i) "Insurance cover for loan vehicle"**

*Management notes the concern of the auditors in respect of the comprehensive insurance cover and joint registration for staff vehicles. However, analysis carried out by the Administrative Department, for the jointly owned vehicles showed minimal risk of accident occurring and as such comprehensive insurance policy for these vehicles would not be economical. Therefore, the NASSIT's case for the creation of a Self – Insurance Fund to provide cover against any future loss. This change from comprehensive insurance to self-insurance has been reflected in the reviewed Car Loan Policy.*

*In respect of the joint registration, appropriate action will be taken to ensure that the vehicles are jointly registered and life cards appropriately secured by the Administrative Department.*

#### **(ii) Life Card not submitted for audit inspection**

*Management notes the concern of the auditors and appropriate measures will be taken to ensure that the staff concerned submit their vehicle life cards to the Administrative Department.*

### **Auditor's Comment**

Management's comment was noted. However, the reviewed Car Loan Policy was not submitted. We were also concerned with the legality of Management's action. Therefore, this issue is unresolved. During the verification exercise, the life cards were not submitted. This issue is also unresolved.

### **3.14.2. Ineffective Payroll and Staff Management**

Upon re-computing the payroll cost, the team realised that the social security contribution was based on the employees' gross earnings for February to December. Further review revealed the following:

- This decision cost the Trust an extra Le2,432,772,885 in 10% contribution.
- PAYE tax to the NRA reduced by Le319,941,306.
- Employees net salaries reduced by Le629,925,766.

It has been the general and accepted practice to compute NASSIT contributions (5% and 10%) on basic salary. Though the NASSIT Act does not define 'earnings', and on which the contribution is computed, it has always been on the basic salary. Given the nature of the operation of the Trust and public interest, increasing employees' contribution by Le2.4 billion at the Trust's and contributor's expenses is not considered a prudent financial action. This could give NASSIT staff retiring in the immediate future advantage in pension benefit over other staff in the public sector. If this is rolled out to the general public, especially the civil service and government-owned enterprises, it could significantly affect government expenditures.

We recommended the following:

- (i) The Trust reverts to deducting NASSIT contributions from basic salaries until it legally has the mandate to deduct the contribution from specified 'gross salary/ earnings'.
- (ii) All losses to staff and the NRA should be paid, and the loss to the Trust be refunded to the Trust's operational account. Evidence of actions taken to implement our recommendation should be submitted to the Audit Service.

### **Official's Response**

*On the deduction of social security contributions from gross earnings, Management notes the concern of the auditors. However, it is worth noting that Section 25 (1) of the NASSIT Act states clearly the source from which contributions are to be deducted. According to the Act, contributions are to be deducted from earnings and no specific reference was made to basic salary. Therefore, contribution can either be deducted from gross or basic salary as the case maybe. However, the Trust has realised that most institutions that pay contributions based on basic salary do maintain this figure constant for considerable length of time and increase other allowances in a bid to reduce their 10% contributions. This practice has the potential of making employees in these institutions worse off when a contingency arises. In the review of the Act which is underway, the Trust has proposed an amendment to this Section to make it specific rather than leaving it discretionary.*

### **Auditor's Comment**

Management's comment was noted. However, evidence justifying the implementation of our recommendations was not made available for verification. Therefore, this issue is unresolved.

### **3.14.3. Unpresented Cheques**

Unpresented cheques totalling Le8,060,254,332.56 was recorded by the Trust on several accounts. However, these transactions might have overstated the Trust's records of creditors. We recommended that the stale cheques were investigated and reversed (if required) and necessary adjustments made to the books of accounts and a revised financial statements submitted to the Audit Service.

### **Official's Response**

*Management notes the concerns of the auditors, its associated risks and recommendations. Reconciliation is an ongoing process and considering the volume of transactions the Trust processes every day, most of these unpresented cheques are mostly pensions/benefits cheques paid out to beneficiaries who have not presented them to the banks, and they become stale in the process. However, these cheques will be reversed as recommended and rewritten when the claimant shows up and are appropriately verified. A stakeholders consultative meeting, comprising Managing Directors from various banks, will also be organised to jointly map out the way forward in clearing the long outstanding unreconciled items.*

### **Auditor's Comment**

Management's comment is noted. However, evidence of actions taken to remedy this situation was not submitted for verification. Therefore, this issue remains unresolved.

## **3.15. PETROLEUM DIRECTORATE - 2020**

### **3.15.1. Procurement Irregularities**

Upon examination of procurement records, various procurement irregularities were revealed for procurement activities undertaken totalling Le69,445,000 for the year under review. The abnormalities ranged from non-provision of business licence, tax clearance certificate and failure to provide at least three RfQs. We recommended that the three RfQs, business licence and tax clearance certificate are submitted by the Procurement Officer to the Audit Service for verification.

### **Official's Response**

*We note your observation, and please be informed that the relevant documentation is available for inspection.*

### **Auditor's Comment**

From the total amount of Le69,445,000, procurement documents were provided for Le40,595,000 (58%), leaving an outstanding balance of Le28,850,000 for which procurement documents were not submitted. Therefore, this issue was partially resolved.

### 3.15.2. Irregularities in the Management of Expenditure

A review of the Directorate disbursement revealed the following:

- (i) A total payment of Le415,951,472.60 was made to suppliers without adequate supporting documents such as delivery notes, invoices, receipts, beneficiaries' signatures etc. Therefore, we cannot confirm the eligibility of these payments.
- (ii) The sum of Le55,804,125 was paid as GST, for which GST invoices were not made available for review. This violates Section 31 (1) of the Goods and Services Act of 2009.

The DG, and the Finance Director, should ensure the following:

- (i) The relevant missing documents for the sum of Le415,951,472.60 are submitted to the Audit Service for verification.
- (ii) The suppliers are contacted to submit to the Audit Service, receipts justifying GST payments to the NRA totalling Le55,804,125 for verification; otherwise, the NRA will be duly informed for appropriate action to be taken. In future, the Directorate must honour GST payments from GST registered suppliers upon submitting a GST invoice in compliance with Section 31(1) of the GST Act of 2009.

#### **Official's Response**

- (i) *We note with concern this observation, and please be informed that the relevant supporting documents are available for your inspection.*
- (ii) *We note your observation, and we wish to inform you that the Directorate was of the view that the onus of collecting GST lies with the supplier. However, going forward, the Directorate will be requesting GST invoice from the relevant suppliers before payments are made.*

#### **Auditor's Comment**

- Management's comment is noted. From Le415,951,472.60, supporting documents totalling Le407,448,972.60 (98%) were submitted and verified, leaving a balance of Le8,502,500 not supported. Our recommendation was substantially implemented.
- Evidence of contacts made with suppliers for receipts justifying payment of GST to the NRA was not submitted for verification. Our recommendation was not implemented. The issue remains unresolved.

### 3.15.3. PAYE Taxes not deducted from Domestic Staff Allowance

Section 23 of the Consolidated Income Tax Act of 2008 states the composition of employment incomes. This included, but was not restricted to salary, wages, gifts, or any allowance provided by the employer. These employment incomes must be taxed according to Section 116(1a) of the Consolidated Income Tax Act of 2008 (amended by the Finance Act of 2019).

From a review of payment vouchers, we observed that the Directorate made domestic allowance payments to senior staff totaling Le243,000,000 without deducting PAYE taxes. The PAYE taxes not deducted amounted to Le72,900,000.

The DG should ensure the following:

- The Finance Director should tax all allowances, including domestic allowance due to all Directorate employees in accordance with Section 23 of the Consolidated Income Tax Act, 2008.
- That taxes due on domestic allowance are deducted/recouped from staff involved, payment made to the NRA and evidence submitted to the Audit Service upon receipt of this report; otherwise, the NRA will be informed to take appropriate action.

### **Official's Response**

*The DG in his response said: "We note your observation and wish to inform you that the rationale behind the non-payment of PAYE taxes on the allowance of domestic staff assigned to senior staff, is the fact that such allowance is meant to pay directly domestic staff maintained by these senior staff who will be responsible for the maintenance of social security and other statutory obligations relating to the domestic staff. Going forward, all DSAs are now subject to PAYE taxes deductions".*

### **Auditor's Comment**

It is important to note that domestic allowances were paid to senior staff as a result of being employed by the Directorate; and as such, these allowances should be taxed in accordance with Section 23 of the Income Tax Act of 2008. Evidence justifying that taxes due on domestic allowances from staff totalling Le72,900,000 has been recouped/deducted and payment made to the NRA was not submitted for audit inspection. Our recommendation was not implemented; therefore, the issue remained unresolved.

## **3.16. PETROLEUM DIRECTORATE - 2021**

### **3.16.1. Items in the Bank Reconciliation Statements without Supporting Schedules**

We observed that the Director of Finance failed to submit documentary evidence to explain 45 items of un-reconciling cheques for payments totalling Le1,009,577,773 and two items of un-reconciling deposits and credits amounting to Le2,221,748,202. We recommended that the Director of Finance should provide the necessary evidence to ensure that the un-reconciling items are investigated and revised, and make the necessary adjustments in the books of accounts.

### **Official's Response**

*We note this finding. Detailed schedules have been downloaded from the accounting system and they are available for your inspection and review'.*

### **Auditor's Comment**

During verification, detailed schedules in support of the un-reconciling items were not presented for review. The issue therefore remains unresolved.

### **3.16.2. Staff Files not Updated**

We observed that staff files have not been updated with personal records such as academic certificates, curriculum vitae, police clearance and medical reports. We recommended that the Senior Administrative Manager should update staff files with the missing documents.

### **Official's Response**

*We concede that some staff files have not been updated but we will endeavour to update them as soon as possible.*

### **Auditor's Comment**

During the verification, updated staff files were not submitted. This issue therefore remains unresolved.

## **3.17. NATIONAL MINERALS AGENCY - 2020**

### **3.17.1. Review of Procurement Processes and Compliance**

We performed an assessment of the quality of, and adherence to, the procurement plan, including changes and or updates if applicable. We noted the following:

Transactions	Findings	Amount (Le)
Supply of three TVs for DG, Chief Geologist and Geological Knowledge Officer	<ul style="list-style-type: none"> <li>No warranty</li> <li>Section B of the RfQ not completed as required; issued on 30th January, 2020</li> </ul>	72,000,000.00

We recommended that, the NMA should ensure procurement procedures are strictly followed as stated in the Procurement Act of 2016 and its Regulations. A regular review should also be undertaken to establish the extent of compliance with regulatory framework, so that actions can be taken to correct any breaches in the event of noncompliance.

#### **Official's Response**

*The Evaluation Committee agreed to continue with the procurement as all the bidders had the same issue, on the grounds that, no one supplier will have an undue advantage or disadvantage because of the omitted information.*

#### **Auditor's Comment**

We emphasised the need to follow up on all procurement procedures, with any deviation to be approved by the NPPA. Our recommendation was not implemented. This matter remains unresolved.

### **3.17.2. Payroll Irregularities**

We were not provided with any evidence of receipts that NASSIT contributions and PAYE taxes were paid by the Accountant General's Department for employees at the Agency. We recommended that, Management should ensure they have evidence of receipts for monthly payment of NASSIT contribution and PAYE taxes.

#### **Official's Response**

*The Accountant General's Department handles NASSIT contributions and PAYE taxes issues for all the staff they pay. At the start of the year, the Human Resources Unit at the NMA will request from NASSIT, contribution reports for all staff.*

#### **Auditor's Comment**

We did not receive evidence of receipts relating to the statutory deductions. This issue therefore remains unresolved.

## **3.18. NATIONAL MINERALS AGENCY - 2021**

### **3.18.1. Mining Community Development Fund**

We reviewed the documentary analysis submitted by the Mining Cadastre at headquarters, and noted that a deduction of 0.75% from the 3% generated from Precious Mineral Trading, in respect of the Mining Community Development Fund amounted to Le3,671,342,355.06.

From discussions with the Directorate of Precious Mineral, we were informed that the above amount was meant for mining communities. However, we observed that this amount was not transferred to the mining communities. We recommended that the DG and Finance Director, should ensure that the sum of Le3,671,342,355.06 is transferred to the beneficiary communities and evidence of transfer forwarded to the Audit Service Sierra Leone.

#### **Official's Response**

*The DACDF represents one-quarter of the 3% export tax levied on the value of artisanal diamonds exported from the country. The allocation of this 0.75% of total artisanal diamond export value depends on the proportion of artisanal diamond mining licenses a chiefdom has hosted out of the national total. The NMA Directorate of Precious Minerals*

*Trading (DPMT) deposits 0.75% of the export value of artisanal diamonds to a designated NMA bank account, from where it is subsequently transferred monthly by the NMA Directorate of Finance and Administration into a (Joint) MMMR/MLGRD DACDF bank account. The NMA has consistently made transfers to the DACDF MMMR account since January 2012 to April 2020. The NMA does not disburse funds to beneficiaries in various communities, the Ministry does to various beneficiaries.*

*This was put on hold by the NMA Board on the 58th Board meeting as the NMA had not received any activity or monitoring reports to show how these monies have been spent or which specific community projects were undertaken for the past years. The undisbursed funds are in the NMA bank accounts and would be disbursed when the issue is resolved”.*

#### **Auditor's Comment**

Management's response was well noted. However, our recommendation was not implemented. The issue therefore remains unresolved.

#### **3.18.2. Inadequate Documentary Evidence to Support Payments Made to the NRA**

From a review of payment vouchers and other documents, we noted that the sum of Le293,460,056 was paid as PAYE taxes to the Commissioner of Income Tax for May, June and July 2021. However, the team was not provided with an NRA receipt acknowledging payment of the said amount.

The relevant documentary evidence such as payment vouchers and NRA receipt was not made available to justify the sum of Le1,284,281,798 which was paid to the Commissioner of Income Tax as PAYE taxes.

We recommended that the Director of Finance and the DG should ensure that receipts and payment vouchers in support of the queried payments are made available to the Audit Service for verification; otherwise, the full amount should be refunded. In future, all payments in respect of PAYE taxes should be supported by the relevant documentary evidence, which must be retained for reference and audit purposes.

#### **Official's Response**

*All receipts and payment vouchers supporting the payments of PAYE and withholding taxes are available for review.*

#### **Auditor's Comment**

Of the Le293,460,056, we were provided with NRA receipts for amounts totalling Le133,919,149 (46%), leaving a balance of Le159,540,907. This issue was partially resolved.

From amounts totalling Le1,284,281,798, we were provided with payment vouchers and PAYE receipts amounting to Le989,565,585.00 (77%), leaving a balance of Le294,716,213. Our recommendation was substantially implemented.

#### **3.18.3. Staff Verification Exercise**

During the course of the audit exercise, the team conducted physical verification of staff at the headquarters and the regional offices (Kono, Makeni, Kenema and Bo). The following were observed:

- (i) From a total of 106 permanent staff, only six did not show up for physical verification.
- (ii) From a total of 243 contract staff, we physically verified 216, leaving a balance of 27 unverified.

We recommended that the DG should ensure that the unverified staff (permanent and contract) avail themselves for physical verification.

#### **Official's Response**

*The DG in his response said: “All staff both permanent and contract are available to be verified”.*

### **Auditor's Comment**

One contract staff was verified during the physical verification exercise. In conclusion, six permanent staff and 26 contract staff failed to avail themselves for physical verification. Our recommendation was not implemented. Therefore, this issue remains unresolved.

#### **3.18.4. Receipts of Withholding Tax Deduction Paid to the NRA not Submitted**

The sum of Le399,579,096.39 relates to payments made to the NRA for 5.5% withholding tax deducted as recorded from the review of the general ledger for which the following were noted:

- (i) Receipts justifying payments made to the NRA were verified for an amount totalling Le138,638,022.
- (ii) Evidence of instruction from the DG for the transfer of Le204,882,709.39 to the NRA's account was noted. However, we were not provided with receipts from the NRA confirming the payment made.
- (iii) Evidence of transfer made by the Agency, nor receipt submitted as evidence of payment of the balance of Le56,058,365 to the NRA was made available for audit inspection.

We recommended that the DG, and the Finance Director should ensure the following:

- (i) Receipts totalling Le204,882,709.39 justifying payments/transfers to the NRA is submitted to the Audit Service.
- (ii) The balance of Le56,058,365 is paid to the NRA, or if payment/transfer has been made, receipt from the NRA should be submitted to the Audit Service.
- (iii) Failure to comply, will result in the NRA being informed for appropriate action to be taken.

### **Official's Response**

*All receipts and documents relating to the payment of withholding taxes are available for verification.*

### **Auditor's Comment**

Withholding tax receipts totalling Le231,613,074.39 were submitted and verified, leaving a balance of Le29,328,000 for which receipts were not submitted. Therefore, the issue is partly resolved.

#### **3.18.5. Bank Confirmation**

An amount of Le20 billion from a total bank balance of Le24 billion, as stated in the bank reconciliation statements, was not confirmed for the year ended 31st December 2021.

We recommended that the DG should ensure that a follow-up is done with the banks for confirmations to be submitted to the Audit Service.

### **Official's Response**

*The DG in his response said: "The NMA is awaiting dispatch evidence from the ASSL to follow up with the relevant banks for the confirmation of bank balances".*

### **Auditor's Comment**

We received bank confirmation from the SLCB dated 2nd September 2022, with respect to five bank accounts comprising two US Dollar accounts and three Leone accounts. The balances confirmed for the two US Dollar and three Leone accounts were US\$778,308.06 and Le5,848,964,978.21 respectively. We noted that one bank account with reconciled total bank balance of Le9,575,519,646 was not confirmed by the Bank of Sierra Leone. Our recommendation was partially resolved. Therefore, the issue remains unresolved.

### **3.18.6. Verification of Fixed Assets**

The following were observed:

- (i) From a total of 91 motorbikes recorded in the fixed asset register, 45 were verified to be in good working conditions, nine were identified as faulty, while the remaining 37 could not be verified.
- (ii) From a total of 26 vehicles, 23 were verified, while the remaining three were not made available for verification. Of the 23 that were verified, 15 were found to be roadworthy, while eight were identified as unroadworthy. For some vehicles found to be faulty, the fixed asset register submitted stated they were in good working conditions.

We recommended that the DG should ensure the following:

- (i) The 37 motorbikes and three vehicles should be made available for verification. Funds should be set aside to repair the faulty motorbikes and vehicles.

#### ***Official's Response***

*The DG in his response said the following:*

- (i) *"All the Agency's motorbikes are available for verification"*
- (ii) *All the Agency's vehicles are available for verification".*

#### **Auditor's Comment**

The three vehicles were made available and physically verified. However, the audit team was not able to verify the 37 motorbikes, as the said assets were not made available for verification. Therefore, the issues remain unresolved.

## **3.19. GUMA VALLEY WATER COMPANY - 2020**

### **3.19.1. Fixed Assets Register not Submitted**

The fixed assets register was not submitted for audit inspection. As a result, the team could not place reliance on the cost of non-current assets and their respective depreciation figures in the Financial Statements for 2020. We recommended that the MD and the Director of Finance, should ensure that a fixed assets register in the required format is developed and put into use with immediate effect.

#### ***Official's Response***

*The exercise of taking inventory of all fixed assets owned by the Company has been completed, and the development of the fixed assets register is now in progress and will be completed soon.*

#### **Auditor's Comment**

The fixed assets register was not submitted for verification. Our recommendation was not implemented. Therefore, this issue is unresolved.

### **3.19.2. Bills Paid into the Wrong Account**

We noted that customers deposited payments for bills issued and fees for new connections in various bank accounts operated by the Company, instead of the account designated for this purpose. This made it difficult for the audit team to ascertain and verify the revenue generated from bills issued, and fees for new connections for the period under review. We recommended that the Finance Director and the General Manager should sensitise customers on payment of bills and fees for new connections to be deposited into the designated accounts. In addition, the banks should be informed to ensure customers adhere strictly to the directives of depositing monies relating to bills and fees for new connections into the designated accounts.



### **Official's Response**

*The auditor's comments had been noted, and Management will ensure that payments for new connections are deposited into the designated account which exists for the new connection (SLCB New Connection Account). The Company also maintains accounts at various banks to enable easy access for customers to make payments for water bills. The Orange Money platform is also used as a water bills collection account”.*

### **Auditor's comment**

Management's response was noted. The recommendation was not implemented. Therefore, the issues remain unresolved.

### **3.19.3. Non-Payment of Withholding Tax**

An amount of Le102,211,751 as 5.5% withholding tax was deducted for goods and services. However, evidence of payment such as receipts and deposit slips justifying payments made to the NRA were not submitted for review, which is in violation of Section 130 (1) of the Income Tax Act of 2000. We recommended that the General Manager and the Finance Director should ensure that receipts confirming payments made to the NRA for withholding taxes deducted, totalling Le102,211,751, are submitted to the Audit Service for verification.

### **Official's Response**

*The Company was in dialogue with the Ministry of Finance for cross debt settlement regarding debts owed by MDAs to the GVWC and debts (including withholding and PAYE taxes) owed by the GVWC to the GoSL. Furthermore, Management has committed to a monthly payment plan of Le250 million towards PAYE and current monthly withholding tax payments”.*

### **Auditor's Comment**

A letter addressed to the Anti-Corruption Commission for a proposed monthly payment plan for the settlement of tax was submitted. However, evidence such as deposit slips, bank statements and NRA receipts were not submitted and verified to confirm that Management has taken action to address this issue. Our recommendation was not implemented. Therefore, this issue is unresolved.

### **3.19.4. Ineffective Staff Management**

A review of staff files revealed that 13 staff were recruited during the year under review. Evidence of advertisements for the vacancies filled was not submitted for audit verification. In addition, it was noted that documents such as probation reports, confirmation letters, reference letters, police clearance etc., were not submitted to the audit team for review. We recommended that the General Manager and the Human Resources Director, should ensure that adverts for recruitment, probation reports, confirmation letters and references etc., for successfully recruited staff are submitted to the Audit Service.

### **Official's Response**

*The auditor's comments and recommendations was noted. Management would put in place structures that will ensure compliance.*

### **Auditor's Comment**

Interview reports in respect of recruitment were submitted and verified. However, adverts for recruitment, probation reports, confirmation letters, and references were not submitted for verification, in respect of the successfully recruited staff. Our recommendation was not fully implemented. Therefore, this issue was partly resolved.

### **3.19.5. Ineffective Stores Management**

A physical count of actual water treatment chemicals in stock revealed discrepancies between the physical balances counted and the balances recorded on the tally cards maintained by the storekeeper. In addition, storekeepers at the Pademba Road, Wilberforce and Kissy stores were not preparing monthly reports to update senior management on stock levels. We recommended that the MD, in collaboration with senior management, should ensure the following:

- Items in stores, including drugs, should be physically counted and store records (tally and bin cards) updated to reflect the actual status of stocks. Evidence of action taken should be submitted to the Audit Service.
- All storekeepers should prepare monthly reports on the status of stocks in stores, reports reviewed by a senior officer and submitted to the Managing Director for approval.

#### ***Official's response***

*The Managing Director in his response said the following:*

- *The auditor's comment is noted, and management will put in place modalities to ensure regular updates of records and reconciliation between physical stock count and stock records.*
- *The auditor's comments and recommendations are noted, and necessary action will be taken to ensure monthly reporting to senior Management”.*

#### **Auditor's Comment**

- Evidence to confirm that management has addressed the discrepancy between actual stock count and quantity recorded was not submitted and verified. Therefore, the issue is unresolved.
- Monthly reports prepared by storekeepers were not submitted and verified. Our recommendation was not implemented. Therefore, the issue is unresolved.

### **3.19.6. Poor Store Condition**

Stores at Pademba Road, West Office, East Office and Mile 13 were without fire extinguishers. We recommended that the MD, in collaboration with the management team, should ensure that adequate fund is set aside and action taken to address this issue. Documentary evidence regarding the proposed plans/actions to be taken should be sent to the Audit Service.

#### ***Official's Response***

*The MD in his response said: “The auditor's comments and recommendations are noted. Management had procured and installed fire extinguishers in strategic locations in the Company*

#### **Auditor's Comment**

Physical inspection of the company's stores at Wilberforce and Pademba Road revealed that fire extinguishers were still unavailable. Our recommendation was not implemented. Therefore, this issue is unresolved.

### **3.19.7. Inadequate Controls over Management of Payables**

The following issues were noted:

- (i) An account payable policy was not submitted for audit.
- (ii) Supporting documents such as invoices, suppliers' statements, MoUs and contracts were not submitted for payable balances of Le2,646,047,498.87 reported in the Financial Statements. The MD should ensure that the payable policy and supporting documents justifying the completeness, existence and accuracy of payable balances totalling Le2,646,047,498.87 are submitted to the Audit Service.

### **Official's Response**

*The MD in his response said: "Management has noted the auditor's observations and recommendations. Necessary steps would be taken to implement this action accordingly".*

### **Auditor's Comment**

- The payable policy and reports evidencing the age of payable balances and reconciliation were not submitted for verification. Our recommendations were not implemented. Therefore, this issue is unresolved.
- From a total of Le2,646,047,498.87, supporting documents confirming the completeness, existence and accuracy of payable balances totalling Le2,564,851,288.79 (97%) were submitted and verified, leaving a difference of Le81,196,210.08 not supported. Our recommendation was therefore substantially implemented.

### **3.19.8. Ineffective Internal Audit Unit**

There was no evidence that the Company's Management responded to the Internal Auditor's queries in the Internal Audit report to confirm whether audit recommendations were implemented. The MD, in collaboration with Management, should ensure that the issues raised in the Internal Audit Report are responded to.

### **Official's Response**

*The MD in his response said: The auditor's comment is noted and documents will be made available upon verification. In addition, Management has established the Audit Implementation Committee, which is now charged with the responsibility of monitoring the implementation of audit queries and ensuring full compliance.*

### **Auditor's Comment**

Evidence to confirm that management responded to internal audit queries was not submitted and verified. Our recommendation was not implemented. Therefore, this issue is unresolved.

## **3.20. GUMA VALLEY WATER COMPANY - 2021**

### **3.20.1. Ineffective Human Resource Management**

A review of the Company's payroll and human resource management process revealed that copies of job advert, interview score sheets, police clearances, confirmation letters, reference letters, and academic certificates were not seen/submitted for audit to justify the recruitment of 36 personnel. We recommended that the MD and the Human Resources Director should ensure that the recruitment processes are followed. In addition, documentation to support the recruitment should be submitted to the Audit Service and copies retained for audit or reference purposes.

### **Official's Response**

*The auditor's comment was noted. Management will endeavor to comply with the auditor's recommendations for subsequent recruitment exercise".*

### **Auditor's Comment**

Evidence such as interview score sheet, job adverts were not submitted to verify recruitment were not submitted. This issue is therefore unresolved.

### **3.20.2. Staff Exceeding Retirement Age**

A review of the salary vouchers revealed that two staff were paid combined monthly salaries which amounted to Le72,984,167.36, even though they had exceeded the retirement age of 60 years. We recommended that the MD and the HRM, should ensure the following:

- (i) The Company's payroll is reviewed and names of staff who had attained the retirement age be removed from the payroll, and evidence submitted to the Audit Service.
- (ii) The amount totalling Le72,984,167.36 paid to the two retired staff is recouped from them, payments deposited in the Company's bank account, and evidence of deposit submitted to the Audit Service.

### **Official's Response**

*The auditors' comment was noted. Management has taken the necessary measures to retire the staff concerned. Evidence of their retirement letters are available for verification.*

### **Auditor's Comment**

A retirement letter dated 2nd March, 2022 together with his NASSIT identity card were submitted and verified for one of the two staff which management used as a basis to compute his retirement, therefore the sum of Le16,984,167.36 should be relinquished. Conversely, retirement letter dated 17th June, 2022 for one staff was submitted and verified. Deposit slip to confirm that the sum of Le56,000,000 had been recouped from the employee was not submitted and verified. Therefore, this issue is unresolved.

### **3.20.3. Acting for More than Six Months as Prescribed**

We observed during our review that staff were appointed to act in various positions beyond the maximum period of six months as prescribed by Article 13 of the Human Resources Manual, which states that: "except in the case of illness of the substantive holder, no employee shall be required to act in a post for a continuous period exceeding 6 months." We recommended that the MD, and the Human Resource Manager, should ensure the following:

- (i) Article 13 of the Human Resource Manual is strictly adhered to.
- (ii) That acting positions are advertised for suitable candidates to be recruited, or a suitable staff promoted to the vacant positions.
- (iii) Evidence of actions taken to remedy the situation should be submitted to the Audit Service.

### **Official's Response**

*The MD in his response said: "The auditor's comment was noted. Only two staff were affected under this issue. Management of the GVWC will take necessary action to address the issue of staff working in an acting capacity beyond six months".*

### **Auditor's Comment**

Evidence of actions taken to implement our recommendations was not submitted for audit. Therefore, the issue remains unresolved.

### **3.20.4. Inadequate Documentation in Respect of Debtors Figure**

The following issues were noted:

- (i) The computation for provision for doubtful debts of Le108,410,907,676.02 was not done in accordance with the percentages stipulated in the Company's account manual. This gave rise to an increase of Le3,260,374,676.02 from the previous year's provision expensed in the income statement. The team could not confirm the justification of the rates used and whether such rates were approved by the Board.
- (ii) Regular updates and reconciliation of receivable balances with evidence of review by a senior officer were not submitted for audit inspection.
- (iii) Age analysis of receivables for the period under review was also not made available to the audit team for inspection.

- (iv) From a sample of 56 circularisation for debtors, with an aggregate balance of Le9,632,230,705.39 in the books of the Company, confirmation was received from one debtor with a confirmed amount of Le51,679,373.38. The amount not confirmed by the remaining 55 debtors totalled Le9,580,551,332.01.
- (v) A detailed review of the Company's general ledger revealed that receivables stood at Le186,163,293,000 and increased by 9.86% compared to the previous year. This amount included debts owed by government-owned institutions which totalled Le18 billion, and annual debts continue to grow with no realistic prospect of recovering these debts.

We recommended that the MD and the Director of Finance should ensure the following:

- (i) The justification and Board's approval for the rates used in the provision computation is submitted to the Audit Service. If rates used were arbitrary, the approved rates as per Section 33.4 of the Finance and Account Manual should be applied. Additionally, adjust the accounting records, general ledger and financial statements, then submit same to the Audit Service.
- (ii) The Finance Director should exercise adequate supervision in the management of receivables and submit age receivables analysis and debtors' reconciliation to the Audit Service.
- (iii) Follow-up is made with debtors on unconfirmed balances so that the confirmations are sent to the Audit Service.
- (iv) Institute measures to reverse and investigate continued increase in receivable balances. If institutions defaulted in honouring their obligation, they should be disconnected from the water network and legal actions taken to settle debts.

### **Official's Response**

- (i) *The computation for provision for doubtful debt based on a percentage basis has been applied over the years before the development of Finance Manual. At the time of developing the manual, given the complexity in the process and the volume of data involved, the work is still ongoing. Management is however convinced that computation for provision for doubtful debt based on specific percentage to the different categories of receivables is prudent and realistic.*
- (ii) *Management is now putting in place measures for the review and update of Finance Manual to reflect current practice.*
- (iii) *The auditor's comment was noted. Management will put in place measures for a regular updates and review of receivables balances.*
- (iv) *The auditor's comment was noted. Receivable balances will be analysed according to age.*
- (v) *The comment is noted. Management has sent out letters encouraging customers to respond to the confirmation letters issued by the external auditors. Evidence of such letters are available on audit verification.*
- (vi) *Management in collaboration with the Anti-Corruption Commission (ACC) issued out letters to MDAs urging them to settle their outstanding debt with the GVWC. Furthermore, a dedicated team is established at the Commercial Dept. of the GVWC for regular follow-up with MDAs with the objectives of reconciling their bills and urging them to settle their debt with the Company. Evidence of such document is available for verification.*

### **Auditor's Comment**

- (i) The justification and the board's approval for the rates used in the provision computation was not submitted for verification.
- (ii) Age receivables analysis and debtors' reconciliation to justify actions taken in addressing this issue were not submitted for verification.
- (iii) During the audit engagement receivables circularisation were sent out for the confirmation of debts owed by 56 debtors. However, replies confirming debts owed are yet to be received from debtors. The issues mentioned in points (i), (ii) & (iii) above are unresolved.

- (iv) Letters from the ACC to various MDAs informing them about their obligations to the company were submitted and verified. Management should institute robust action to ensure outstanding debts are settled by MDAs and institutions. Therefore, this issue will be kept in view and followed up in the subsequent audit to determine the extent to which our audit recommendation is implemented.

### **3.20.5. Ineffective Creditors Management**

The following issues were noted:

Aged analysis of creditors was not submitted, making it difficult to determine the age of these creditors' balances. In addition, there was no evidence of periodic reconciliation carried out by the Finance Department on payable balances.

- (i) A review of the creditors listing/general ledger revealed that Le10,213,774,887.56 and Le1,738,292,984.99 were related to outstanding payments of PAYE and withholding taxes, respectively, due to the NRA for the year ended 2021. These were deductions made for and on behalf of the NRA, which should have been paid on or before the 15th day following the end of the month in which deductions were made, in compliance with Section 130(1) of the Income Tax Act of 2000. However, these balances remained unsettled at the time of the audit, with no realistic prospect of the Company honouring these debts.

We recommended that the MD and the Director of Finance should ensure the following:

- (i) Adequate supervision is carried out in the management of creditors and submit age creditors analysis and creditors' reconciliation to the Audit Service.
- (ii) The outstanding amounts of Le10,213,774,887.56 and Le1,738,292,984.99 are paid to the NRA and the receipt forwarded to the Audit Service for verification.

### **Official's Response**

- (i) *The auditor's comment is noted. Management will put in place measures for periodic reconciliation of payable balances and age analysis of creditors. However, the list of creditors and their outstanding invoices is arranged according to the year of receipt of the goods/ services.*
- (ii) *The Company has been dialoguing with the Ministry of Finance for a cross debt settlement in respect of debts owed by MDAs to the GVWC and debt (including Withholding taxes and PAYE) owed by GVWC to the GoSL. Notwithstanding the above-mentioned arrangement, in January, 2022, Management started making monthly payments to the NRA for settlement of outstanding PAYE and withholding taxes balances. Management will continue to honour this commitment.*

### **Auditor's Comment**

- During the verification exercise, periodic reconciliation was not submitted for verification. However, a list of payables and their outstanding invoices was submitted and verified. Our audit recommendation was not implemented. Therefore, this issue is unresolved.
- The MoU between the MoF and the GVWC for cross-debt settlement in respect of debts owed by MDAs and those owed by the GVWC to the GoSL (including withholding and PAYE taxes) was not submitted and verified. Our recommendation was not implemented. Therefore, this issue is unresolved.

### **3.20.6. Ineffective Cash Management**

A review of bank confirmations from five commercial banks revealed that the bank balances for seven bank accounts which totalled Le356,850,000, and operated by the Company, were not confirmed. However, these balances were reported in the Company's Financial Statements for the period under

review. We recommended that the Finance Director should ensure that further contacts are made with the banks for confirmation of balances, and this must be submitted to the Audit Service.

#### **Official's Response**

*The auditors comment is noted. Action has been taken to inform the respective banks through letters encouraging them to respond to confirmation letters sent out to them earlier by the external auditors. Copies of such letters will be made available on verification.*

#### **Auditor's Comment**

Letters written to the Company's bankers authorising them to confirm their bank balances to the ASSL were submitted and reviewed. However, the ASSL had not received confirmation for the seven bank balances queried during the audit. Therefore, this issue is unresolved.

#### **3.20.7. Service Delivery - Debtors**

The Company is owed a total amount of Le186,163,293,388.78 by metered, commercial, institutional, and domestic customers for service provided. Most of these debts are owed by government ministries and subvented institutions that failed to meet their obligations. Despite several reminder notices, these organisations and individuals failed to honour their obligation citing that they are also government offices.

We recommended that the MD and the Director of Finance and Administration and senior management, should ensure the following:

- (i) That mechanism is instituted, and the customers are contacted for the recoverability of this debt.
- (ii) If there is an unwillingness on the part of debtors to settle amounts owed, the MoF should be informed to ensure that debts are paid. Evidence of actions taken is submitted to the Audit Service.

#### **Official's Response**

*The MD in his response said: 'Management has adopted several methods in getting customers to settle their outstanding debt with the Company. These include sending out monthly bills making telephone calls to customers, doing radio programmes on payment of bills etc. Recently Management requested the intervention of ACC for the recovery of outstanding amount owed by MDAs for water supply. Evidence of this intervention is available on verification. Both the MoF and the Ministry of Water Resources are aware of the debt owed to the GVWC especially those owed by MDAs'.*

#### **Auditor's Comment**

Management response was noted. However, management should apply robust methods (such as disconnection of water supply to debtors) to ensure that outstanding debts are paid. Since this is a recurring issue, the MoF should treat such as a matter of urgency as this amount of debt has the potential of paralysing this institution.

#### **3.20.8. Encroachment on Company's Property**

The level of encroachment and deforestation on the Company's water catchment area at Mile 13 is alarming. It can be viewed as a national security threat if appropriate interventions are not instituted.

We recommended that the MD, in collaboration with the Ministry of Lands, the Ministry of the Environment, the President's Office, and other relevant stakeholders, should ensure the following:

- (i) Through appropriate budgeting, funds are set aside for the demarcation of all water catchment areas at Mile 13 and other areas of operations.
- (ii) Measures are instituted to deter deforestation and encroachment within the Company's area of operations, with punitive actions meted out on defaulters.
- (iii) Evidence of actions taken should be submitted to the Audit Service.

### **Official's Response**

- (i) *The auditor's observations are noted. There is an Inter-Ministerial Committee established at the Office of the President with the mandate for re-establishment of the Western Area Peninsular National Park green belt. The Committee comprises the Ministry of Land, Ministry of Environment, NPPA, GVWC, NWRMA, CRS, RSLAF, SLP and Community stakeholders. Regular meetings are held to map out modalities to address the problems of deforestation and encroachment into catchment areas of the Company.*
- (ii) *Furthermore, the green belt demarcation is ongoing and property within the green belt areas have been identified and a notice has been issued for owners of these property to submit their property documents to authorities within stipulated period.*
- (iii) *Report of meetings and actions so far adopted is available on verification.*

### **Auditor's Comment**

Management's response is noted. A document from the Chief Minister's Office requesting property owners of structures within the green belt catchment area to submit copies of land documents to the committee for investigation, and the suspension of building activities in the said area was seen and verified. We implore management to continue to liaise with the relevant authorities in ensuring that appropriate measures are instituted to deter deforestation and encroachment within the Company's area of operations.

#### **3.20.9. Illegal Connections**

The Company was faced with the huge task of combating massive and indiscriminate illegal connections in various communities. These were mainly done by community members connecting to main pipes and in the process disturbing water flow to legally connected customers.

We recommended that the MD, in collaboration with senior management and community members, should ensure the following:

- (i) Regular community outreach is organised, and the community is sensitised on the dangers and negative impact of illegal connections to the community and society at large.
- (ii) Illegal users should be disconnected and legal actions instituted against defaulter and culprits.
- (iii) Evidence of actions taken should be submitted to the Audit Service.

### **Official's Response**

*The MD in his official response said the following:*

- (i) *"The auditor's comment was noted. Management through the Communications and Outreach Unit of the GVWC had been engaging communities through television and radio programs, print media and social media regarding the negative effect of illegal connection to the Company and the general public.*
- (ii) *Regular monitoring of connection is carried out at area level with a view to identify illegal connection, unbilled customers' pipes/ meter tampering etc. in the event that illegal connection is identified, prompt action is taken to disconnect the supply and the consumer advised to regularise his/ her water connection".*

### **Auditor's Comment**

Management's response was noted. Feedbacks and planned activities were not submitted and verified to confirm Management's intention to address this issue. This issue therefore remains unresolved.

#### **3.20.10. Massive Water Wastage and Delay in Responding to Complaints**

The following issues were noted:

- (i) It was common to see leakages from mains and pipes along major roads, especially in residential buildings and offices in the western part of the city, for months without being attended to or repaired by the Company's technical division.



- (ii) Customers' complaints regarding faults and poor service delivery were not responded to on a timely basis, and in some instances, they were not addressed, resulting in negative reviews and a decline in customer satisfaction. In addition, evidence of a periodic report on actions taken on customer complaints was not provided for review. This has tremendously reduced trust in the Company's service delivery.

We recommended that the MD, in collaboration with senior management and community members, should ensure the following:

- (i) Appropriately budgeted funds are set aside for establishing a designated unit responsible for responding to and repairing leakages.
- (ii) A hotline (customer care) where customers can report faults, wastages and other water-related matters is established. In addition, the Company should develop a maintenance schedule that will be used to ensure regular checks and maintenance.
- (iii) Evidence of periodic reports on actions taken on customer complaints should be submitted to the Audit Service.

### **Official's Response**

- (i) *"Auditors comment was noted. Management has established a designated unit called the Loss Control Unit with the responsibility of controlling wastages/ leakages within the GVWC's operational areas. The company annual budget always provides for repairs and maintenance of the network, replacement of spaghetti pipes and extension of the network (maintenance pumping). Amongst the work carried out in 2021 includes the extension of the distribution network by 12km.*
- (ii) *There is a telephone hotline dedicated to respond to customers' complaints which is 246 Africell. Routine maintenance is being carried out in all Company's operations. Furthermore, the engineering Department is in the process of developing an assets maintenance policy and schedule for all plant and machinery owned by the company".*

### **Auditor's Comment**

Management's response was noted. During our verification, there was no evidence of action taken by the Company to address the issues raised. We however encourage management to act and improve on periodic reporting to enhance customer satisfaction.

### **3.20.11. Collaboration with Other Stakeholders**

The following issues were noted:

- (i) The network infrastructure for the supply of water to communities is regularly damaged mainly by service delivery companies like the Sierra Leone Roads Authority (SLRA), Electricity Generation and Transmission Company (EGTC), Electricity Distribution and Supply Authority (EDSA) and the Military, mainly due to lack of collaboration.
- (ii) There was no support from communities and other government apparatus to reprimand or take legal action against offenders. For example, water meters used by the Company for measuring water supplied and consumed were at times deliberately damaged by customers. We also noted that most of these communities were faced with inadequate water supply even though payments were made for delivery.

We recommended that the MD and the senior management should embark on a massive community sensitisation and build partnership with other service delivery entities. An MoU should be developed to establish a community framework on which strategies are designed to deter the indiscriminate destruction of the Company's water network infrastructure. Evidence of actions taken should be submitted to the Audit Service.

### **Official's Response**

*The MD in his response said: "The auditor's comment was noted. The Management of the GVWC is in the process of engaging community stakeholders through a framework called Management Delegated Contract wherein communities will be responsible to oversee the monitoring of wastages/leakages, protection against tampering of the GVWC's assets and other infrastructures as a whole. Regarding the excavation of roads for the purpose of mending leaks and relaying of pipes, there is an MoU between the GVWC and the SLRA for such work. Furthermore, replacement of damaged pipes is usually factored in the budget for road rehabilitation".*

### **Auditor's Comment**

A joint communique between the GVWC and the SLRA for the installation of a water pipe network on demarcated and non-demarcated roads within the right-of-way was submitted and verified. There was no evidence that efforts were made to engage the communities. Management is therefore encouraged to engage communities so that citizens will desist from such practices.

## **3.21. SIERRA LEONE ELECTRICITY AND WATER REGULATORY COMMISSION - 2020**

### **3.21.1. Guma Valley Water Company (GVWC)**

We noted that the Commission agreed with the management of the GVWC in a meeting held on 27th July 2020 to waive off 0.7% of Le1.3 billion debts owed by the GVWC as at 1st January 2020, and they were to pay 0.03% of the debt, Le391,670,298 over an 18-month period effective August 2020. We observed that the GVWC only paid Le25 million of this debt in February 2021. We recommended that the Commission should engage the GVWC with the view to recover the balance debts as per the 27th July 2020 agreement.

### **Official's Response**

*The DG in his response said: "About Guma Valley Water Company failing to comply with the terms of the 27th July 2020 agreement, the Commission had a meeting with a cross section of their board and management and a new payment plan was agreed. The Chairperson of the board of directors of the GVWC assured the Commission of committing to the new payment plan to ensure arrears are cleared".*

### **Auditor's Comment**

GVWC are yet to make any payment. Our recommendation was not implemented. The issue remains unresolved.

## **3.22. ELECTRICITY DISTRIBUTION AND SUPPLY AUTHORITY - 2019**

### **3.22.1. Lack of Risk Register**

During our review, we noted that the Authority was operating without a risk register, which could be used to identify and establish a mechanism in place to address the risks the Authority is exposed to. We recommended that management put together a risk register.

### **Official's Response**

*The auditors' comment was noted. The Internal Audit Department had developed a risk register wherein they identify potential risk, it's impact if it crystalizes and they proffer recommendation to Management and Finance & Audit Board Committee to mitigate such risk.*

### **Auditor's Comment**

At the date of verification, we sighted the workflows of the Authority's Standard Operating Procedures (SOPs) policy. However, the Audit Board Committee has not yet approved the SOPs. The issue is partially resolved.

### **3.22.2. Unapproved Accounting Manuals**

The Authority's day-to-day operations require a departmental operation manual for efficient service delivery of the relevant department. We noticed during our review that Management has been using accounting manuals as part of their daily routine operations. However, the Finance Committee of the Authority has not yet approved the manuals. We recommended that Management should ensure that the Finance Committee approve the accounting manuals used by the Finance Department.

### **Official's Response**

*The policies and procedures prepared have been adequately reviewed and discussed at management level. They are now scheduled to be presented to the Audit Committee in the second quarter of 2020 for approval.*

### **Auditor's Comment**

Management had presented the policies and procedures to the Audit Committee for review and approval. The issue is partially resolved.

### **3.22.3. Supporting Documents on Adjustments on Post-Paid Debtors**

Management did not provide supporting documentation for adjustments made on the post-paid debtors amounting to Le 0.96 billion for our review.

We recommended that the Authority should have a comprehensive written policy on adjustments to post-paid debtors in order to mitigate the risk of material misstatement of debtors' balance in the Financial Statements.

### **Official's Response**

*Management has prepared a journal approval policy which seeks to address the issue of adjustments made to the post-paid billing system. In the policy, the responsibility of journal approval has been assigned to the Chief Finance Officer and Commercial Services Director only. This however became effective in 2020.*

### **Auditor's Comment**

The reported issue is partially resolved as at the date of verification. We sighted SOPs that include journal processing; however, the Audit Board Committee was yet to approve the SOPs.

### **3.22.4. Poor Cash Collection on Provincial Post-Paid Debt**

We noted that the Commercial Department of the Authority billed post-paid customers in the provincial districts, during the year under review, which amounted to Le3.58 billion. Only 17% was however collected during the year. The amount of Le3.26 billion was still outstanding as bill, as at the year end. We recommended that Management should put in place an effective cash collection system.

### **Official's Response**

*The Authority continues to struggle with high receivables especially those that involve MDAs. As part of the Authority's revenue mobilisation and enhanced cashflow drive, the Authority through the support of development partners such as the World Bank and the African Development Bank (AfDB) had embarked on network rehabilitation in the provincial towns and acquired prepaid meters that will be used for migration of the post-paid meters. This expected to resolve the issue of non-payment of bills and increase the Authority's cash flow.*

### **Auditor's Comment**

We noted that the AFDB had started providing prepaid meters to major provincial town such as Bo and Kenema in order to migrate all post-paid customers to pre-paid which could enhance cash collection of the Authority. However, evidence of actions taken for the collection of the outstanding Le3.26 billion was not provided. The issues are therefore not resolved.

### **3.22.5. IT Organisation Chart and Reporting**

During our audit, we reviewed the current IT organogram to ascertain the makeup and structure of the IT function, and noted that three key positions are currently vacant:

Department/Unit	Current Status
Head of Helpdesk	Vacant
System Analyst	Vacant
System Operator	Vacant (External Transfer)

Furthermore, we noted that the IT Organogram is not updated and we were unable to determine the current job functions of staff as detailed in the IT Organogram. We recommended that all the vacant positions are promptly filled with qualified staff.

We further recommended that the organisational chart is immediately updated should capture all the required roles and responsibilities of staff and their reporting line, especially for those in the IT function.

### **Official's Response**

*Management is presently updating the ICT Organogram and vacant positions will be communicated to the Human Resource for recruitment.*

### **Auditor's Comment**

The IT Organogram had been revised. However due to the change in Management, the Organogram was still awaiting Management's review and approval. The vacancies still remain unfilled. The issue is therefore unresolved.

### **3.22.6. Reference Checks and Security Clearances**

During our review of the IT staff files, we noted that a reference check was only conducted for some staff, while most did not go through any reference check during recruitment. Furthermore, we performed a security clearance review and noted that no security clearance was conducted for any of the IT staff.

We recommended that Management should ensure that all staff recruited by the Authority to fill any position in the IT Department, must meet the Authority's educational requirements and a thorough educational background check must be conducted on them. We also recommended that Management ensure security clearance is conducted for all staff recruited by the Authority, especially for those in the IT Department.

### **Official's Response**

*Management noted the comments; all reference check will be done for all IT staff.*

### **Auditor's Comment**

During our verification, we were informed that the EDSA does not currently perform security clearance for new staff during recruitment. Furthermore, the Head of Human Resources informed us that all the current staff were recruited by a different HR Manager, therefore, he will work closely with

these staff to ensure that all required reference checks are conducted promptly. The issue therefore remains unresolved.

### 3.22.7. IT Strategy Implementation

During the audit, we reviewed the IT Strategic Plan for 2017 - 2019 and noted that several targets set by the IT Department were not implemented due to lack of funds. From the plans, we noted the following significant set targets with timelines exceeding one year, but were not implemented:

Strategic Plan	Days	Period Start	Period End
Fleet Management System	264	1st Jan. 2018	3rd Jan. 2019
Distribution Management Centre	531	1st Jun. 2017	31st Oct. 2019
National Distribution Control Centre Management	631	1st Jun. 2017	31st Oct. 2019
Business Intelligence	479	1st Jan. 2018	31st Oct. 2019

We recommended that Management provide the necessary support to aid the IT Department to implement its strategic plans in a timely manner within specified timelines.

#### Official's Response

*The current IT team is reviewing the IT strategic plan to realign it with the core business function, and once approved by Management and Board, it will be implemented.*

#### Auditor's Comment

The current IT team intends to review the IT Strategy and work with all responsible parties to handle, implement, or resolve outstanding issues. The issue therefore remains unresolved.

### 3.22.8. Logical Access Control

During our audit, we inspected the configuration rules set up in the core business application of the Authority i.e., Microsoft Dynamics GP 2013, and noted that, all staff using the application have the same level access, indicating that segregation of duties is not implemented in the application. Furthermore, we inspected the access granted to operators using the Ultima Plus application and noted that IPAY and TESTVU are in the production/live system. These accounts are not supposed to be part of the operators' profile as they are currently not needed or being used. We recommended that Management in consultation with the application vendor, ensure all users are given appropriate user privilege that match their job requirements.

We also recommended that all generic and unused user profiles are removed from all major applications of the Authority.

#### Official's Response

*This comment was noted. Management has contacted the service provider and they are suggesting a system upgrade. We still await the document of the upgrade for the Board's approval. However, Management has contacted Conlog on the issue of IPAY and TESTVU for these aggregators to be removed from the live system.*

#### Auditor's Comment

The Microsoft Dynamics GP 2013 users' access review was sent to the software vendor. However, they could not complete the request as they do not have the appropriate access required to handle the request. The issue relating to IPAY and TESTVU remains unresolved.

### 3.22.9. Systems and Administrative Access Review

During our audit, we noted that EDSA had an Internal Audit Department, which was responsible for conducting periodic review of the Authority's internal control. However, we noted that no User Access

reviews were performed during the audit period. Furthermore, we inquired with the Head of Internal Audit and noted that no procedure existed to review and monitor administrative user right, as there was no Internal Systems Auditor who could perform such review. As such, no administrative user access right reviews were conducted during the audit period. We recommended that an Internal Systems Auditor is recruited who would be charged with the responsibilities of performing internal systems and IT related reviews. We also recommended a high-level review for all administrative users on the Authority's network and core business applications, and that a monthly review is conducted for all administrative users.

### **Official's Response**

*Management noted the observation, and presently there is a job advert for an IT Auditor. We expect this process to be completed in June 2021.*

### **Auditor's Comment**

During our audit, we noted that EDSA did not have an Internal Systems Auditor, therefore, this issue remains unresolved.

### **3.22.10. Aggregator Systems Access Review**

During the audit, we noted that EDSA had four major aggregators working as agents with the Authority to sell prepaid metre credit. They include the following:

- Orange SL
- Lynx
- Vendtech
- Mercy Holding

As part of our IT security control assessment, we therefore planned to visit aggregators' business premises to assess all IT systems and applications that interface with the Authority's networks and applications. We were able to perform this assessment for Lynx during the period. During the assessment, we noted that Lynx prepaid vending platform connected to EDSA using a point-to-point connection, and the platform was implemented on an IPsec VPN with a localised database hosted by Africell Sierra Leone.

During our visit to Vendtech premises, we were informed by the Sole Proprietor that his system only operated a barebone network connecting all Points of Sale (POS), with all management handled in South Africa by his service vendors. We requested an audited system control report, but was not provided during the cause of the audit.

We were unable to conduct systems and application assessment for Orange Sierra Leone Ltd., as they did not accept the proposal to conduct assessment on their systems. We were also unable to perform the systems assessment for Mercy Holding, as we were not attended to during our visit to the aggregator's premises. We recommended that Management work closely with the relevant departments to ensure that all Service Level Agreements with aggregators are reviewed. This should be done in order to cover access review by EDSA officials and auditors. We further recommended that Management should ensure that regular systems reviews are conducted by the Internal Audit and IT support staff.

### **Official's Response**

*Management noted the observation and presently there is a job advert for an IT auditor in which we expect the process to be completed by June 2021.*

### **Auditor's Comment**

During our verification, we noted that this issue was still outstanding.

### **3.23. ELECTRICITY DISTRIBUTION AND SUPPLY AUTHORITY: 2020 - 2021**

#### **3.23.1. Operations of the Authority**

A review of the Authority's organogram revealed no clear line of responsibility and authority for some managers. We further noted that the Estate Officer, Procurement Manager and Logistics Manager were directly answerable to the DG and not to a director, even though their positions were below the level of a director.

The Authority does not have a well-defined and updated finance and operating manual providing guidance for overseeing all financial activities and operations of the Authority, thereby ensuring good corporate governance and adequate internal controls.

We recommended the following:

- An updated organogram with clear reporting lines based on the hierarchy in the Authority be developed, submitted to the Board for approval and once approved, disseminated to all staff of the Authority to ensure effective use.
- A finance and operating manual be developed and submitted to the Board for approval. Once approved, the Finance Department should utilise it for processing all financial transactions.
- Evidence of actions taken to implement our recommendations be submitted to the Audit Service for verification.

#### **Official's Response**

- *EDSA is in the process of implementing an integrated management system with provision for aligning the Authority's organisational structure to reflect roles, reporting and responsibility structures. Upon completion, it will clearly define roles and responsibilities.*
- *We noted that the existing SOP for the Finance Department is inadequate and therefore a procurement process to hire a consultant to develop a comprehensive finance and operating manual is in progress.*

#### **Auditor's Comment**

Evidence of actions taken by Management to implement our recommendations was not submitted for audit. Our recommendations were not implemented. Therefore, these issues remain unresolved.

#### **3.23.2. Going Concern Issue of the Authority**

The following issues were noted:

- The average cost of purchasing power from Independent Power Producers (IPP) is increasing rapidly, to the extent that the Authority incurred gross loss yearly. The review of the monthly management accounts and the underlying notes showed that the hike in the direct cost of buying power from the IPP was due to an increase in the cost of heavy fuel oil and the continuous deterioration of the value of the Leone, as against the United States Dollar. The contract was agreed in equivalents of US Dollar. Despite the exorbitant cost of buying power from IPPs, the Authority's selling tariff remains flat during the period under review, with no change to cushion increases noted.
- Our review noted a system loss comprising technical and commercial loss of 40%. This is considered too high when compared to the average system loss in the sub-region of 25%. We found that high system loss could be attributed to increase in illegal connections to the electricity grid, improper installation of prepaid meters, lack of an effective ICT system to monitor system failures and lack of sufficient investment in the distribution network.
- A year-on-year increase was noted in the Authority's debtors balance, while its payable figures also increased tremendously. Debtors and creditors figures reported in the 2021 Financial Statements were Le477,900,304,000 and Le1,209,299,863,000 respectively.

We recommended the following:

- Continuous engagement is done with the Ministry of Energy and other relevant stakeholders to identify cheaper and sustainable sources of electricity.
- Mechanism is instituted to reduce system loss to that of the sub-region's average. In addition, funds are sourced from the MoF and donor partners for a comprehensive overhauling of the distribution network, addressing illegal connections, improper installation of prepaid meters, and ineffective monitoring through a robust ICT system.
- Measures are instituted for the collection of debts owed to the Authority, especially from government-owned entities and as a last resort, debtors should be disconnected from the electricity grid.

### Official's Response

- (i) *The tariff has been revised upwardly by the EWRC, and EDSA has implemented the new tariff effective 1st July 2022. The continuous depreciation of the Leone relative to the foreign currency and the increase in world market fuel flat price are outside the control of EDSA. However, efforts are being made to procure foreign currency from the BSL which is relatively cheaper to commercial banks' exchange rates.*
- (ii) *The implementation of the Integrated Management System would help address the high system loss particularly the commercial loss. The ongoing installation of AMI meters would also help to further reduce the commercial loss. Further, EDSA has prioritised CAPEX and a reasonable investment is being made in the distribution network with the objective of reducing technical loss.*
- (iii) *The rise in payables is mainly attributable to high cost of buying power under the period of consideration which restricted the ability of the Authority to fully meet its financial obligations. However, the breakthrough of the interconnection of 161kv and 225 kv TRANSCO CLSG which has enabled EDSA to evacuate power to the Western Area would reduce cost of buying power from the IPPs and hence lower the account payables. For some other payables, EDSA is making effort to defray those debts monthly.*
- (iv) *Major strides are currently being pursued, chiefly with the piloting of the Smart Metering Infrastructure, which we believe will help reduce the commercial loss. Furthermore, the Authority is undertaking the implementation of a robust ERP/MIS system, which integrates all our processes including Advanced Metering Infrastructure, Billing and Finance functions.*
- (iv) *The initial assessment and evaluation of the existing account debtors show that a preponderant amount of debtor is uncollectible. Therefore, a draft policy on write-off has been developed by the CFO. Once the draft policy is approved by the Board and adopted by senior management, action will be taken to write-off the uncollectible debts that would sanitise the receivables. In addition, a debt collection drive is underway, as well as constructive engagement with the Ministry of Finance to reach a cross debt arrangement with the NRA with the view of netting off MDA's electricity bills owed against GST liabilities. Besides, the EDSA is embarking on installation of prepaid meters in MDAs' offices that are not highly security sensitive.*

### Auditor's Comment

Evidence justifying continuous engagement with the Ministry of Energy and relevant stakeholders to identify cheaper and sustainable sources of electricity was not submitted for verification. In addition, steps taken to reduce system loss to the sub-region's (West Africa) average and measures instituted for the collection of debts due to the Authority were also not submitted for verification. These issues therefore remain unresolved.

### 3.23.3. Ineffective Management of Prepaid Revenue - FY2020

A review of the income deposited from the sale of electricity tokens for prepaid meter service in the following bank statements; GT Bank, SLCB collections, SLCB Interim collections, and the UBA when



compared with the Prepaid report (Fin 100) from the Ultima Plus software revealed the following differences:

- (i) Prepaid purchases by aggregators as reported in Fin 100 compared to cash deposited in banks revealed an excess of Le7,921,440,783 in Fin 100, over cash banked for the period.
- (ii) Prepaid sales through the Authority's cashiers were classified as per identified details and cashier codes in the Fin 100 report. The analysis revealed a total difference of Le6,270,514,225 in Fin 100 over the cash banked.

We recommended that the Acting DG and the Chief Finance Officer should ensure that the differences noted are investigated, appropriate adjustments recorded, and the revised general ledgers and financial statements submitted to the Audit Service.

#### **Official's Response**

- (i) *The differences have been investigated and arose due to the 3% commission payable to the aggregators which is given in the form of electricity token in the Fin 100 with a corresponding cash received and banked.*
- (ii) *The difference between Fin 100 and cash banked resulted from reversals of transactions due to mis-punching, staff, management and Board electricity tokens.*

#### **Auditor's Comment**

Our recommendations were not implemented. Therefore, these issues remain unresolved.

#### **3.23.4. Ineffective Management of Post-paid Revenue - 2020**

During the review of the customer database, we observed that 61 active customers were not billed monthly service charges for the period. An estimated charge of Le36,340,176 was omitted as a result of this non-billing during the period. We recommended the following:

- The activities of the 61 active customers are investigated.
- Documentary evidence of why they were not billed monthly service charges for the period provided.
- Notice of billing submitted to the customers for payments.
- The estimated service charge of Le36,340,176 recorded in the Authority's financial records.
- The general ledger and revised financial statements submitted to the Audit Service for verification.

#### **Official's Response**

*This was attributable to Utility System 2000 error and the said error has not been rectified during the FY2021. Subsequent billing has captured service charge and a journal raised for the unrecognised income in 2020.*

#### **Auditor's Comment**

Management failed to provide evidence of customer bills, together with journals raised and posted to recognise the service charge revenue for the period as per the recommendation. Our recommendation was not implemented. Therefore, the issue remains unresolved.

#### **3.23.5. Ineffective Procurement Management - 2020**

We observed that a total amount of Le4,203,644,000 worth of goods and services were procured, for which various procurement documents were not provided for review. We recommended that the DG and the Head of Procurement, should ensure that procurement documents to support procurement activities undertaken, worth Le4,203,644,000 are submitted to the Audit Service for verification.

#### **Official's Response**

*In his response, the DG said that: "The procurement documents were provided to the audit team during the audit".*

### **Auditor's Comment**

From the Le4,203,644,000 that was spent on procurement of goods and services, supporting documents were made available to justify the sum of Le1,668,880,000 (40%). The supporting documents for the remaining Le2,534,764,000 were not made available for verification. The issue is partially resolved.

#### **3.23.6. Ineffective Management of Procurement Activities Undertaken**

The contract awarded to Amen and Amen for the procurement of antivirus worth Le1,071,340,000 was signed before the performance security was provided, and evidence of the remaining two print media adverts was not provided for review. We recommended that the Acting DG and the Head of Procurement, should ensure that the performance security, evidence of sample assessment and evidence of advertisement are submitted to the Audit Service for verification.

### **Official's Response**

*Evidence of the due procurement process and procedures followed with supporting documents were provided to the audit team.*

### **Auditor's Comment**

Evidence of the remaining two print media advertisements and the reason for signing a contract before a performance bond was not provided. Therefore, these issues remain unresolved.

#### **3.23.7. Ineffective Management of Procurement Activities Undertaken**

The procurement of steel-toe boots and networking monitoring solution for Le151,250,000 and Le678,639,000 respectively was awarded to Madiba & HM Safedeen; The following issues were noted:

- (a) No performance security was provided
- (b) There was no evidence of sample assessment (which served as the basis for eliminating the lowest bidder) provided for the procurement of steel-toe boots.
- (c) One print media advert was submitted for the procurement of steel-toe boots.
- (d) No evidence of advertisement was provided for the procurement of the Networking Monitoring Solution.

We recommended that the Acting DG and the Head of Procurement should ensure that the performance security, evidence of sample assessment and advertisement in support of the procurement of steel-toe boots and networking monitoring solution are submitted to the Audit Service for verification.

### **Official's Response**

*Evidence of the due procurement process and procedures followed with supporting documents were provided to the auditing team.*

### **Auditor's Comment**

Evidence of performance bond and the remaining adverts were not provided for review. Therefore, this issue remains unresolved.

#### **3.23.8. Irregularities in the Authority's Payroll System**

The following were observed:

- (i) Differences of Le92,250,326.69 and Le348,488,644.31 (2020) and Le1,697,303,630 and Le713,011,034 (2021) were noted when we recalculated the gross wage and net pay, and agreed with the amount recorded as total in the payroll listings for the FY2020 and FY2021 respectively.

- (ii) Differences of Le56,097,022.01, Le131,778,339.01 and Le459,068,682.36 were identified when we recalculated the NASSIT, PAYE taxes and withholding taxes respectively, of the Authority and agreed with the amount recorded as the total in the payroll listings for the year ended 31st December, 2020.
- (iii) Differences of Le721,261,934, Le33,284,058 and Le32,814,387 were identified when we recalculated the PAYE taxes, withholding taxes and management rent taxes respectively, of the Authority and agreed with the amount recorded as total in the payroll listings for the year ended 31st December, 2021.
- (iv) Upon review of the leavers (death, termination, retirement) package, differences of Le469,644,595.35 and Le635,662,273 were identified as underpayment / overpayment by the Authority for the years ending 31st December, 2020 and 2021.
- (v) This was identified when we recalculated the end-of-service benefit paid by the Authority to that calculated by the audit team based on the Authority's Terms and Conditions of Service.
- (vi) In 2021, two staff were underpaid their end-of-service benefits (EOSBs) by Le86,216,428 when we recalculated their EOSBs based on the Authority's staff handbook.
- (vii) Upon review of the bank statements submitted and inquiry from the Pension Division, we noted that end-of-service benefits totalling Le4,730,630,072 was yet to be paid to 14 staff/beneficiaries.
- (viii) Article XI (iii) of the Employee Handbook states: "...staff who receives transport allowance will not be entitled to fuel unless vehicle is used for a specific duty outside travelling to and from work". However, the team observed that some management staff received both monthly transport allowances and quarterly fuel allocations.

We recommended that the Acting DG should ensure the following:

- The Finance Director investigate differences and changes effected in the Authority's general ledger, accounting records, revised ledgers and financial statements should be submitted to the Audit Service for verification.
- Refunds are made to underpaid staff. For those overpaid, excess payments made are recouped from parties involved, deposit made in the Company's bank account, and evidence submitted to the Audit Service for verification.
- Terminal benefits due to retired staff are paid, and evidence of payments submitted to the Audit Service for verification.
- The practice of issuing quarterly fuel allocations to staff who also benefit from transport allowances should be discontinued immediately. Article XI (iii) of the Employee Handbook should be adhered to.

### **Official's Response**

*In his response, the DG stated that:*

- (i) *"EDSA's computation and posting did not reveal any difference. However, we encourage the external auditors to share with us their working papers highlighting the said difference so that the two figures can be reconciled.*
- (ii) *In addition, explanations were provided to the auditors with supporting evidence during audit, but never reverted to conclude on the said matter.*
- (iii) *The difference in the auditors' and EDSA's computations in relation to the EOSB calculations resulted from using a different divisor. The divisor of 264 in the Handbook was erroneously stated as opposed to the correct one which is 261 has been in used since 2002. The erroneous section in the Handbook has been recommended for necessary corrections. The corrected divisor (261) represents the active working days in the year.*

- (iv) *Due to the constricted liquidity position of EDSA, EOSB is not paid in a timely manner. However, a payment plan has been developed and implemented in which an allocation of Le1 billion to Le2 billion for EOSBs is paid every month.*
- (v) *This is noted for corrective action on matters of principle.*

*However, it was revealed that transport allowance is not only meagre and used for the intended purpose, but that most employees are assigned operational assignments during office work hours, and they use their official vehicles for these tasks”.*

#### **Auditor’s Comment**

- (i) Working paper was reviewed by a staff attached to the Finance Department of EDSA. The findings regarding the gross wage was resolved. However, given that the difference in net pay was due to understatement of PAYE taxes, this issue is partially resolved.
- (ii) Auditor’s computation was viewed by a staff attached to the Finance Department of EDSA. However, the evidence of reconciliation with the auditor’s figures was not submitted for audit verification. Therefore, this issue remains unresolved.
- (iii) Auditor’s computation was viewed by a staff attached to the Finance Department of EDSA. However, the evidence of reconciliation with the auditor’s figures was not submitted for audit inspection. Therefore, this issue remains unresolved.
- (iv) The calculations by Management and updated Employee Handbook stating the correct formula were not submitted for audit verification. Therefore, this issue remains unresolved.
- (v) The calculations by Management and updated Employee Handbook stating the correct divisor were not submitted for audit verification. Therefore, this issue remains unresolved.
- (vi) Management’s response was noted. However, the allocation schedule and evidence of post monthly payment was not submitted to the audit team. Therefore, this issue remains unresolved.
- (vii) The policy supporting the above management’s response was not submitted to the audit team. Therefore, this issue remains unresolved.

#### **3.23.9. Ineffective Personnel Management**

A total refund of Le119,285,430 was made to a staff in respect of post-graduate studies for which no policy covering the refund for career development was provided. We recommended the amount of Le119,285,430 refunded to the said staff be recouped and paid into the Authority’s bank account, and evidence submitted to the Audit Service for verification.

#### **Official’s Response**

*Consistent with the policy objectives of the Authority relating to training and organisational development, EDSA will support leadership development at all levels to achieve extraordinary individual and team performance. In consideration of the above, he made a request and management gave an approval to Ing. Mallay to pursue an Executive MBA and all cost incurred would be refunded upon successful completion of the course, and submission of the certificate.*

#### **Auditor’s Comment**

No documentation/policy covering the refund for career development was provided. Therefore, this issue remains unresolved.

#### **3.23.10. Local and Foreign Travels**

Section 100(1) of the PFMR of 2018 requires that: "All disbursements of public monies shall be supported by an appropriate payment voucher and other relevant documents". In our review of travelling expenses, the following were observed:

- A total amount of Le399,442,663 was disbursed for both local and foreign travels for the year ended 31st December, 2020 without adequate supporting documents such as receipts, activity reports, etc.
- A total of Le244,773,932 was disbursed without supporting documents such as PVs, recipients' signatures, activity reports etc., for the year ended 31st December, 2020.

We recommended that the Chief Finance Officer should forward supporting documents for issues raised to the Audit Service for verification.

***Official's Response***

*The documents relating to the findings are attached for verification.*

**Auditor's Comment**

- No document was provided for verification in respect of the Le399,442,663 disbursed for local and foreign travels. Therefore, this issue remains unresolved.
- Evidence of supporting documents amounting to Le83,025,662 (40%) was provided and verified. However, no document was provided for transactions amounting to Le161,748,270. Therefore, this issue is partially resolved.

**3.23.11. Other Expenditure Areas**

- (i) Total amounts of Le669,592,818 and Le595,971,776 were disbursed in respect of different expenditure lines for the years ended 31st December, 2020 and 2021 respectively; for which adequate supporting documents were not provided.
- (ii) An amount of Le60,570,980 was expensed in respect of donation/CSR. However, the policy, rationale or strategy for disbursing those funds was not provided for audit.

We recommended that the Chief Finance Officer should exercise adequate supervision over the preparation and documentation of the Authority's transactions, and through the Accountant, ensure the following:

- All public funds are accounted for according to Section 100(1) of the PFMR of 2018.
- The relevant supporting documents regarding funds amounting as noted in points (i) to (ii) are forwarded to the Audit Service for verification.

***Official's Response***

*The documents are attached for verification.*

**Auditor's Comments**

- (i) The supporting documents in respect of Le422,982,818 (63%) were verified (2020) with outstanding amount of Le246,610,000 not adequately supported. Therefore, this issue remains partially resolved.
- (ii) Evidence of supporting documents amounting to Le232,844,880 (39%) were verified (2021) with an outstanding amount of Le363,126,896 not adequately supported after verification. Therefore, this issue remains partially resolved. Therefore, this issue remains unresolved.

**3.23.12. Reconciliation Statements of Bank Accounts**

The following were observed:

- (i) Negative balances were observed in the cash control account and that of the SLCB's Result Based Financing of Le2,921,052,016.37 and Le1,451,619,090.00 in the trial balance of the Authority, for the year ended 31st December 2020.

- (ii) Comparing the Financial Statement figures to that of the trial balance's, there were differences of (Le465,356,997.65) and Le148,507,815.09 in the SLCB and GTB accounts respectively for the year ended 31st December 2020.
- (iii) We received a letter from the Rokel Commercial Bank (RCB) in response to our confirmation letter sent to them to confirm the balance of Le179,004,656.15 as stated in the Financial Statements submitted for audit. In the letter, it was stated that the Authority does not have an account with the bank.
- (iv) Bank balances which amounted to Le40,970,013,818.68 as stated in the bank reconciliation statements, was not confirmed by the banks for the year ended 31st December 2020.

We recommended that the Acting DG should ensure the following:

- That the Chief Finance Officer investigate the differences noted. Changes effected in the Authority's general ledger, accounting records, revised ledgers, and the Financial Statements should be submitted to the Audit Service for verification.
- That the RCB is contacted for clarification on balance totalling Le179,004,656.15 not confirmed, and further investigation carried out to determine this account's nature.
- That follow-up is done with banks for confirmations to be submitted to the Audit Service.
- Bank statements to support accounts held at the BSL are submitted to the Audit Service.

### **Official's Response**

*In his response, the DG stated that:*

- (i) *The corrective action had been taken to rectify the anomaly resulting from trial balance error in the Great Plain, and the FS had been agreed to the TB.*
- (ii) *There is a WAPP bank account held at the RCB for capacity building. The EDSA does not have account with the RCB for its normal operations.*
- (iii) *It is the responsibility of the banks to respond to the bank circularisation letter independently issued by the external auditors and EDSA cannot exert influence over the banks to comply”.*

### **Auditor's Comment**

Our recommendations were not implemented. The issues therefore remain unresolved.

### **3.23.13. Poor Controls Over Management of Debtors**

- (i) Included in the debtor schedule for 2020 is a credit balance of Le587,783,115 for Dycar, an Aggregator. This balance should not be regarded as debtors.
- (ii) Other debtor balances totalling Le34,536,193,992 and Le25,598,607 were noted for 2020 and 2021 respectively. However, management failed to make detailed schedules of these balances and relevant supporting documentation for audit inspection. Debtor ageing analyses for 2020 and 2021 were not submitted for audit purposes.
- (iii) Upon reviewing the Debtors 2020 Opening balances and the Closing Balances of the 2019 Financial Statement, we observed that a total of Le10,557,551,045 difference existed.
- (iv) New additions to the post-paid billing system –we observed that in 2021, a total of 193 customers ranging from T1 to T4 in tariff categories were added to the post-paid system. These customers have an outstanding bill of Le855,751,585 at the end of the financial year. This is inconsistent with the management strategy of reducing the post-paid customers and receivable balances through transfer to the Prepaid Platform. Management should provide the basis for this inconsistency in policy.
- (v) The closing debtors amount of the Authority in the Financial Statements was Le409,044,996,000 and Le477,900,304,000 for the years ending 31st December 2020 and 2021, respectively. There

was an increase of Le68,855,308,000 between 2020 and 2021. We consider these debtors amount very high and could be due to very poor receivables management by the Authority.

We recommended that the Acting DG and the Chief Finance Officer should ensure the following:

- That an appropriate analysis of Dycar's ledger with a credit balance is carried out. If it is indeed a credit balance, reclassification to payables is done. A revised financial statements and general ledger in support of actions taken should be submitted to the Audit Service for verification.
- That detailed schedules and relevant supporting documents for balances noted in point (ii) should be submitted to the Audit Service for verification.
- Receivable Ageing Analysis for 2020 and 2021 be submitted to the Audit Service for verification.
- That the difference of Le10,557,551,045 in the opening balance brought forward is investigated, and changes effected in the Authority's revised general ledgers and financial statements should be submitted to the Audit Service for verification.
- That the issue of new additions to the post-paid billing system should be thoroughly reviewed and be consistent with Management's strategy of reducing post-paid customers. Except where such additions to the post-paid billing system can only be made for hybrid meters that can be easily monitored and regulated.
- That the continued increase in receivable balances is investigated and measures instituted to reverse the increment.

#### **Official's Response**

- (i) *This error is noted and a Journal Raised to reflect the Dycar balance along with the other Aggregators in the Creditors Schedule.*
- (ii) *These balances relate to closing balances for one period, which we maintain as opening balances for the succeeding period.*
- (iii) *The current Financial Reporting and Utility 2000 Billing System did not have a Debtors Module, which would have aided us in providing the ageing list as requested by the auditors, as well as given us adequate information to assist us in calculating the bad debts to be written off, and making provision for doubtful debts. These are the challenges faced by the Authority, hence the need for the change to the New ERP/IMS system.*
- (iv) *This difference arises as a result of posting/ adjusting the debtors after the reporting date which is in compliance with LAS 10.*
- (v) *The new additions are related to the AMI customers who cannot be billed on the AMI software platform and the credible alternative was to use the existing Utility 2000 Billing System to bill them.*
- (vi) *The increase in the receivable amounts spanning between 2020 and 2021 could be attributable to: The New Activation of customers in the Post Paid System related to AMI customers as well non-payment by the MDAs.*

#### **Auditor's Comment**

Management has neither provided any evidence of compliance with our recommendations, nor evidence of alternative treatment to the above receivable's findings.

#### **3.23.14. Government and Domestic Debts**

- (i) A re-computation of debtor balances owed by government and government-owned institutions using the debtor database revealed a difference of Le6,824,886,011 and Le243,439,499 compared with Management Debtor balance for the years ended 31st December 2020 and 2021.
- (ii) Differences of Le10,499,280,215 and Le92,445,373,984 were identified when we compared the Domestic Receivable balance in the Financial Statements, to that in the debtors' ledger for domestic customers for the years ended 2020 and 2021.

- (iii) We observed that various bills for electricity consumed by the Authority amounting to Le5,761,011,660 and Le6,414,916,281 for the years 2020 and 2021 were recognised as debtors. These amounts were included in the domestic customer balance.
- (iv) Management failed to provide meter(s) details for the Murray Town Head Office for 2020 and 2021. Therefore, we could not determine the unit of electricity consumed, the amount billed and how such transactions were recorded in the Authority's financial records.
- (v) A detailed review of the general ledger of the Authority's debtors from government entities increased by Le53,095,508,500 and Le39,657,091,874. This represents a 24.76% and 14.8% increase for 2020 and 2021, respectively. In 2020, debtors increased from Le214,076,475,125 to Le267,085,983,625, while in 2021 it increased to Le306,743,075,499.

We recommended that the Acting DG and the Chief Finance Officer should ensure the following:

- Differences of Le6,824,886,011 and Le243,439,499 are investigated and the records of the debtor database and management debtors balance are reconciled. Suppose the Authority's general ledger is affected. In that case, appropriate adjustments should be made, and a revised general ledger, reconciliation done, and financial statements submitted to the Audit Service for verification.
- Differences of Le10,499,280,215 and Le92,445,373,984 are investigated, and changes effected in the Authority's revised general ledgers and financial statements should be submitted to the Audit Service.
- An appropriate method of accounting for electricity consumed by the Authority should be introduced rather than recognising it as receivables. In addition, the amounts recognised as debtors totalling Le5,761,011,660 and Le6,414,916,281 should be reclassified, appropriate adjustments made in the Authority's financial records and a revised general ledger and financial statements submitted to the Audit Service for verification.
- Details of the meter(s) at the Murray Town Head Office should be submitted to the Audit Service.
- That the continued increase in debtor balances is investigated, measures instituted to reverse the increment. In the event of institutions defaulting to honour their obligation, they should be disconnected from the national grid and legal actions taken to settle debts.

### **Official's Response**

*In his response, the DG stated that:*

- (i) & (ii) There is a long lag time in receiving billing results from the Billing section, as most of their work is manual and very tedious. Therefore, Finance utilised normal accounting practice of making accruals provision for the revenue, using reasonable basis. Journals have been raised to reflect the true position as highlighted by the auditors. It must be noted that these anomalies will be mitigated with the new ERP/IMS proposed system.*
- (iii) Audit point noted. Journal raised to expense these OWN USED charges.*

### **Auditor's Comment**

Management has neither provided any evidence of compliance with the Auditor's recommendations nor evidence of alternative treatment to the above receivables' findings. Our recommendations were not implemented. These issues therefore remain unresolved.

### **3.23.15. Differences identified in Creditor Balances**

- (i) A debit of Le2,509,743,276.47 was noted in the Vendtech General Ledger submitted to the team. However, no justification was provided to the audit team explaining why a debit balance was recorded in the creditors' ledger.



- (ii) A difference of Le673,693,433,000 was noted when closing balances as per the prior year audited account was agreed with opening balances as per the current year general ledger. The team observed that the creditors ledgers submitted were without opening balances.
- (iii) The amount of Le1,775,737,000 was identified as difference for “tax and obligations” when the team agreed the closing balance figures in the general ledger/trial balance to the balance per current year draft financial statements.

We recommended that the Acting DG and the Chief Finance Officer should ensure the following:

- (i) That an appropriate analysis of Vendtech's ledger with a debit balance is carried out. If it is indeed a debit balance, reclassification to receivable is done. Revised financial statements and general ledger in support of actions taken should be submitted to the Audit Service for verification.
- (ii) That the differences noted in points (ii) and (iii) are investigated, and changes effected in the Authority's revised general ledgers and financial statements should be submitted to the Audit Service for verification.

#### **Official's Response**

- (i) *This is a running balance resulting from the malfunctioning of the Conlog system by then. This has been corrected.*
- (ii) *The year-end accounts balances were not closed in the Great Plain due to concurrent production of both 2020 and 2021 accounts and only transactions during year relating to payables were posted and thus the reasons for the difference. However, this issue had been amended.*
- (iii) *The difference has been investigated and action taken appropriately.*

#### **Auditor's Comment**

Management's responses in respect of the three findings above were noted. However, adjusted schedules were not submitted to the audit team for verification; therefore, this issue remains unresolved.

#### **3.23.16. Inadequate Control of the Management of Inventory**

Inventory stocks were overstated in the Financial Statement and general ledger by Le10,735,354,445 when compared with the stock amount as per general ledgers/Financial Statement to the value of the stock recorded at the end-year stock count for the audit year 2020.

We recommended that the Acting DG, the Chief Finance Officer and Store Officer should ensure that the difference of Le10,735,354,445 noted in the stock account is investigated, and changes effected in the Authority's general ledger.

#### **Official's Response**

*The journal has been raised to correct the overstatement of inventory.*

#### **Auditor's Comment**

The journal raised to correct the overstatement was not submitted for audit verification. Therefore, the issue remains unresolved.

#### **3.23.17. Inadequate Control over Governance and Management of Information Communication and Technology**

The following issues were observed:

- (i) There was a complete lack of segregation of duties in the development and production environment for the prepaid billing software utilised by the Authority. Enquiries revealed that Conlog, the system provider based in South Africa, has access to the vending system's live and production environment.

- (ii) Our review of board minutes in September 2020 revealed that Conlog's response in handling complaints relating to the vending system was slow and not timely. In addition, no maintenance logs and records justifying the request for maintenance on the part of the Authority and maintenance carried out by Conlog. We were therefore unable to ascertain the effectiveness of Conlog in maintaining and supporting the system for the year under review
- (iii) We discovered that Conlog and Collaborative IT Infrastructure (Collab IT) are companies based in South Africa. There is no clause in the contract which clearly states which laws to be considered for litigation in the event of a breach of contract which has legal and financial implications.

We recommended that the Acting DG and the Head of ICT should ensure the following:

- (i) That a mechanism of segregation of duties is instituted in the production and live environment of the vending system, in addition, an appropriate clause should be included in the contract agreement that can deter Conlog from making any unauthorised changes in the system.
- (ii) That measures are instituted by the inclusion of an appropriate clause in the contract to ensure a timely response from Conlog, and in the event of a late reply, a penalty should be charged.
- (iii) That an appropriate clause is included in the contract to determine the primary law and jurisdiction that will be supreme in the event of a breach of contract.
- (iv) That evidence of actions taken to rectify these issues should be submitted to the Audit Service.

#### **Official's Response**

- (i) *Conlog does not have direct access to our system, if they want to provide support or access test and production environment, they will have to request for a VPN access from EDSA ICT team.*
- (ii) *This point was noted. We held an online meeting with Conlog stating our concerns on late response in addressing certain issues. This has been resolved as we now have prompt response from Conlog on issues.*

#### **Auditor's Comment**

Our recommendations were not implemented. Therefore, the issues remain unresolved.

#### **3.23.18. Submitted ICT Policies**

A review of the service level agreement for the provision of managed services support for 12 months, effective 1st September 2020, between the Authority and Collaborative IT Infrastructure, revealed the following:

- (i) There were no Board approval and minutes for the award of this contract.
- (ii) There were no bid documents justifying if due procurement processes were followed.
- (iii) The Authority paid the sum of Le224,120,520 to Colab IT for services. We could not justify these payments as there were no work completion certificates and maintenance logs justifying services performed.
- (iv) A 100% advance payment was requested by Colab IT, which was honoured by the Authority. This payment term was not in the signed contract.

We recommended that the Acting DG and the Head of ICT should ensure the following:

- The Board approval and minutes for awarding this contract be submitted to the Audit Service.
- That the bid documents justifying that an open and transparent procurement process was carried out be submitted to the Audit Service.
- Work completion certificates and maintenance logs in support of payment made totalling Le224,120,520 be submitted to the Audit Service; otherwise, the amount should be recouped from the supplier, paid into the Authority's bank account and evidence of payment made submitted to the Audit Service.

- That reasonable explanation supported with documentary evidence why 100% advance payment was made to the supplier be submitted to Audit Service.

#### **Auditor's Comment**

No official response was submitted or evidence that action was taken on the recommendations. The issues therefore remain unresolved.

#### **3.23.19. Software Packages**

The data ownership/retention and disclosure clause were not stated in the contract agreement software applications provided by Collab IT and Conlog. The clause usually addresses the legal rights, complete control and retention clause for specified obligations to fulfil, where not stated clearly in the signed contract.

We recommended that the Acting DG and the Head of ICT and the Authority's legal counsel should contact Conlog and Collab IT for necessary amendments to include data ownership/retention and disclosure clause in the contract, in line with data privacy policy and the Cyber Crime Act of 2020. Evidence of actions taken to rectify these issues should be submitted to the Audit Service.

#### **Auditor's Comment**

No official response was submitted or evidence that action was taken on the recommendations. The issues therefore remain unresolved.

### **3.24. ELECTRICITY GENERATION AND TRANSMISSION COMPANY - 2021**

#### **3.24.1. Ineffective Management of Fixed Assets**

The following issues were noted:

- The fixed assets register submitted for the period under review was not comprehensive. It lacked vital details like date of purchase /acquisition, identification codes, location of assets, additions and status of all assets owned by the Company before 2018.
- Additions made to fixed assets valued at Le546,317,500 were not coded with unique identification codes.

The DG and the Finance Director, should ensure the following:

- A fixed assets register in the required format that considers the information listed in point (i) is prepared and updated regularly. Evidence of action should be submitted to the Audit Service.
- Additions to fixed assets totalling Le546,317,500 are coded with unique identification codes and details recorded in the fixed assets register. Evidence of assets being coded and records made in the fixed assets register should be submitted to the Audit Service.

#### **Official's Response**

- The updated fixed asset registers from 2018 to date in the required format that consider information listed in 'point i' is available. However, this query relates to inherited assets and continues to be a perennial problem since the unbundling aspect of the fixed assets has not been completed. Management did the follow up letter to the Ministry of Finance on the status of the unbundled Assets and Liabilities Split Consultancy work funded by the World Bank. The result of this work will aid us to bring those inherited assets owned before 2018 into books accordingly.*
- Management is currently working on this with plans underway to purchase an electronic label maker and or have stencil professional do the marking of the fixed assets.*

### **Auditor's Comment**

- (i) A Fixed Assets Register owned by the Company before 2018, and a letter written to Ministry of Finance enquiring the status of work done funded by a World Bank consultancy were submitted and reviewed. However, until those unbundled assets are brought into the books of EGTC, the issue remains unresolved.
- (ii) During the verification exercise, we noted that a letter written to the management of EGTC requesting coding of assets owned by the Company was submitted. However, the evidence of assets being coded and their inclusion in the fixed assets register was not submitted. The issue is unresolved.

### **3.24.2. Ineffective Management of Inventory**

Most of the spares and consumables in the Company's stores especially in the provincial offices, have become obsolete. The Financial Controller, in collaboration with Management, should ensure that the obsolete stock should be identified, reports prepared, and recommendations made to the Board and the supervisory Ministry for disposal. Evidence of actions taken should be submitted to the Audit Service.

### **Official's Response**

*The obsolete spares hugely relate to those engines that are no longer in operation or awaiting maintenance. However, Management intends to do a letter for the advice of the supervisory Ministry to have a clear position and take decision on the huge obsolete spares and related engines.*

### **Auditor's Comment**

Management's explanation was noted; however, until the obsolete stocks are identified, reports prepared, and recommendations made to the Board and supervisory Ministry for disposal, this issue remains unresolved.

### **3.24.3. Responses not Received for Debtors Circularisation**

The debtor's circularisation letter was sent to the EDSA to confirm the existence and accuracy of amounts owed, totalling Le583 billion as disclosed in the Company's Financial Statements. However, no response was received up to the time of writing this report. The DG and the Financial Controller, should ensure that follow-up is made with EDSA on the confirmation of account balances.

### **Official's Response**

*The DG in his response said: "The EDSA's CFO confirmed receipt of the circularisation letter. Follow-ups had been made to have the confirmation sent to the Audit Service in timely fashion".*

### **Auditor's Comment**

Management's explanation is noted. However, until this confirmation is received from EDSA, the issue remains unresolved.

## **3.25. NATIONAL PUBLIC PROCUREMENT AUTHORITY - 2020**

### **3.25.1. Payment of Withholding Tax**

Section 130 of the Sierra Leone Income Tax Act of 2000 provides that: "Any tax that has been withheld or should have been withheld by a withholding agent should be paid by such agent to the Commissioner within fifteen days following the end of the month in which it was or should have been withheld". We reported that withholding tax payable as at 31st December, 2019 stood at Le41,154,826.41. We recommended that senior officers of the Authority should engage the NRA with the view of regularising this issue.

**Official's Response**

*Cash balances indicated in the authority's financial statements at the end of every financial year will represent actual cash count result.*

**Auditor's Comment**

Our recommendation was not implemented. The issue remains unresolved.

**3.25.2. Questioned Transactions**

We questioned several transactions totalling Le75,500,000 due to a lack of documentation. Funds were donated which were not part of the Authority's budget and other issues. We recommended that the Authority provides the relevant information and documents to clear the issues raised by us.

**Official's Response**

*This was not a donation but rather financial assistance given towards a request received from the said committee. There was a mistake at the posting stage of the transaction and as such, was wrongly classified. This wrong classification has been corrected and the said expense reclassified appropriately. This was not a donation but rather payment made to facilitate civil society facilitation on sensitisation in Bo on the role of the NPPA in the sensitisation of public procurement and the opening of an NPPA office in Bo, to speed up procurement processes and procedures in the Southern and Eastern Provinces of the country. The wrong classification was done at the transaction posting stage but has been duly corrected.*

**Auditor's Comment**

Our recommendation was not implemented. The issue remains unresolved.

**3.26. CORPORATE AFFAIRS COMMISSION: 2018 - 2019****3.26.1. Irregularities in Orange Money Transactions**

We observed that revenue collected on behalf of the Commission by Orange (SL) Limited were recorded individually in a Microsoft Excel sheet. However, they were posted in bulk in the system, making it difficult to compare individual transaction fee recorded in the Commission's receipt book to the system. As a result, this made it difficult to determine whether these revenues received by Orange Money were classified correctly to the appropriate category in the system.

We recommended that the Commission should ensure that revenue transactions are posted individually so that there would be accurate and detailed breakdown of them and ease of comparison between Excel records to the system.

**Official's Response**

*The Commissioner in his response said: "SAAS software is fully functional. All accounts with details of transactions entries could easily be exported to Excel. What could not be exported to Excel is the bulky ledger report which shows all accounts in PDF format. All Revenue transactions that clearly show the various revenue streams and classification are recorded in an Excel template. This is the same as total collection as shown in the above schedule. However, Management would ensure that revenue transactions are posted by various categories into the system for ease of comparison between what is recorded in Excel system to those of the SAAS system."*

**Auditor's Comment**

Management's response was not implemented in the following year. The issue remains unresolved.

### **3.27. ENVIRONMENTAL PROTECTION AGENCY - 2020**

#### **3.27.1. Backup of Data**

We observed that departmental backups are done on an external hard drive which are in custody of each staff responsible. We were also informed that an overall backup of all department data is done on the cloud network. However, upon our check to confirm data that has been backed up unto the cloud network, we could not have access. We recommended for management to ensure that backup media be transferred to an offsite location to be stored securely. These backup devices should be tested frequently. Also, data on the cloud network should be accessed frequently.

#### ***Official's Response***

*The Executive Chairperson in his response said "Observation and recommendation well noted. Currently, the agency has a standalone external backup for EMIS and QuickBooks software. The unit is working on an external remote backup with a reasonable cost"*

#### **Auditor's Comment**

Our recommendation is yet to be implemented. The issue remains unresolved.

### **3.28. NATIONAL ELECTORAL COMMISSION: 2019 - 2020**

#### **3.28.1. Payment without Adequate Supporting Documents**

A review of transactions undertaken by the Commission revealed the following:

- (i) Payments to the tune of Le1,484,004,778.10 and Le62,460,497.00 during the 2019 and 2020 financial years respectively, were without adequate supporting documents to justify the disbursement of the said funds. Missing documents included receipts, invoices, delivery notes, contract documents, training reports, etc.
- (ii) Amounts totalling Le862,717,250 and Le227,119,000 regarding expenditures incurred in the 2019 and 2020 financial years respectively, were without payment vouchers and supporting documents in the form of receipts, recipients' signatures, reports, attendance registers etc.

We recommended that the Finance Director should exercise adequate supervision over the preparation and documentation of the Commission's transactions and should ensure that the relevant evidence in respect of the issues noted is forwarded to the Audit Service for verification.

#### ***Official's Response***

- (i) The missing supporting documents for disbursement totalling Le1,484,004,778.10 and Le62,460,497.00 made during the 2019 and 2020 financial years respectively are now available and ready for inspection.*
- (ii) Payment vouchers and supporting documents for disbursement totalling Le862,717,250 and Le227,119,000 incurred in 2019 and 2020 financial years respectively, are now available for inspection.*

#### **Auditor's Comment**

Adequate supporting documents were submitted and verified as follows: (i) 84% of Le1,484,004,778.10 in 2019, leaving a balance of Le274,246,362.16 (ii) 54% of Le62,460,497.00 in 2020, leaving a balance of 28,745,797.00

Supporting documents were submitted and verified as follows: (i) 95% of Le862,717,250 in 2019 leaving a balance of Le40,787,000 (ii) 74% of Le227,119,000 in 2020, leaving a balance of Le58,193,000.

#### **3.28.2. Ineffective Procurement Management**

A review of the Commission's management of procurement undertaken revealed the following:

- (i) Certificate of registration/incorporation, trading license, tax registration and clearance to confirm the eligibility and qualification of suppliers for the award of procurement of goods and services totalling Le406,674,410.42 and Le94,426,500 in 2019 and 2020, respectively, were not submitted for audit.
- (ii) Goods and services worth Le36,058,250 and Le22,080,000 were procured using the RfQ method. However, three requests for quotations and local purchase orders were not provided to justify whether Section 45(1-4) of the Public Procurement Act of 2016 was adhered to.

We recommended that the Executive Secretary should ensure the following:

- (i) The Head of Procurement submit the certificates of registration and incorporation, trading licences, tax registration and clearance to the Audit Service.
- (ii) The Head of Procurement submit the three requests for quotation and local purchase orders for procurement totalling Le36,058,250 and Le22,080,000 to the Audit Service.

### **Official's Response**

*The ES in his response said the following:*

- (i) *"The queries have been taken note of, and we are diligently working to put the required document in place and will be available for inspection early next week.*
- (ii) *The need for a framework contract is under consideration by the Commission".*

### **Auditor's Comment**

- (i) Certificate of registration/incorporation, trading license, tax registration and clearance were submitted and verified for procurement of goods and services totalling Le345,930,500.00 and Le60,501,500.00 with an amount totalling Le60,743,910.42 and Le33,925,000.00 not supported. Our recommendation was therefore partially implemented by 85% and 64% implemented respectively.
- (ii) The three RfQs and LPOs were not submitted and verified for procurement of goods and services totalling Le36,058,250 and Le22,080,000. The issue remains unresolved.

### **3.28.3. Inadequate Management and Control of the Commission's Assets**

A review of the Commission's asset management process revealed the following:

- (i) Vehicles with a total value of Le133,610,000.00 were sold in 2020. Details of these vehicles, costs and accumulated depreciation were not removed from the fixed assets register and the Financial Statement. Registration numbers, chassis numbers, costs and accumulated depreciation of these were omitted from the assets register submitted for audit, thereby restricting us from determining the gain/loss from the disposal.
- (ii) The audit team was provided with a fixed asset register by the Finance Department and an inventory of all assets owned and controlled by the Commission from the Administrative Department. The following were noted:
  - The fixed assets register and the inventory of assets did not reconcile.
  - The inventory of assets lacks specific information like the date of purchase, cost and code.
 Therefore, we were unable to verify all the assets owned by the Commission.

We recommended that the Executive Secretary and the Finance Director, should ensure the following:

- (i) Details of assets sold totalling Le133,610,000.00, including costs and accumulated depreciation, are removed from the Commission's accounting records and a revised general ledger, assets register and financial statements are submitted to the Audit Service for verification. In addition, the registration numbers, chassis numbers, costs and accumulated depreciation of these assets should be submitted to enable us to recompute the gain/loss from sales.

- (ii) The inventory of assets from the Administrative Department is updated to include the date of purchase, cost and code of assets, reconciled with the assets register from the Finance Department and evidence of reconciliation submitted to the Audit Service for verification.

**Official's Response**

- (i) *These are vehicles that are no longer in use and have been removed from the fixed assets register*
- (ii) *The fixed assets register has all the information in question. Evidence is available for verification.*

**Auditor's Comment**

- (i) Our recommendation was not implemented. Therefore, the issue remains unresolved.
- (ii) The inventory of assets from the Administrative Department was not updated to include the date of purchase, cost and code of assets. Our recommendation was not implemented. Therefore, the issue remains unresolved.

**3.28.4. Income**

Nomination fees collected were identified to be deposited by staff of the Commission. We recommended that the ES, in collaboration with the Finance Director, should ensure that, in future, nomination fees must be deposited into the Commission's bank accounts by political parties, and deposit slips submitted to the Finance Director.

**Official's Response**

*All supporting documents relating to nomination fees are available for verification.*

**Auditor's Comment**

Nomination fees were still deposited into the Commission's bank accounts by staff. The issue remains unresolved.

**3.28.5. Cash and Bank**

We did not receive bank confirmation for bank accounts operated at various commercial banks with total ledger balances of Le64,017,000 and Le1,483,022,000, even though confirmation letters were sent to them.

We recommended that the ES and the Finance Director, should ensure that Management follow-up with the banks on unconfirmed balances so that the confirmations are sent to the Audit Service for verification.

**Official's Response**

*We have contacted the banks, and the requested bank confirmation will be submitted.*

**Auditor's Comment**

The Commission did follow-up with the banks on unconfirmed balances as evidence to justify this fact was submitted for verification. However, confirmations were not received from banks. The issue therefore remains unresolved.

**3.28.6. Ineffective Tax Management**

The following issues were noted:

- (i) Payment for goods and services totalling Le877,698,800.00 for 2019 were made to suppliers and contractors without deducting 5.5% withholding tax, which resulted in a tax loss of Le47,366,621.50.
- (ii) Payments made in 2019 and 2020 amounting to Le3,011,980,607.00 and Le1,889,576,650 respectively, which includes Le390,941,319.59 and Le243,757,450 for Goods and Services Tax (GST), were made to suppliers. The audit team was however not provided with GST invoices to



confirm evidence that the Goods and Services Tax (GST) charged by these suppliers, were paid to the NRA.

- (iii) Differences of Le334,690,867.39 and Le28,867,765.56 were noted as PAYE taxes paid to the NRA for the 2019 and 2020 financial years respectively.

We recommended that the ES and the Finance Director, should ensure the following:

- (i) Withholding taxes of Le47,366,621.50 are recovered from suppliers and paid to the NRA. Evidence of such payment should be forwarded to the Audit Service for verification.
- (ii) Suppliers are contacted to submit GST invoices totalling Le390,941,319.59 and Le243,757,450 and receipts justifying payments of GST to the Audit Service for verification.
- (iii) The differences noted as PAYE taxes paid are investigated, and evidence submitted to the Audit Service for verification.

#### **Official's Response**

- (i) *Most of these payments were not done to the supplier; they are cash purchases made by the Commission's district offices during election operations. Additionally, the others are payment in respect of recharge cards and modems subscription to Sierratel.*
- (ii) *The Commission noted the query and requested GST invoices from the respective suppliers. GST invoices are now available for verification.*
- (iii) *There are no differences in PAYE for the period under review. Evidence is available for inspection.*

#### **Auditor's Comment**

- (i) Evidence in the form of receipt justifying that the 5.5% withholding taxes totalled Le32,175,055.00 (68%) for 2019 was provided and verified with an amount totalling Le15,191,566.50 not provided. Therefore, the issue was partially resolved.
- (ii) GST invoice were submitted and verified for GST totalling Le249,246,626.00 (75%) and Le194,887,500.00 (80%) with an amount totalling Le141,694,693.59 and Le48,869,950.00 outstanding. Our recommendation was substantially implemented.
- (iii) Evidence to confirm that PAYE underpayments made to the NRA had been resolved was not submitted during the verification exercise. Our recommendation was not implemented. Therefore, the issue remains unresolved.

### **3.29. ELECTORAL COMMISSION OF SIERRA LEONE - 2021**

#### **3.29.1. Inadequate Control over the Processing, Recording and Reporting of Financial Transactions**

A review of transactions undertaken by the Commission revealed the following:

- (i) Payments totalling Le740,838,501 made during the financial year were without adequate supporting documents to justify disbursed funds. Missing documents included receipts, invoices, delivery notes, training reports, etc.
- (ii) The Commission made overtime payments/lunch of Le80,538,500 to staff for extra hours worked. However, the basis for providing and calculating the lunch/overtime was not provided to the audit team, which contradicts Section 5.4-5.6 of the 2007 standing order B of the Commission. Moreover, evidence of receipt of cash was not submitted for review.
- (iii) The Commission made payments of Le31,800,000 in respect of the internship programme. However, the Commission did not provide the audit team with a policy governing the internship programme, the requests from the relevant institutions and evidence to confirm payments to the

interns. Therefore, we could not verify whether the amount paid in respect of this Programme was fair and transparent.

- (iv) Fuel chit, fuel reconciliation and register, bike logbook and generator logbook for fuel procured and used for the period under review amounting to Le34,614,000 were not provided to the audit team for inspection.
- (v) Payments of Le35,250,000 were made without minutes, attendance register and evidence showing recipients' signatures for payments made to audit committee members.

We recommended that the Finance Director should ensure that the relevant documents supporting all transactions must be submitted.

#### **Official's Response**

*The relevant documents are available for inspection.*

#### **Auditor's Comment**

- (i) Supporting documents such as receipts, invoices, delivery notes, training reports, etc. to justify disbursed funds were submitted and verified for payments totalling Le Le566,045,500, leaving Le174,793,001 for which supporting documents were not made available. Our recommendation was partly implemented.
- (ii) The basis for providing and calculating the lunch/overtime was not provided to the audit team. Therefore, this issue remains unresolved.
- (iii) The policy governing the internship programme and the requests from the relevant institutions was submitted and verified but evidence to confirm payments to interns amounting to Le19,650,000 were not submitted. Therefore, this issue is partially resolved.
- (iv) Generator log books were submitted and verified but fuel chit, fuel reconciliation and register and bike log book for fuel procured and used for the period under review amounting to Le19,104,000 were not provided for verification. Therefore, the issue is partly resolved.
- (v) The supporting documents were not submitted for verification. Therefore, the issue is unresolved.

#### **3.29.2. Ineffective Procurement Management**

A review of the Commission's management of procurement activities undertaken revealed that framework contracts were not entered into or prepared for recurring activities such as fuel, stationery, provision and vehicle maintenance amounting to Le2.1 billion, which is in violation of Section 135(1) of the Procurement Regulations of 2020. We recommended that the ES should ensure that in the future, a framework contract is prepared and signed by both parties to procure recurring items.

#### **Official's Response**

*The ES responded that the query was noted in the previous year's audit and actions were taken to correct the said violation in FY2022.*

#### **Auditor's Comment**

Management's comment is noted. However, the issue remains unresolved as the recommendation was not implemented.

#### **3.29.3. Inadequate management and control of Payroll Activities**

The following issues were noted:

- (i) The Terms and Conditions of Service (i.e., Standing Order A and B) of the Commission was not updated to reflect the Commission's current practices. As a result, the Commission calculates allowances such as housing, medical, transport and risk, based on some rates yet to be approved by the Board of Commissioners. Therefore, the accuracy and legitimacy of staff costs amounting to Le32,485,506,000 could not be determined.

- (ii) The Training and Development Plan for the period under review was not provided for audit, which is in violation of rules 7.17 to 7.19 of Standing Order B of the Commission.
- (iii) A difference of Le7,567,928.47 was noted when the first monthly gross salary as per staff appointment letters for new staff (starters) was compared to their gross monthly salary in the payroll system.

The ES and the Finance Director and Human Resource Manager, should ensure the following:

- (i) The Commission's terms and conditions of service are revised to include medical, risk, acting, utility, and representation allowances. A reasonable basis for their calculation should be formed and submitted to the Board for approval. Once approved, this must serve as the basis upon which these allowances are paid.
- (ii) At the start of the year, the Human Resources Director conducts a training needs assessment to fit into the Training and Development Plan. This plan will serve as the basis for the roll-out of any staff training in the Commission.
- (iii) Provide the required documentation to support the disparity in the payroll records; otherwise, the overpaid salaries should be refunded and evidence of payment forwarded to the audit office for verification.

### **Official's Response**

- (i) *The Standing Order B- Administrative Manual is currently being reviewed. A Consultant has been hired by the Commission and work is at an advanced stage.*
- (ii) *With the review of Standing Order B, the issue regarding the Training and Development Plan will be addressed.*
- (iii) *The query is noted and a review of the appointment letter indicates a misstatement of gross salary instead of net salary. In actual fact this should have been stated as monthly net salary.*

### **Auditor's Comment**

- (i) Management's response is noted. However, the allowances were paid based on an unapproved updated terms and condition of services. Therefore, the issue remains unresolved.
- (ii) Management's comment is noted for the development of training and development plan. However, the issue remains unresolved.
- (iii) Management's comment is noted. Evidence of documentation to support the disparity in the payroll records was not submitted. Therefore, the issue remains unresolved.

### **3.29.4. Inadequate Management and Control of the Commission's Assets**

A review of the Commission's assets management process revealed the following:

- (i) The description, date of purchase, location, depreciation charge, cost, net book value and status of non-current assets worth Le3.9 billion purchased during the year were not included in the assets register submitted for audit inspection. As such, we could not confirm whether non-current assets totalling Le19.5 billion were appropriately recorded in the register or whether the register reconciled to the general ledger. Also, we could not verify these assets.
- (ii) Thirty-six vehicles with a total sales value of Le188.1 million were disposed of in 2021. However, the necessary journal entries to derecognise these vehicles in the Commission's books of account were not carried out. Moreover, we could not identify the disposed vehicles as the vehicle registration numbers, and chassis numbers were not included in the assets register. At the same time, the cost and accumulated depreciation were not provided in the list of assets sold.
- (iii) Except for vehicles and office buildings, a review revealed that the Commission's property, plant and equipment (including office furniture, fittings, computer equipment, and generators) with net book value totalling Le4.6 billion were not insured.

We recommended that the ES and the Finance Director, should ensure the following:

- (iii) The fixed assets register is updated to capture all assets purchased and donated to the Commission during the year. And the relevant accounting records and general ledgers are updated accordingly.
- (iv) Details of assets sold totalling Le188.1 million, including costs and accumulated depreciation, are derecognised from the Commission's accounting records and the revised general ledger, assets register and financial statements submitted to the Audit Service for verification. In addition, the registration numbers, chassis numbers, costs and accumulated depreciation of these assets should be submitted to enable us to recompute the gain/loss from the sale.
- (v) In future, all buildings, major plants, and equipment owned and controlled by the Commission are insured to compensate against loss resulting from damage and disasters.

#### **Official's Response**

- (i) *Non-current assets worth Le19.5 billion were appropriately recorded in the register and reconciled to the general ledger. This is also available for verification.*
- (ii) *The necessary journal entries will be made to derecognise these vehicles.*
- (iii) *The query is noted, the Commission is at the verge of concluding an asset risk policy with the National Insurance Company.*

#### **Auditor's Comment**

- (i) The updated asset register was not provided for non-current assets worth Le3.9 billion Therefore the issue remains unresolved.
- (ii) Registration numbers, chassis numbers, costs and accumulated depreciation of assets sold totalling Le188.1 were not submitted during verification. Therefore, we could not recompute the gain/loss from sales. Therefore, the issue remains unresolved.
- (iii) Management's response is noted. However, the issue remains unresolved.

### **3.29.5. Inadequate Control over Cash and Bank Management**

The following were observed:

- (i) The Commission did not submit bank reconciliation statements, cashbooks and bank statements for 12 accounts with balances of Le16.6 million to the audit team for review. Therefore, we could not determine the accuracy of the cash and bank balances reported in the Financial Statement.
- (ii) Evidence of authorisation from the Ministry of Finance for 16 bank accounts that were reactivated in 2021 was not provided for audit inspection. Therefore, we could not determine whether the Commission was given the necessary authority to open and operate these accounts.
- (iii) We did not receive bank confirmations for bank accounts operated at various commercial banks with total ledger balances of Le5.09 billion, even though confirmation letters were sent to them.

The Executive Secretary, in collaboration with the Finance Director, should ensure the following:

- (i) That bank reconciliation statements, cashbooks and bank statements for the 12 bank accounts are submitted to the Audit Service for verification.
- (ii) Submit evidence of authorisation for the reactivation of the 16 bank accounts.
- (iii) Liaise with the bank to submit the bank confirmation letters.

#### **Official's Response**

- (i) *These were provided to the audit team. It's also available for inspection.*
- (ii) *The accounts in question were not closed at Ministry of Finance, therefore we were informed by the Deputy Accountant General, to write the banks directly for re-activation. However, the Commission approved the re-activation of these accounts and the Commission's excerpt of the minute is available for inspection.*
- (iii) *We will follow up with the respective banks for the bank confirmations.*

### **Auditor's Comment**

- (i) Bank reconciliation statements, cashbooks and bank statements with total balance of Le11.7 million were submitted and verified, leaving five accounts with balance of Le4.9 million not submitted for inspection. The issue is partly resolved.
- (ii) Evidence of authorisation from the Ministry of Finance for the 16 bank accounts that were reactivated in 2021 was not provided. The issue is unresolved.
- (iii) Bank confirmation of the Commission's bank balances as at 31st December, 2021 amounting to Le5.09 billion was not provided to the audit team. Therefore, the issue remains unresolved.

### **3.29.6. Withholding Taxes not Deducted and Paid to the NRA**

Payments for goods and services totalling Le72,435,600 were made in 2021 to suppliers and contractors without deducting 5.5% withholding tax, which resulted in a tax loss of Le3,435,919.

We recommended that the ES and the Finance Director, should ensure that the withholding taxes of Le3,435,919 are recovered immediately from suppliers and paid to the NRA. Evidence of such payment should be forwarded to the Audit Service for verification.

### **Official's Response**

*The ES responded that the query is noted for payment made to Metro Enterprises and Brookfield Hotel, the rest however, were district offices cash float payment to undertake activities at their level because of the nature of the transactions.*

### **Auditor's Comment**

Evidence in the form of receipt justifying that the 5.5% withholding taxes of Le3,435,919 were paid to the National Revenue Authority was not submitted for verification. Therefore, the issue remains unresolved.

## **3.30. SIERRA LEONE INVESTMENT AND EXPORT PROMOTION AGENCY - 2020**

### **3.30.1. Internal Audit Department**

During the course of our audit exercise, we requested the undermentioned documents, but they were not made available for verification:

- Job description of internal audit department
- Internal audit plan for the period under review
- Formal audit methodology for the period under review
- Work programmes indicating audit tests to be carryout
- Working papers to support deductions, observations and opinion
- Internal audit reports

We recommended that the abovementioned documents should be made available for independent verification as and when requested for.

### **Official's Response**

*We are presently working on these documents and will make them available during the subsequent audit.*

### **Auditor's Comment**

We are yet to be provided with these internal audit documents. The issue therefore remains unresolved.

### **3.30.2. Contract Staff - NASSIT & PAYE Payments**

We reported that the Agency did not apply NASSIT rules to contract staff. We noted that the Agency paid a total of Le17,855,850 as NASSIT contributions for the period under review. We recommended that senior officers of the Agency should engage the NASSIT and the concerned staff, with the view of recovering the said amounts.

#### ***Official's Response***

*The NASSIT contributions are still being honored by the Agency for contract staff. The Agency hopes to engage these institutions on the legality of those payments and probably recover funds if the payments were not eligible.*

#### **Auditor's Comment**

The NASSIT payment in respect of contract staff still remains unresolved as there is no evidence of attempts made by the CEO to implement our recommendation.

### **3.30.3. Physical Verification of Tangible Fixed Assets**

We reported that the Agency did not carry out physical verification of its tangible fixed assets in order to confirm their existence and condition. We recommended that the Agency should carry out physical verification exercise at least once a year to check and confirm the existence and condition of its tangible fixed assets.

#### ***Official's Response***

*The Agency has a laid down policy of conducting physical verification of its tangible fixed assets that are in good working condition every year to ascertain their existence and update the records. The Agency will include tangible fixed assets that are not in good working condition to its verification exercise; going forward.*

#### **Auditor's Comment**

We were not provided with a fixed assets verification report for the period under review. The issue therefore remains unresolved.

### **3.30.4. Cash Count irregularity**

We reported that cash count was only carried out for headquarters – (general petty cash account but excludes cash counts for United States Dollar petty cash); CEO's office (petty cash) and petty cash for the regional offices in Bo and Makeni. Our concern was, it was difficult to check the accuracy of these petty cash balances in the absence of a cash count certificate. We recommended that cash counts be carried out for all cash accounts at the end of each financial year witnessed by senior and independent officers of the Agency who should also verify the accuracy of the amount indicated in the cash count sheets.

#### ***Official's response***

*The Agency currently maintains a single petty cash imprest float at its headquarters office in Freetown. All regional officers' imprest – Bo, Makeni, Office of the CEO and the US\$ imprest were closed. Therefore, cash counts on these accounts were not applicable for the period under review.*

*The Agency only maintains one imprest fund at its Head Office in Freetown and cash counts are conducted regularly and replenished accordingly.*

#### **Auditor's Comment**

Regional offices petty cash for Bo, Makeni, office of the CEO and US Dollar imprest accounts were only considered dormant but not closed as purported because balances on these accounts were still part of the financial statements for the year under review. Our recommendation was not implemented. The issue remains unresolved.

### **3.31. CENTRAL INTELLIGENCE AND SECURITY UNIT - 2020**

#### **3.31.1. Salary Paid to Staff on Study Leave**

Section 10.17.5 of the Terms and Conditions of Service (TaCoS) of the CISU states that staff on study leave pursuing courses that are not work-related should not be paid salaries. A review of staff files however revealed that a staff member on 'study leave without pay' between 1st September 2020 and 1st November 2021 continued to receive salaries totalling Le15,640,876 from September to December 2020, contravention of this section of the TaCoS.

We recommended that the DG should ensure the following:

- The Accountant General is informed of this payment made.
- The amount paid is refunded by the staff and evidence of payment submitted to the Audit Service.

#### ***Official's Response***

*The DG in his response said: "Upon realisation of the issue raised in the query, the Leadership of CISU engaged the staff in question together with a letter sent to the Accountant General for subsequent deduction from the salary of same".*

#### **Auditor's Comment**

Management's comment was noted and a copy of the letter to the Accountant General's Department (ADG) requesting subsequent deduction from the salaries of the staff in question, was submitted and verified. However, there was no evidence presented to indicate that the AGD had commenced the deduction from the salaries of the affected staff. This issue therefore remains unresolved.

### **3.32. SIERRA LEONE METEOROLOGICAL AGENCY - 2020**

#### **3.32.1. Site Visitations (Lungi and Makeni)**

During the course of our visit, we observed that there were offices in both Lungi and Makeni, and three Manual Weather Stations in Makeni. Staff also record events hourly for submission to Head Office on a daily basis for updating purposes. We also observed the proposed location of an Automatic Weather Station to be installed by the World Bank. The Lungi office is the hub for the Sierra Leone Meteorological Agency. It gives weather forecast information to the Airports Authorities constantly, so that there will be accurate information given to pilots before landing.

The demand for meteorological information has increased over the years for diverse use (aviation, agriculture, ocean-going vessels, fishermen, road construction, energy etc.). Thus, we were informed that the operational wing of the Agency requires at least six synoptic weather stations, three marine weather stations, eight agromet stations, voltmeter, evaporation tank, visimeter, cloud-based recorder and few manual stations at the shortest possible time. There is also need to establish new meteorological regional office in Bo, to add to the existing offices in Makeni, Kenema, Kailahun, Kono and Kabala.

WE recommended that the Government should ensure that the Sierra Leone Meteorological Agency (SLMET) establish a regional office in Bo which will give the Agency a national coverage, and also procure necessary equipment to carry out their work properly.

#### ***Official's Response***

*We note the recommendation, and we are pleased to inform you that we have included the establishment of regional office in Bo, in the 2022 annual budget which has been submitted to the MoF.*

#### **Auditor's Comment**

Our recommendation was not implemented. The issue remained unresolved.

### **3.33. TERTIARY EDUCATION COMMISSION - 2020**

#### **3.33.1. Receivables**

We observed that from a total of Le1,084,700,000 owed at the year-end, Le912,300,000 relates to arrears and Le295,600,000 to the current year. However, only Le123,200,000 was paid, leaving Le172,400,000 as current year charges, unpaid. We recommended that the Tertiary Education Commission (TEC) must ensure that defaulting institutions make good their financial obligations and pay their dues, failing which stringent actions will be taken against them.

#### ***Official's Response***

*In relation to the arrears of Le1,084,700,000; the Commission stated that based on available records, some of the institutions owe the Commission annual fees more than five years. For the 2020/2021 academic year, the Commission had raised invoices to all institutions concerned, stating the amount owed, including backlogs. Furthermore, the Commission had also agreed to send reminder letters to all defaulting institutions and intensify its debts collection drive. For institutions in arrears for several successive years, it was discussed and agreed that the Commission should contact such institutions to ascertain their current status (including whether they are operational or not), so that appropriate actions can be taken. It was further resolved that institutions that are operational, but with financial challenges, should be asked to provide acceptable payment plans to the Commission.*

#### **Auditor's Comment**

We noted the Commission's response and look forward to the implementation. We advise urgent action be taken in order to enable the Commission to show accurate figures. However, our recommendation was not implemented. The issue remains unresolved.

### **3.34. SIERRA LEONE TEACHING SERVICE COMMISSION: 2019 - 2020**

#### **3.34.1. Internal Audit Department Understaffed**

We observed that the Internal Audit Unit was understaffed as there was only one staff in the Unit that audited the internal affairs of the offices in all districts. We recommended that the Internal Audit Unit should be capacitated appropriately and adequately staffed with more qualified staff to audit the Commission's internal controls and procedures effectively and efficiently.

#### ***Official's Response***

*Management is in the process of recruiting volunteers until approval is given by the Ministry of Finance for dedicated personnel to assist the Internal Auditor. Management notes the huge task of auditing the operations of the entire Commission, which role cannot be performed by a single staff member.*

#### **Auditor's Comment**

We have received no evidence from Management regarding the process of recruiting an internal audit assistant. Our recommendation was not implemented. The issue remains unresolved.

### **3.35. SIERRA LEONE AGRICULTURAL RESEARCH INSTITUTE (SLARI) - 2020**

#### **3.35.1. Ineffective Management of Project Income**

Receipt books, cash sheets and guest register/guest logbook for guest houses owned by the Institute were not provided for audit. This restricted us from confirming the completeness, occurrence and accuracy of revenue recorded and disclosed in the Financial Statements which amounted to Le22,015,000. We recommended that the DG should ensure that the requested documents are submitted by the Finance Manager to the Audit Service.



### **Official's Response**

*The DG in his response said the following:*

- *"We note the observation and recommendations and wish to inform you that the receipt books, cash sheets and register for the guesthouses are available for audit inspection.*
- *The Memorandum of Understanding in support of all donor funds received is available for audit inspection".*

### **Auditor's Comment**

The requested documents were not submitted for our verification. This issue remains unresolved.

### **3.35.2. Inadequate Controls over the Management of Funds**

The following issues were noted:

- (i) The sum of Le104,957,700 was spent without supporting documents such as payment vouchers, receipt and recipients' signatures, reports, attendance registers, etc. for project payments.
- (ii) Payments were without adequate supporting documents such as reports amounting to Le238,501,676 and Le605,400,325 for administrative and project activities respectively.
- (iii) Le582,345,900 was paid to casual workers without evidence justifying actual work done; as attendance registers were not submitted for audit. Alternative ways of confirmation such as identification documents of individuals or contact detail of casual workers were also not provided.

We recommended that the Finance Manager should exercise adequate supervision over the preparation and documentation of the Institute's transactions, and the Accountant should ensure the following:

- (i) All public funds are appropriately accounted for in accordance with Section 100(1) of the PFMRs of 2018.
- (ii) That payment vouchers and supporting documents relating to issues noted in points (i) (ii) and (iii) are forwarded to the Audit Service upon receipt of the report.
- (iii) That the relevant documentation supports all transactions, and these should be numbered and cross-referenced so that they could be easily traced when they go missing.

### **Official's Response**

- (i) *Management notes the observations and recommendations. We wish to inform you that the payment vouchers and supporting documents relating to the above issues are available for audit inspection.*
- (ii) *We note your observation concerning the payment to casual workers that the additional documentation you have recommended will be taken into consideration in future. We will ensure that all supporting documents with respect to your recommendation will be maintained.*

### **Auditor's Comment**

- (i) Supporting documents were submitted for PV# 4875 which amounted to Le69,300,000 (66%); however, a balance of Le35,657,700 was not supported. This issue was partially resolved.
- (ii) For payments without adequate supporting documents, documents were submitted for Le165,674,676 and Le96,300,000 (i.e. 69% and 16%) during the verification exercise, in respect of Administrative and Project expenses, respectively. As a result, the outstanding amounts expensed for which adequate supporting documents were not submitted amounted to Le72,760,000 and Le509,100,325 for Administrative and Project expenditures, respectively.
- (iii) No evidence was provided to confirm that the Institute had started implementing a system by which payments made to labourers could be traced. Management failed to ensure that contact details were provided to the audit team to verify the payments made. Therefore, we still could not verify any of the payments, and cannot confirm whether these payments were made legitimately and to the right beneficiaries. The issue therefore remains unresolved.

### **3.35.3. Ineffective Management of Personnel**

Two members of staff were on study leave with pay for four years. According to the terms of their bonds, they were to work for the Institute at least for the equivalent period of their study. However, the two members of staff defaulted on the terms of the bonds. One staff returned and served for twenty months, whilst the other failed to return to his post after training. The total salaries paid to them amounted to Le516,200,700 (Le144,536,196 and Le371,664,504 respectively). Evidence in the form of letters justifying the action taken by management to remedy the situation or compel the members of staff to abide by the terms of the bonds was not submitted for audit.

We recommended that the DG and the Human Resources Director should ensure that the Le516,200,700 spent by the Institute on the two staff on study leave should be recouped from them for failing to comply with the terms of their bonds. These recouped monies should be deposited into the Consolidated Fund and evidence of payment submitted to the Audit Service.

#### ***Official's Response***

*The two doctoral students who violated the terms of their bond had been informed accordingly to refund the amount due to the Consolidated Fund and copies of their letters were available for necessary action.*

#### **Auditor's Comment**

Our recommendation was not implemented. The issue therefore remains unresolved.

### **3.35.4. Bank Confirmation not Received**

Bank confirmation to ascertain that nine bank accounts maintained at various commercial banks for 2020 were appropriately reconciled, were not received from the banks. It is usual for banks to consider cheques as stale after six months. During the audit, we observed that stale cheques worth Le95,377,430.87 (unpresented cheques) and Le29,445,565 (uncredited cheques) were still in the Institute's books of accounts. These figures were mainly from four banks.

The following recommendations were made:

- (i) The DG should ensure that the Finance Officer follow-up with the banks regarding the unconfirmed balances, and ensure that the confirmations are sent to the Audit Service.
- (ii) The cheques that are considered stale and uncredited items are investigated and reversed (if required) and necessary adjustments should be made to the books of accounts (revised general ledger, bank reconciliation statements, and Financial Statements) and submitted to the Audit Service.

#### ***Official's Response***

- (i) *The recommendation was noted. We will ensure that the banks follow-up regarding the unconfirmed balances is submitted to the Audit Service Sierra Leone.*
- (ii) *The necessary journal regarding stale cheques and uncredited items has been adjusted into the books of account, and they are available for audit verification.*

#### **Auditor's Comment**

- (i) The audit team did not receive bank confirmation letters. The issue remains unresolved.
- (ii) Journals were presented to the audit team during the verification exercise. However, a revised general ledger and revised Financial Statements were not submitted to the audit team. As a result, we could not confirm that the accounts were actually adjusted based on the journal documents presented to the audit team. Our recommendation was not implemented. Therefore, the issue remains unresolved.

### **3.35.5. Withholding Taxes not Deducted and Paid to the NRA**

From the review of the Institute's cashbooks and a sample of payment vouchers, we observed that withholding taxes which amounted to Le54,151,679 were deducted but not paid to the NRA. We recommended that the DG and Finance Manager should ensure that the withholding taxes totalling are paid to the NRA, and evidence of such payment forwarded to the Audit Service.

#### ***Official's Response***

*The recommendation is noted. However, the total amount will be paid when we receive funds from the project.*

#### **Auditor's Comment**

Evidence of payment of withholding taxes to the NRA was not submitted for verification. The issue therefore remains unresolved.

### **3.35.6. Procurement Procedures not Followed**

The Institute awarded a consultancy service worth Le149,850,000 to a consultant for the Technical Backstopping of the Kenema site under the AVDP project. However, procurement documents to indicate that the service of the consultant was acquired in an open and transparent manner were not submitted for audit.

We recommended that the DG and the Head of Procurement should ensure that procurement documents in support of the consultancy service being procured, are submitted to the Audit Service.

#### ***Official's Response***

*The DG in his response said that the procurement documents for the consultancy service are available for audit inspection.*

#### **Auditor's Comment**

Procurement documents were not provided for verification. The issue therefore remains unresolved.

## **3.36. SIERRA ESTATE MANAGEMENT COMPANY: 2020 - 2021**

### **3.36.1. Ineffective Revenue Management**

A review of the Revenue management system revealed that the manner in which rental receipts from apartments were recorded was not appropriate. The records did not include the names of tenants, addresses, rental period, type of facilities rented, and the time logged in and out. In addition, tenancy agreements were not made available for a sample of tenant files reviewed. This restricted the auditors from ascertaining the agreed rental prices and duration of stay of tenants.

The GM, the Finance Manager and senior management, should ensure appropriate supervision of the revenue management process, and the use of tenancy agreements should be instituted for the occupancy of the company's apartments. In addition, tenant details should be recorded in an appropriate format (as detailed in the finding), and this must be regularly monitored by senior personnel and records kept for reference purposes.

#### ***Official's Response***

*The Company maintains an invoicing system which entails detailed record of transactions between the office and our clients. These records include tenant names, addresses, and types of facilities rented. The logged-in and logged-out will certainly not work due to our operations, as we are not managing an enclosed hotel but a gated community so the tenant log-out as per the stipulated tenancy agreement and invoice date. Agreements filed in the Leasing Officer's office will be submitted during the audit verification.*

### **Auditor's Comment**

Agreement files containing the various tenants was submitted with the exception of the CSE company and Child Fund which were not submitted. In addition, invoices submitted revealed tenant names, addresses, and types of facilities rented. However, records indicating customers' log-in and log-out time was not made available for verification. We therefore implore Management to design a mechanism in which customers' log-in and log-out period could be maintained and monitored. Our recommendation was partially implemented. Therefore, this issue remains partially resolved.

### **3.36.2. Accounting System at Head Office not Linked to Provincial Offices**

We observed that the Company was using the Great Plains accounting software to record and report its transactions. Investigations revealed that this software was installed on computers at both headquarters and provincial offices, on a stand-alone basis. However, we noted that the system was not networked, and transactions incurred in the provinces were not synchronised and reported on a real-time basis. Financial transactions in respect of revenue and expenditure for the provincial offices had to be sent to headquarters in Freetown through emails for posting to be done into the Great Plains accounting software. The GM, Finance Manager and senior management should ensure that the accounting system within the provincial offices and Freetown are networked, and transactions synchronised, and reported on a real-time basis.

### **Official's Response**

*The auditor's concern is noted regarding the linking of the accounting system (QuickBooks) to the regional offices and we have acted to have a robust online QuickBooks in order to mitigate the risk as recommended by the auditors.*

### **Auditor's Comment**

Documents showing payment made for the purchase of online QuickBooks was submitted and reviewed. However, as at the time of the verification, the Company's accounting system was yet to be networked. Our recommendation was not implemented. The issue therefore remains unresolved.

### **3.36.3. Debtor's Circularisation Not Received**

Debtor's circularisation letters in respect of amounts totalling Le10,840,151,087.00 and Le17,083,644,401.52 were sent to clients to confirm the existence and accuracy of amounts owed by them as disclosed in the Company's Financial Statements. However, there were no responses received up to the completion of the draft report on 18th July 2022. Therefore, assurance on the completeness, existence and accuracy of receivable balances totaling Le20,166,711,000 and Le22,439,446,000 for the FY2020 and FY2021 respectively, could not be obtained. The GM and Finance Manager should follow up with the concerned debtors so that the responses to the confirmations are sent to the Audit Service.

### **Official's Response**

*Tenants not replying to your circularisation is of great concern to the Company as we always hope to recover a huge sum through your intervention. Again, the following should be considered for the non-response by certain tenants:*

- *The receivables age is 2011 to 2020. Meaning a number of tenants had left for various reasons.*
- *Huge amount of the receivables are tax deductions in the likes of OBT Shipping, PKF, Beltsips Sierra Leone Limited, Karl Tyre, Leocem Cement Factory, etc.*
- *Few tenants had paid in the subsequent years/ months for the periods under review".*

### **Auditor's Comment**

Evidence justifying follow-up done by the Management of the Company to ensure that debtors respond to circularisation letters was not submitted for verification. Our recommendation was not implemented. Therefore, this issue remains unresolved.

#### **3.36.4. Ineffective Procurement Management**

We were not able to ascertain whether assets worth Le126,710,350 and Le178,025,000 for 2020 and 2021 respectively, were procured from qualified suppliers. This was evidenced by the fact that, the relevant procurement documents to support the eligibility of these selected suppliers, such as certificate of registration, NASSIT certificates, and NRA declarations, were not made available for inspection. There was also no evidence to indicate that requests were made for three quotations (as required by the Public Procurement Act, 2016) for the supply of the above goods.

The GM and the Head of Procurement should ensure that the procurement documents is submitted to the Audit Service.

#### **Official's Response**

*Request for quotations, Certificate of Registration, NASSIT certificate, NRA declaration, Delivery Note, invoices, etc. amounting to Le126 million and Le178 million for 2020 and 2021 respectively were available, but they were not requested for during the audit exercise.*

#### **Auditor's Comment**

The relevant procurement documents to support the eligibility of selected suppliers, such as certificate of registration, NASSIT certificate, and NRA declaration, were made available for procurement activities undertaken in 2021 for amounts totalling Le178,025,000. However, the documents for procurement activities undertaken in 2020 for amounts totalling Le126,710,350 were not made available for verification. Therefore, the issue remains partially resolved.

### **3.37. SIERRA BLOCKS CONCRETE PRODUCT LIMITED: 2017 - 2020**

#### **3.37.1. Ineffective Management of Procurement Undertaken**

The following issues were noted:

- (i) Procurement plans were not submitted for audit inspection, in violation of Section 29(1) of the PPA of 2016.
- (ii) Spares for production equipment costing Le75,956,430, Le161,967,652 and Le243,306,098 for FY2017, FY2018 and FY2019 respectively were acquired through the sole sourcing procurement method. However, prior approval from the Company's Procurement Committee mandating the sole sourcing method was not submitted for audit. In addition, justification for the Company to use the sole sourcing method in the procurement of spares, in compliance with Section 41(1a–e) of the PPA, 2016, was not submitted for audit.

We recommended that the GM should ensure the following:

- (i) The Procurement Head should submit the 2017 to 2020 procurement plans to the Audit Service for verification.
- (ii) The justification for spares to be acquired through the sole sourcing procurement method and approval from the Company's Procurement Committee are submitted by the Procurement Head to the Audit Service for verification.

#### **Official's Response**

*(i) Sierra Block Concrete Products Limited was registered under the Companies Act of 2009 as a private company and not a public company. The Board of Directors approved the annual budget for any financial year as a basis of the plans and programmes to be implemented by management. We will endeavor to adopt these procurement guidelines in our future applications.*

*(ii) Same as (i) above.*

### **Auditor's Comment**

Based on the provision of Section 1 of the PPA of 2016, we conclude the following:

- (i) The procurement plan for 2019 to 2020 was not submitted.
  - (ii) Justification for the acquisition of spares through the sole sourcing method was not submitted.
- The issues are therefore unresolved.

### **3.37.2. Ineffective Management and Control of Property, Plant and Equipment**

A policy that regulates the use and management of assets owned and controlled by the Company was not submitted for audit. In addition, the submitted non-current asset register was not comprehensive and regularly updated for four years. We recommended that the Finance Officer and General Manager should ensure that a policy that regulates the use and management of non-current assets is developed and submitted to the Board for approval. In addition, the non-current asset register should be reviewed and regularly updated and maintained for reference purposes.

### **Official's Response**

*The audit recommendations have been noted.*

### **Auditor's Comment**

No attempts were made on the implementation of the recommendations. The issues are therefore unresolved.

### **3.37.3. Inadequate insurance policy for fixed assets**

We observed that the Company did not maintain an insurance policy for its property, plant and equipment during the period under review. Only vehicles were insured.

The General Manager must ensure that the Company's fixed assets are adequately insured to mitigate against any eventual risk of financial losses occurring. Evidence of actions taken should be submitted to the Audit Service.

### **Official's Response**

*The General Manager in his response said: "Actions is yet to be taken".*

### **Auditor's Comment**

Our recommendation was not implemented. The issue is therefore unresolved.

### **3.37.4. Ineffective Stores Management**

A review of inventory records revealed the following:

- (i) The Stores Department did not have documented policies and procedures for effective inventory management.
- (ii) The policy governing the management and usage of fuel in the Company was not submitted for audit review.

We recommended that the GM, the Chief Finance Officer and the Head of Stores should ensure that a policy that regulates the use and management of stores items and fuel is developed and submitted to the Board for approval.

### **Official's Response**

*We may not have documented policies, but we have systems and procedures that provide adequate checks and balances for the store's department. There are procedures for requesting, ordering, receiving, or issuing of materials, storing, tagging, recording inventory, disposing of or transferring from the warehouse and at each stage, including material order forms.*

### **Auditor's Comment**

A policy that regulates store items and the use of fuel was not submitted for verification. The issue is therefore unresolved.

### **3.37.5. Inadequate Control of Expenditure**

The sum of Le1,420,083,285.25 was expended during FY2017. However, supporting documents justifying utilisation were not submitted for audit review.

We recommended the GM should exercise adequate supervision over the preparation and documentation of the Company's transactions. The Account Manager should also ensure that the relevant evidence in respect of the Le1,420,083,285.25 is submitted to the Audit Service.

#### **Official's Response**

*In the finding column, you indicated that the money was spent on fuel, but it includes other things in the appendix. Most of these documents were given to you by the Accounts Officer. As you are aware, all of our documents were destroyed when the factory was demolished in July 2018. Therefore, we cannot provide you with the documents requested for the amount of Le1,420,083,285.25 spent in 2017".*

#### **Auditor's Comment**

Supporting documents for Le1,420,083,285.25 expended in 2017 were not submitted for verification. Evidence in the form of fire and police reports from the National Fire Force and the Sierra Leone Police, in support of the explanation provided by Management was not submitted for verification. Our recommendation was therefore not implemented. This issue remains unresolved.

### **3.37.6. Withholding taxes not deducted and paid to the NRA**

We observed that withholding taxes which amounted to Le12,766,820.00, Le6,272,090.00 and Le11,704,280.50 for FY2018, FY2019 and FY2020 respectively, were not deducted and paid to the NRA.

The GM and the Finance Director should ensure that the said taxes are recouped and payments made to the NRA with the receipts justifying payment, submitted to the Audit Service.

#### **Official's Response**

*These payments were mainly made for fuel, cement, engine oil, etc. in which advance payment is made before delivery. Whenever an attempt is made to deduct withholding tax, the suppliers decide to supply us based on the net payment received from us, thereby not accepting the withholding taxes. Efforts would be made to resolve these with our suppliers.*

#### **Auditor's Comment**

Evidence of the amount recouped and receipts justifying payment made to the NRA were not submitted for verification. Our recommendation was not implemented. Therefore, the issue remains unresolved.

### **3.37.7. Advance Salaries Paid to Staff Without Supporting Documents**

We observed that the sum of Le16,250,000 was stated in the 2019 Financial Statements as advance salaries paid to staff, but source documents such as policy on salary advance, request for salary advance, approval, and evidence of recipients' signatures were not provided for audit review. We recommended that the requested documents be submitted to the Audit Service.

#### **Official's Response**

*The amount of Le16,104,500 stated as staff advance occurred prior to 2018; hence the necessary documents were destroyed when the factory was demolished in July 2018. The amount of Le9,838,000 has to do with cash collected from a customer, which was not accounted for by the staff involved and led to her dismissal, and the balance of Le6,266,500 was an advance and imprest given to the late former GM to undertake various activities but got missing when the factory was demolished.*

#### **Auditor's Comment**

Management's explanation was noted. Our recommendation was not implemented. This issue remains unresolved.

### **3.38. FREETOWN WASH AND AQUATIC REVAMPING ENVIRONMENT PROJECT - 2021**

#### **3.38.1. Withholding Taxes Deducted Instead of PAYE from Allowances Paid to PIC Members**

Between 1st January to 30th April 2021, allowances totalling Le384,700,164 were due to Project Implementation Committee (PIC) members, for which reviews conducted revealed the following:

- (i) Withholding taxes totalling Le21,158,509.02 was deducted, instead of PAYE taxes as stipulated in Sections 3 (1&2) and 23 of the Income Tax Act (ITA) of 2000.
- (ii) PAYE taxes totalling Le115,410,049 was not deducted and paid to the NRA.
- (iii) The withholding taxes deducted totalling Le21,158,509.02 was not paid to the NRA, as the receipt to justify payment made was not submitted for audit.

In consultation with the Financial Management Specialist, the Project Coordinator should ensure the following:

- (i) That going forward, allowances paid to PIC members are taxed in accordance with Sections 3 (1&2) and 23 of the Income Tax Act of 2000.
- (ii) The PAYE taxes totalling Le115,410,049 is recouped from the PIC members and paid to the NRA. Evidence of payment made should be submitted to the Audit Service for verification.
- (iii) Withholding taxes totalling Le21,158,509.02 should be paid to the NRA and evidence of payment should be submitted to the Audit Service for verification.

#### **Official's Response**

*Management has taken note of the finding, and payment of Le45,522,961.83 has been made to the NRA. During the year ended 31st December 2021, the allocated budget of Counterpart Funds was not received by the Project. This has resulted in challenges with cash flow which will be rectified during the current year.*

#### **Auditor's Comment**

- (i) The response provided was not in line with issues raised as this payment of Le45,522,961.83 related to 5.5% withholding taxes on goods and services.
- (ii) Evidence justifying that the PAYE taxes totalling Le115,410,049 was recouped from the PIC members and paid to the NRA was not submitted for audit.
- (iii) Evidence of payment of the withholding taxes paid to the NRA was not submitted for verification. These issues remain unresolved.

#### **3.38.2. Non-deduction of PAYE from Allowances Paid to PIC and PIU Members**

We observed that the Project Management team failed to deduct the PAYE taxes from total allowances earned by the PIC and Project Implementing Unit (PIU) members for the period 1st May to 31st December, 2021. The total PAYE taxes not deducted amounted to Le264,741,998.

The non-payment of PAYE taxes contravened Sections 3 (1&2) and 23 of the Income Tax Act of 2000. In consultation with the Financial Management Specialist, the Project Manager should ensure that going forward, allowances paid to PIC members are taxed in accordance with Section 3 (1&2) and Section 23 of the Income Tax Act of 2000. The PAYE taxes totalling Le264,741,998 should be recouped from the PIC and PIU members and paid to the NRA and evidence of payment made is submitted to the Audit Service for verification.

#### **Official's Response**

*Management has taken note of the finding, and payment of Le45,522,961.83 has been paid to the NRA. During the year ended 31st December 2021, the allocated budget of Counterpart Funds was not received by the project. This has resulted in challenges with cash flow which will be rectified during the current year.*



**Auditor's Comment**

The response provided was not in line with issues raised, as the payment of Le45,522,961.83 related to 5.5% withholding taxes on goods and services.

Evidence justifying that the PAYE taxes totalling Le264,741,998 was recouped from the PIC and PIU members and paid to the NRA was not submitted for verification. This issue remained unresolved.

**3.38.3. Non-payment of Withholding Tax to the NRA**

A total amount of Le45,522,967.83 from the Project Counterpart Account was withheld as withholding tax but was not paid to the NRA as evidence to justify payment made was not submitted for audit.

In consultation with the Financial Management Specialist, the Project Manager should ensure that the total withholding taxes withheld, is paid to the NRA, and receipt justifying payment submitted to the Audit Service for verification.

**Official's Response**

*Management has taken note of the finding, and payment of Le45,522,961.83 has been paid to the NRA. During the year ended 31st December 2021, the allocated budget of counterpart funds was not received by the project. This has resulted in challenges with cash flow which will be rectified during the current year.*

**Auditor's Comment**

The team was provided with an NRA pay-in slip dated 12th May 2022, detailing the payment of Le45,522,967.83. The Project's bank statement indicating debit made was not provided for audit. A receipt from the NRA to confirm payment made was also not submitted for verification. Therefore, the issue remains unresolved.

**3.39. PHARMACY BOARD OF SIERRA LEONE - 2020****3.39.1. Payroll Irregularities**

We noted that statutory obligations (NASSIT contributions and PAYE taxes) were not met for some months during the period under review. We also noted that the entity did not make payments of NASSIT contributions and PAYE taxes within the stipulated period which is on or before the 15th of the following month. We recommended that timely consideration be given to matters raised in the management letter, and that the matters noted above be addressed promptly.

**Official's Response**

*The content of the observation is noted. However, delay in making these payments is as a result of the untimely release of funds from the Ministry of Finance. Moving forward, we will continue to engage the Ministry of Finance for the timely release of these funds for timely payment of NASSIT contributions and NRA taxes.*

**Auditor's Comment**

Our recommendation was not implemented. The issue therefore remains unresolved.

**3.39.2. Donor Confirmation**

As part of our audit procedures, we are required to obtain third party confirmation from the Organisation's donors. Donor confirmations were sent out. However, we did not receive response from the following:

Name of the Donor	Amount in the Financial Statements (Le)
World Health Organisation	195,500,000.00
Zentrales Finanzwesen Des Bundes	43,418,155.97
The West African Health Organisation (WAHO Project)	79,069,094.95
<b>Total</b>	<b>317,987,250.92</b>

We recommended that Management follow up with the various donors, to ensure their responses are received prior to the finalisation of the Financial Statements.

**Official's Response**

*Management notes the observation and has made several requests for confirmation through mails as they are foreign based donors, and some have acknowledged that they have responded to the email address submitted by auditor.*

**Auditor's Comment**

Our recommendation was not implemented. The issue therefore remains unresolved.

**3.40. RIGHT TO ACCESS INFORMATION - 2020**

**3.40.1. Withholding Tax**

Withholding taxes totalling Le16,444,175 was deducted from payments, but not paid to the NRA.

**Official's Response**

*Surely the Commission will definitely adhere to your recommendations to pay all withholding taxes to the NRA within date stipulated.*

**Auditor's Comment**

Our recommendation was not implemented, the issue therefore remains unresolved.

**3.41. NATIONAL CONSERVATION TRUST FUND: 2017 - 2018**

**3.41.1. Financial Statements Preparation**

The following were observed:

- The Financial Statements submitted for audit did not disclose by way of disaggregation or the sources of revenue received during the periods under review.
- An approved budget with clear operational and financial targets was not submitted for audit.
- The Finance policy and procedural manual submitted for audit had not been approved by the Board, and it failed to outline processes for managing revenue, payables, receivables, etc.

We recommended that, the Finance Manager and the Executive Chairman should ensure the following:

- A revised Financial Statement should disclose the source of revenue received and submitted to the Audit Service for verification.
- The approved budget of the Trust is forwarded to the Audit Service verification.
- In future, the Finance Policy and Procedural Manual should be updated to include processes for managing revenue and payables.

**Official's Response**

*Conservation Trust Fund (CTF) Management is still engaging the National Protected Area Authority (NPAA) to ensure all revenue are paid to the Trust. There was no approved budget for FY 2017 because the Trust started its operations in January 2017. Approved budget for FY 2018 was submitted to the auditors. Comprehensive Processes*

*and Procedures for revenue, payables and receivables are being developed for Board's approval. The necessary corrections and adjustment are in process with the auditors to correct these omissions.*

#### **Auditor's Comment**

A revised Financial Statement and the approved budget were not submitted. In addition, the Finance Policy and Procedural Manual were also not updated and submitted. These issues remain unresolved.

#### **3.41.2. General Issues**

There was no Disaster Recovery and Business Continuity Plan developed by the Trust. We recommended that the Executive Director, senior management and the Board of Trustees should ensure that a Business Continuity and Disaster Recovery plan is developed and evidence of action taken submitted to the ASSL.

#### **Official's Response**

*Management will ensure a Business Continuity and Disaster Recovery Plan is developed for the Board's approval.*

#### **Auditor's Comment**

Evidence of action taken on our recommendation was not seen. Therefore, the issue remains unresolved.

#### **3.41.3. Verification of Protected Areas**

A verification of protected areas within the country revealed the following:

- (i) Sea Coach Express, a sea transportation company, has encroached between 5 and 15 meters into the sea at Aberdeen, where its head office is located. Valid reasons from the Company or authorisation from the Ministry of Lands, Ministry of the Environment and the Environment Protection Agency were not submitted for audit.
- (ii) Encroachment into the sea at a critical level, including cutting of mangroves, was identified at Crab Town community at Lumley.
- (iii) Critical encroachment endangering the livelihood of chimpanzees at and around the Tacugama Chimpanzee Sanctuary in Regent was also identified.
- (iv) There was massive illegal gold mining within the environs of Lake Sonfon in the Koinadugu District by private individuals.

We recommended that the Executive Chairman and the Board of Trustees, should ensure the following:

- (i) Sea Coach Express should submit authorisation from the Ministry of Lands, Ministry of the Environment, and the Environment Protection Agency to the Audit Service for verification.
- (ii) Funds should be set aside for sensitisation of communities on the dangers of sea encroachment and cutting of mangroves.
- (iii) Active collaboration among the Ministry of Lands, Ministry of the Environment, the National Public Protected Area Authority, and the Environment Protection Agency for appropriate measures to deter communities, individual and businesses from any future encroachment.

#### **Official's Response**

*Both CTF and NPAA management teams are collaborating to address the issues.*

#### **Auditor's Comment**

Though Management has taken some actions to resolve the issues noted in (i) to (iv), but at the time of verification, the audit team was not provided with valid reason why funds had not been set aside for sensitization of communities on the dangers of sea encroachment and cutting of mangroves. Our recommendations were not implemented. Therefore, these issues remain unresolved.

#### **3.41.4. Allowances to Board Members not Justified**

A review of the Board of Trustee's activities revealed the following:

- (i) Total allowances of Le72,900,000 were paid to Board members in 2017. The basis for the payment of such allowance was not provided for audit.
- (ii) Evidence in the form of minutes of meetings and a list of members to justify that an audit sub-committee of the Board was established during the period under review was not submitted for audit.

We recommended that the Executive Chairman and the Board of Trustees ensure the following:

- (i) That the basis for the payment of the total allowance of Le72,900,000 is submitted to the Audit Service.
- (ii) The minutes of meetings and a list of members to justify the establishment of the Board Sub-committee is also submitted to the Audit Service for verification.

#### ***Official's Response***

*Management will take appropriate action to provide evidence, and also collaborate with the Board of Trustees to establish an audit sub-committee.*

#### **Auditor's Comment**

There was no evidence for the payment of allowances totalling Le72,900,000 and the establishment of the Audit Committee of the Board. This issue therefore remains unresolved.

### **3.42. SIERRA LEONE LOCAL CONTENT AGENCY - 2020**

#### **3.42.1. Register of Tangible Fixed Assets**

We observed that the Agency's register of tangible fixed assets is not properly designed because several important pieces of information was not part of the register. These include date of acquisition, value of some of the assets and depreciation charges. We recommended that immediate steps be taken to rewrite the fixed asset register to include this information.

#### ***Official's Response***

*Noted for management action.*

#### **Auditor's Comment**

Our recommendation was not implemented. Therefore, the issue remains unresolved.

#### **3.42.2. Rental Agreement**

We observed that the rental agreement for the property occupied by the Agency at 21 Steward Street, Freetown, is in the name of National Council for Civic Education and Development (NaCCED). Our concern was that there was no formal agreement. We recommended that a written document should be done to record the agreement/understanding between the Agency and NaCCED for the records.

#### ***Official's Response***

*Management has sent a letter to NACCED, followed up with a one-on-one engagement. The process is in progress.*

#### **Auditor's Comment**

Our recommendation was not implemented as there was no evidence of the process being in progress. This issue remains unresolved.

### **3.43. NATIONAL PROTECTED AREA AUTHORITY: 2016 - 2019**

#### **3.43.1. Review of Transaction Postings**

We observed that postings to the Authority's accounting system were not properly checked by senior supervisory officers in the Finance Department because we noted several transactions that were mis-posted. We recommended that postings to the Authority's accounting system should be properly checked by supervisory officers in the finance department for correctness and completeness.

##### ***Official's Response***

*This is an important recommendation to avoid understatement or overstatement of budgeted expenditure lines. Management is pleased to inform that the auditors' recommendation has been implemented, all transaction posted are now reviewed by the Finance Manager for correctness and completeness.*

##### **Auditor's Comment**

Our recommendation was not implemented. This issue remains unresolved.

#### **3.43.2. Physical Verification of Tangible Fixed Assets**

We observed that the Authority was not physically verifying its tangible fixed assets on a regular basis in order to confirm their existence and to determine their condition. We recommended that the Authority should be verifying its tangible fixed assets at least on a yearly basis in order to confirm their existence and determine their condition.

##### ***Official's Response***

*Management acknowledges that there have been deficiencies in processes. However, the auditors and the logistics units were able to undertake physical verification of Tangible Fixed Assets during the audit exercise. Management will ensure that in the future physical verification of tangible fixed asset is regularly done on a yearly basis as per practice.*

##### **Auditor's Comment**

Our recommendation was not implemented. This issue remains unresolved.

#### **3.43.3. Donated Fixed Assets**

Several fixed assets were donated by some organisations which were not part of these Financial Statements. We recommended that these fixed assets should be incorporated as part of the Authority's Financial Statements.

##### ***Official's Response***

*We agree with the auditors' recommendation and the following action will be taken to improve the situation. We will ensure that all donated fixed assets are properly documented and accounted for in accordance with GAAP, measured at fair value. Management will ensure that all donated fixed assets are disclosure in the financial statement under the review if any.*

##### **Auditor's Comment**

Our recommendation was not implemented. Therefore, the issue remains unresolved.

#### **3.43.4. Reconciling Transactions**

We observed that reconciling items for various transactions totalling Le11,317,940 were not reconciled on time. We also noted that some of these transactions were between 2015 and 2017. We recommended the following:

- Bank reconciliation statements should be reviewed by officers with the required experience to do so.
- Reconciling transactions should be reviewed and resolved before bank reconciliation statements are approved.
- Management should engage senior officers of the bank in order to resolve these issues as soon as possible.

**Official's Response**

*Management acknowledges that there have been deficiencies in processes, which have been addressed. (Evidence can be seen from the FY2019 reconciliation statements onwards).*

**Auditor's Comment**

There was no evidence to confirm that our recommendations had been implemented. This issue therefore remains unresolved.

**3.43.5. Bank Balances not part of the Financial Statements**

We observed that the below-mentioned bank accounts were not part of the Authority's Financial Statements for years ended 31st December, 2016 to 2019.

The balances below were confirmed for the years under review by bankers.

<b>Leone Account</b>	<b>(Le)</b>
2016 -2019	9,472,000
<b>US Dollar Account</b>	<b>(US\$)</b>
2016-2019	404,361.25

We recommended that all bank accounts in the name of the Authority should form part of the financial statements of the Authority.

**Official's Response**

*All NPAA accounts are incurred in the Financial Statements under the reporting period. UBA Leones Account is a dormant Bank Account. Management will ensure that it is inactive in the Financial Management System (QuickBooks). UBA USD Account is a non-existing account in our records. However, we do operate a UBA USD Account for MRU Projects. This project is being audited independently by an audit firm hired by the MRU. Evidence of financial records and audit report are available verification.*

**Auditor's Comment**

Documentation to substantiate that the UBA Leone Account was dormant was not made available for verification. In addition, all bank accounts in the name of the Authority should have formed part of the financial statements of the Authority. This issue remains unresolved.

**3.43.6. Non-compliance with Public Debt Legislation**

We reported that the Public Debt Management Act of 2011 requires all borrowings by public enterprises and agencies to be approved by the Minister of Finance. We reported that the National Protected Area Authority & Conservation Trust Fund entered into a loan agreement with the Ministry of Agriculture and Forestry without such approval. We also noted that there was no agreement indicating the terms and conditions of the loan. The following recommendations were made:

- The Authority should engage the Ministry of Finance with the view of getting ratification of this loan agreement.
- All agreements entered by the Authority should be documented.

**Official's Response**

*This transaction was wrongly treated into the Financial Management Application Software (QuickBooks) as loan from MAFFS rather than a support to its sub-vented agency for the payment of office rent. Management will ensure that the corrections are done appropriately.*

**Auditor's Comment**

Documentation to substantiate that the transaction was the payment of office rent and not loan was not made available for verification. This issue remains unresolved.

### **3.44. RURAL FINANCE AND COMMUNITY IMPROVEMENT PROGRAMME PHASE II**

#### **3.44.1. Procurement Documents not Submitted for Audit**

A review of payment schedules and payment vouchers showed that procurement related payments which totalling US\$13,605.19 (Le138,054,557.00) were made to various suppliers without procurement records such as requisition, (RfQs), evaluation reports, LPO, etc.

We also observed that RfQs and other suppliers' records such as business registration certificate, NASSIT clearance, NRA clearance etc. were not seen for one supplier for the supply of antivirus for the NPCU server and computers at the NPCU (Procurement No. NPCU/RFCIP2/NS/02/21) valued at US\$1,583.82 (Le16,000,000.00).

#### ***Official's Response***

*With respect to the solar inverters for three FSAs (US\$895.52), they were never supplied by the service provider on previous contract and the amount was paid when it was supplied. Fencing of the Apex Bank building in Freetown costing US\$10,894.14 was not part of the contract but was found to be required and necessary for the security of the building materials. There was negotiation with the contractor who already has building materials on site to construct the Apex Bank building and to do the perimeter fence. Regarding the supply of Dell laptop computer for the MD of Apex Bank costing US\$1,815.53, the documents are available for verification.*

*Cutting Edge Ltd. did not submit the documents stated and they were disqualified on the evaluation process.*

#### **Auditor's Comment**

The RfQ and other supplier's records such as business registration certificate, NASSIT clearance, NRA clearance etc. in respect of Cutting Edge Ltd for the supply of antivirus for NPCU server and Computers at the NPCU were not provided during the verification. Therefore, this issue remains unresolved.

#### **3.44.2. Non-completion of the Construction of the Apex Bank Building**

In February 2021, the project awarded contract to Madani Services Ventures Sierra Leone Limited for the construction of the Apex Bank headquarters building for a contract cost of Le1,400,000,000. A review of the contract agreement revealed that the contract should have been completed in July 2021. The contractor failed to complete the contract on the completion date and an extension to the completion date was made for March 2022. It was strange that as at the time of this year's audit, verification conducted of the building, showed the construction had not been completed by Madani Services Ventures Sierra Leone Ltd.

#### ***Official's Response***

*The intended outcomes are being achieved as the designed document was requesting for a mortgage for the Apex Bank. But the management of the Project engaged the donors and a "No Objection" was received for the construction of the bank building. The contractor requested an extension of contract completion date stating the following reasons:*

- (i) Soil test needed to be done to determine the depth of hard soil (determination of the depth of foundation).*
- (ii) The rapid increase in prices of imported materials due to inflation and in local materials and labour due to increase in fuel prices.*
- (iii) The availability of imported material due to COVID-19 restrictions.*
- (iv) All these reasons were determined to be valid, and with the expertise of the Technical Assistant (civil works), he determined that a soil test will help in designing and constructing a solid and strong foundation.*

*An approval was given by the Programme Coordinator after investigating and with my expert advice to extend the contract time to March, 2022.*

*There is still a challenge of increasing material prices and acquisition due to inflation further delaying the completion time.*

*We are pushing the contractor to complete and hand over the building by the end of June 2002.  
The necessary conversations and documentation are available for verification.*

#### **Auditor's Comment**

Management's response is noted. However, verification of the building revealed that the June 2002 completion date will not be met by the contractor as there are some work to be executed. Therefore, the issue is unresolved.

#### **3.44.3. Payments without Adequate Supporting Documents**

A review of payment vouchers revealed that total payments of Le2,274,933,495 in respect of various activities implemented, were without adequate supporting documents such as receipts, invoices, beneficiary lists and activity reports, etc.

#### **Official's Response**

- (i) Le822,000,000.00 relates to transfers made to two service providers for the placement of jingles and videos on radio and television. There is a contract between the NPCU and the service providers. These services were carried out. However, there was no agreement between us and the radio stations.*
- (ii) Le193,607,495.00 - The list of attendees for the training is attached on the report submitted by the service provider.*
- (iii) Le1,004,606,000.00 - Returns relating to all these transactions are available for verification as they were not attached to the vouchers.*
- (iv) Le48,000,000.00 - These transactions were made by bank transfer, receipts are more required when payments are made by cash or cheques.*

#### **Auditor's Comment**

Supporting documents amounting to Le2,093,608,495 (92%) were provided during the verification. However, payments totaling Le181,325,000 were still without adequate supporting documents. Our recommendation was substantially implemented.

#### **3.44.4. Bank Statement not Submitted and Bank Confirmation not Received**

A review of the general ledger and the Financial Statements revealed that the International Fund for Agricultural Development (IFAD) transferred US\$601,430.00 to the RFCIP2 project in respect of the Agricultural Finance Facility, to be transferred to the Apex Bank. After several requests by the audit team, the Apex Bank statement was not submitted for audit inspection.

#### **Official's Response**

*We noted the comments of the auditors and the requested bank statements are available for verification.*

#### **Auditor's Comment**

The Apex Bank statements were not submitted for verification. The issue is unresolved.

### **3.45. AGRICULTURE VALUE CHAIN DEVELOPMENT PROJECT - 2021**

#### **3.45.1. Intended Outcomes of the Contracts for the Supply of Groundnut Shellers not Achieved**

We observed that the Agriculture Value Chain Development Project contracted Wingin Heavy Duty Machine Company for the supply and installation of 14 groundnut shellers for an amount of Le621,600,000. It was however noted that the contractor had only supplied four and the delivery period for this contract had elapsed. We further noted that the national shopping method was used for the contract instead of the National Competitive Bidding method.



The Acting Project Manager and the Procurement Manager should ensure that contracts undertaken by the project are effectively monitored to achieve the desired outcomes of the contracts.

They should also ensure that Wingin Heavy Duty Machine Company supply and install the remaining 10 groundnut shellers. Evidence of actions taken should be forwarded to the Audit Service for verification.

**Official's Response**

*This is noted and will move forward as advised by the ASSL. The PMU will ensure that contracts undertaken by the project are effectively monitored to achieve the desired outcomes of the contracts.*

**Auditor's Comment**

As at the time of the verification, the 10 groundnut shellers value at Le444,000,000 had not been supplied by the contractor. Therefore, this issue remains unresolved.

**3.45.2. Payments without Adequate Supporting Documents**

A review of payment vouchers revealed that payments which amounted to Le2,521,674,622, in respect of various activities implemented were without adequate supporting documents such as receipts, invoices, beneficiary lists, reports, etc. The Acting Project Manager and the Financial Controller should ensure that the relevant supporting documents are forwarded to the Audit Service for verification.

**Official's Response**

*All retirement documents are available for audit verification.*

**Auditor's Comment**

Supporting documents totalling Le2,498,674,622 (99%) were provided during the verification. However, payments totalling Le23,000,000 were still without adequate supporting documents. Our recommendation was substantially implemented.

**3.45.3. Withholding Tax Deducted but not Paid to the NRA**

A review of the payment vouchers revealed that withholding taxes which amounted to Le191,657,257 were deducted from the payments made to suppliers and contractors for goods, services and works contracts in 2021. There was however no evidence of NRA receipts to confirm such payments. The Acting Project Manager and the Financial Consultant should ensure that the withholding taxes are paid to the NRA and receipts forwarded to the ASSL for verification.

**Official's Response**

*Some provisions were made in 2022 AWPB for the payment of outstanding taxes. However, the project is awaiting funds from the donors. Payment will be made as soon as funding is available and the AWPB will be revised for the additional funds.*

**Auditor's Comment**

NRA receipts were not provided during the verification. Therefore, this issue remains unresolved.

**3.45.4. Withholding Tax not Paid to the NRA**

A review of the payroll documents revealed that the AVDP deducted 5.5% withholding taxes, totalling Le594,866,551.68 from staff salaries. There was however no evidence of payments to the NRA. We also observed that the total tax that should have been deducted from staff salaries was 10%, instead of the 5.5% that was deducted, leaving total unpaid staff taxes of Le701,922,721.

The Financial Consultant should give justifiable reasons why taxes were not paid within the statutory date, and should ensure that the outstanding withholding taxes totalling Le594,866,551.68 are paid to the NRA with immediate effect and receipts forwarded to the Audit Service for verification.

The Financial Consultant in consultation with the Acting Project Manager should ensure that the taxes that were not deducted from staff salaries were deducted from future emoluments of these staff. They should also ensure that the unpaid taxes are deducted from the end-of-service benefits of staff who had resigned or were part of the project's downsizing.

**Official's Response**

*Due to the budget cap, the Project did not have enough resources to cover taxes. However, provisions will be made in future to comply with such payments. The Project will deduct the 5.5% from subsequent payments and send it to the tax authorities.*

**Auditor's Comment**

Management's response was noted. However, withholding taxes deducted totalling Le594,866,551.68 were not paid to the NRA. There was also no evidence that the 5.5% tax totalling Le701,922,721 was paid to the NRA. Therefore, this issue remains unresolved.

**3.46. UNIVERSAL ACCESS DEVELOPMENT FUND: 2020 - 2021**

**3.46.1. Unpaid levies by Mobile Network Operators and Internet Service Providers**

We observed that levies to the tune of Le12,662,897,160.96 and Le21,412,122,288.34 for the FY2020 & FY2021 respectively remain unpaid by mobile network operators (MNOs) and internet service providers (ISPs). There was no evidence of penalties for non-payment. This contravenes Section 7(1) of the Universal Access Act of 2019 which stipulates that MNOs and ISPs should pay levies based on 0.75% of gross income attributable to income tax on 1st January for the previous year's operation, and Sections 3(a)-3(b) which requires that MNOs and ISPs, who fail to comply will pay penalties and interest of not more than 25% and 5% of the levy, respectively.

The non-payment of arrears will significantly affect UADF's ability to sustain services and to implement the activities for which it was established.

We recommended that the Chief Executive Officer in collaboration with the National Telecommunication Commission and their supervisory Ministry (Ministry of Information) should ensure enforcement of the law and consider imposing strict additional penalties on defaulters.

**Official's Response**

*We have made tremendous efforts to collect the arrears in question. This involved working in parliament to which we have taken MNOs for outstanding debts and we have kept sustained collaboration with parliament which could result in enforcing penalties and interest as in the UADF Act of 2019. As a result, we have started seeing considerable improvement on the payment of levies in 2021 and 2022. Evidence showing our collaboration with parliament to induce and expedite the collection of levies by MNOs is available for your verification.*

**Auditor's Comment**

There was no evidence of efforts made to recover the arrears from MNOs and ISPs. Furthermore, evidence of penalties imposed on MNOs and ISPs for non-payment of the levy was not submitted. The issue therefore remains unresolved.

**3.46.2. Non-submission of Financial Statements and Internet Service Providers**

All Mobile Network Operators (MNOs) and Internet Service Providers (ISPs) are required to submit their Financial Statements to the UADF at the end of every accounting period in order to enable the UADF to calculate the levy to be collected from these service providers. From a review of the financial records of the UADF, we however observed that some MNOs and ISPs did not submit their 2021 Annual Financial Statements to the UADF, despite several requests from same. In the absence of these

Financial Statements, we could not ascertain the accuracy and completeness of the 2021 revenue disclosed in the UADF's Financial Statements.

We recommended that the CEO should request the Financial Statements from the MNOs and ISPs to recalculate the expected revenue and adjust the Financial Statement accordingly.

***Official's Response***

*Efforts are being made so that penalties are included in the up-coming Revised UADF Act or Electronic Bill, 2022 for fines to be levied on MNOs and ISPs for non-submission and late submission of Financial Statements.*

**Auditor's Comment**

During verification, the missing Financial Statements were not submitted by the concerned MNOs and ISPs. This issue is therefore unresolved.

**3.47. INCOME TAX BOARD OF APPELLATE COMMISSION - 2020**

**3.47.1. No Accounting Package**

We observed that the Commission is still not using an accounting package or software to prepare its account. Even though this matter was brought to the attention of management and board during the last audit, it seems as if the Commission is still dragging its feet to put into practice this important recommendation. We recommended that the Commission should purchase and install one of these accounting packages (QuickBooks, Fresh Book or Sage).

***Official's Response***

*The Commission takes responsibility for its inaction which was not deliberate on their part but as a result of administrative gaps, lack of required signatories to authorise such transaction for almost the entire year of 2020. However, the Board had decided to make it, its utmost priority as soon as funds were received in second half of 2021.*

**Auditor's Comment**

No action was taken and therefore the issue is unresolved.

**3.47.2. Incomplete Personal File**

During the audit, we reviewed staff files and observed that they were not adequately maintained and updated with documentary evidence such as birth certificate, application letters and police clearance. We recommend that the Human Resources Manager should request for valid copies of these relevant documents from all staff and forward to the Audit Service for verification.

***Official's Response***

*In relation to the above query, we would like to inform you that the administrative department which is charged with such duty is pleased to inform you that the Board only issued employment letter to staff and not letters of offer. Drivers' license is not a requirement for every staff except those that applied for the position of a driver. Regarding birth certificates and police clearance, the Human Resources and Administrative Officer is presently working on the issue to get all outstanding documents attached to each file in question.*

**Auditor's Comment**

No action was taken on the recommendation. The issue is therefore unresolved.

**3.48. PRODUCE MONITORING BOARD: 2018-2019**

**3.48.1. Payments without Supporting Documents**

We observed that payments without supporting documents for 2018 and 2019 amounted to Le286,553,516 and Le679,806,438 respectively. We recommended that the Finance Manager should provide the relevant supporting documents for the audit inspection.

### **Official's Response**

*These particular set of transactions took place between the periods of January, 2018 to October, 2018 when the Agency was operating its own account at the United Bank for Africa (UBA). This current administration took over in October 2018 and has its operational account at the Bank of Sierra Leone. The Ministry of Trade and Industry (MTI) and Anti-Corruption Commission (ACC) did a private audit and investigation in 2018 on this UBA account to know the financial position of the previous administration before taken over as new administration. The report is available and will be presented to audit for review.*

*Nonetheless, the Account Department will look for the previous supplier's data through the Administrative Office and trace these suppliers on appendix A for copies of invoice, receipt and any other relevant document for the related transactions.*

*Transactions in appendix B iro items without supporting documents for 2019 were for the Quality Produce Fair (3<sup>rd</sup> QPF) organized in Kenema. These transactions amounting to Le168,622,000 (Le27,972,000, Le18,500,000, Le37,950,000, Le27,200,000, Le25,000,000, and Le32,000,000). Please note that the transactions in question were advances taken by staff of the Produce Monitoring Board to meet cash payment for transport refund, accommodation, food, labour and some for the purchase of local materials for which suppliers were not ready to do any transactions on credit basis when they were approached before the commencement of the Quality Produce Fair in Kenema. All relevant documents are attached to their respective vouchers. Vouchers amounting to Le237,689,970 (Le73,660,547 and Le164,029,423) were membership fees paid to the International Cocoa Organizations and the International Coffee Organization respectively for 2018 and 2019 administrative support on behalf of the agency.*

*Transactions amounting to Le53,407,549 (Le40,290, 000 and Le13,117, 545) were amounts paid to suppliers iro staff fuel and office stationaries.*

*Transactions amounting to Le24,400,000 (Le10,000,000, Le10,000,000 and Le4,400,000) were amounts used as petty cash for the month of February and March in FY2019.*

*Transaction amount (Le31,657,500) dated on the 24th December 2019 was not found on our bank statement.*

*Transaction amount (Le164,029,423) was recorded twice on appendix B thus has increased the total to Le679,806,438 instead of Le515,777,019.*

*All these documents with photocopies will be submitted to the audit team for verification.*

### **Auditor's Comment**

All supporting documents were presented for transactions for 2019. For 2018, out of a total of Le286,553,516, payment without adequate supporting documents amounted to Le137,157,596 and payment without no supporting documents totaled Le149,395,920. We concluded that 70% of the requested documents were submitted. Therefore, our recommendation is substantially implemented.

#### **3.48.2. Withholding Tax not Deducted and Paid to the NRA**

A review of payment vouchers and supporting documents revealed that withholding taxes to the tune of Le46,542,238 was not deducted and paid to NRA. We recommended that the Board should ensure that the said amount be paid to NRA within three days and evidence of receipt forwarded to ASSL for verification.

### **Official's Response**

*The Produce Monitoring Board (PMB) is a responsible agency that uphold the laws of Sierra Leone. Transactions amounting to Le15,748,677 were deducted and paid in FY2020 as these formed part of the roll over amount. Ninety percent of these transaction took place in November and December 2019 when the Agency was preparing for the Quality Produce Fair (QPF) in Kenema. Transactions amounting to Le6,864, 520 were amounts deducted from activity advance given to staff to undertake different activities during Quality Produce Fair in Kenema. Therefore, withholding tax should not be deducted on the payments as listed in appendix C. Transactions amounting to Le8,089,040 were transactions from FY2018 from the UBA account which was operated with the agency before the transition. I refer you to management*

*response in 2.6 as it was a matter handled by ACC and a private audit done by MTI whose report will be submitted as evidence to the audit team.*

*Please note that the total amount of the withholding tax deducted from the suppliers and contractors for FY2019 stated above were deducted and payment made to NRA in January 2020. The voucher will be provided to the audit team for verification. The voucher was in filed in FY2020”.*

**Auditor’s Comment**

Supporting documents for withholding taxes for 2019, amounting to Le36,103,736 (78%), were presented for verification. No payment has been made for withholding taxes amounting to Le10,438,502 for 2018. Our recommendation is therefore substantially implemented.

**3.49. SMALL AND MEDIUM ENTERPRISES DEVELOPMENT AGENCY: 2020**

**3.49.1. No Finance and Administrative Policy**

During the audit, we observed that the Agency had no Finance and Administrative Manual. We therefore recommended that the Agency should develop a policy to improve the quality of work and reduce the number of errors and omission within the Agency.

**Official’s Response**

*Management has noted the above recommendation and will ensure that both policies will be in place by the next audit. The organisation has already started working on its Administrative and Human Resources Policy which is already in its draft stage. Copy of the draft administrative and human resources policy is available for your perusal.*

**Auditor’s Comment**

There was no action taken. The issue is therefore unresolved.

**3.50. SIERRA LEONE POSTAL SERVICES LIMITED: 2012 - 2014**

**3.50.1. Unsupported Payables**

We observed that documentation to support payable within one year totaling Le5,865,935,000 and payable more than one year totaling Le4,598,822,000 for the periods under review were not made available for verification. We recommended that these payable accounts should be investigated and appropriate action taken.

**Official’s response**

*Most of the payables were brought forward balances from previous statements.*

**Auditor’s Comment**

The required documentation were not provided. The issue remains unresolved.

**3.50.2. Unsupported Receivables**

We observed that documentation to support receivables totalling Le4,598,824,000 for the period under review were not made available for verification. We recommended that these receivables should be investigated and appropriate action taken.

**Official’s Response**

*Most of the payables were brought forward balances from previous statements.*

**Auditor’s Comment**

The required documentation were not provided. Our recommendation was not implemented and therefore the issue remains unresolved.

### 3.50.3. Unsupported Bank Accounts

We observed that documentation to support the undermentioned bank accounts for the period under review were not made available for verification.

	(Le000)
Sierra Leone Commercial Bank Sterling Account	4,325,167
Sierra Leone Commercial Bank Development Account	113,841
SALPOST Savings Account	(907,099)
Bank of Sierra Leone Savings Account	14,350,511
Barclays Bank Fixed Deposit Account	455,000
Bank of Sierra Leone Investment	56,000,000
	<b>74,337,420</b>

We recommended that these bank accounts be investigated and appropriate action taken.

#### **Official's Response**

*The bank accounts are dormant accounts and the balances were inherited from previous financial statements.*

#### **Auditor's Comment**

The required documentation in support of the response were not provided. The issue remains unresolved.

### 3.50.4. Control over Cash Takings

We observed that daily taking and funds deposited to bank accounts were accounted for through the cash control account in order to establish whether all daily takings were properly accounted for. We observed that cash balances remain almost the same for the entire period under review. It was recommended that daily takings and funds deposited to the bank account should be posted to a cash control accounts in order to properly account for daily takings.

#### **Official's Response**

*Management has developed a control system where all takings are deposited to their appropriate bank accounts on a daily basis by the cashier.*

#### **Auditor's Comment**

SALPOST did not provide the documentation to prove all daily takings were banked intact. The issue remains unresolved.

### 3.50.5. Bank Account Numbers

We noted differences between cash counted at the end of the year under review and balances indicated in the financial statements. It was recommended that cash balances indicated in the annual financial statements should be reconciled to cash count balances.

#### **Official's Response**

*The above might be due to errors in the double-entry process of manual computation.*

#### **Auditor's Comment**

The official's response is not accepted. Our recommendation was not implemented and therefore the issue remains unresolved.

### 3.50.6. Lease of Old SALPOST Office Building

We noted that the Company leased its old post office building at Cline Town, Freetown, to the Access Bank (SI) Limited in 2008, for 10 years. Our concern was that although the lease arrangement was completed, it was however not signed and the Financial Statements for years ended 31st December 2009 to 2011 did not reflect any rental income for this lease. We recommended that the Company

takes immediate steps to sign and ratify this lease documents, and the rental income for 2009 to 2011 be investigated.

***Official's Response***

*The status quo is as it was from last audit.*

**Auditor's Comment**

The signed lease agreement with the Access Bank (SL) Limited was made available for our verification, but the rental income did not reflect in the accounting records of SALPOST. The issue remains unresolved.

**3.50.7. Revaluation of Foreign Bank Balances**

We reported that bank balances denominated in foreign currencies were not translated to Leones at the foreign exchange rates ruling at the end of every month in accordance with accepted accounting principles. We recommended that bank balances denominated in foreign currencies should be translated to Leones at the rate of exchange at the end of every month in accordance with accepted accounting principles.

**Auditor's Comment**

There was no response to the audit finding. The issue therefore remains unresolved.

**3.50.8. Daily Takings**

We reported that daily takings were not deposited to the Company's bank account on time and as a result significant funds were kept in the finance departments without any insurance coverage to cover this exposure. We recommended that all daily takings should be deposited intact to the Company's bank account the next working day after they have been properly checked.

***Official's Response***

*Daily takings are being deposited into their respective company's account on a daily basis.*

**Auditor's Comment**

Documentation was not provided to verify this response. The issue remains unresolved.

**3.50.9. Corporation Tax Irregularities**

We noted that Le96,931,300, Le36,382,521 and Le24,523,059 tax provisions were made in the financial statements for years ended 31st December 2009, 2010 and 2011 respectively but the computation as to how these amounts were arrived at were not available for our verification. In addition, Corporation taxes totalling Le246,363,082 has been outstanding for several years.

We recommended that the Company make all necessary arrangements with authorities of NRA, to settle the abovementioned issues.

***Official's Response***

*Corporate tax was obtained at 30% of profit before tax.*

**Auditor's Comment**

SALPOST response clearly indicates lack of understanding of the issue. Our recommendation was not implemented. The issue therefore remains unresolved.

**3.50.10. Creditors Balances without Documentation**

We reported that documentation to prove the existence and truthfulness of some creditors' balances were not available for audit inspection. We recommended that these accounts should be investigated by management with the view to determining their existence and truthfulness.

### **Official's Response**

*These figures were brought forward from previous financial statements.*

### **Auditor's Comment**

The issue remains unresolved.

### **3.50.11. Budget Performance Review**

We reported that budget performance reports were not closely monitored by management to ensure that expenditures were in line with approved budgets at all times. We recommended that budget performance reports be prepared for the attention of management and the board monthly. The budget report should at least disclose the following:

- Approved budget
- Actual for the period in question
- Variances
- Explanation of such variances

### **Official's Response**

*Management has been operating a budget monitoring on excel.*

### **Auditor's Comment**

Documentation was not provided to verify this response. The issue remains unresolved.

## **3.51. NATIONAL DISASTER MANAGEMENT AGENCY - 2021**

### **3.51.1. Disaster Relief Account Not Replenished**

We observed that the Disaster Relief Account maintained at the SLCB had not been replenished with funds from the MoF since it was established to address emergencies when they occur. In this regard, we noted that a request to the MoF to provide Le27.68 billion in September 2021 to fund its activities was not honoured. In addition, the balance in the disaster relief account has reduced significantly over the period. We recommended that the DG and the Chairman of the National Platform to engage the authorities in the MoF to replenish the Disaster Relief Accounts with the requested amount.

### **Official's Response**

*We have made efforts for the replenishment of the relief account. However, management will continue to engage the appropriate authorities. A reminder letter had been sent to the Financial Secretary to ensure that the account is replenished.*

### **Auditor's Comment**

Management's response was noted. However, this issue remains unresolved.

### **3.51.2. Delay in the Provision of Land for the Construction of an Office**

During the audit, we observed that the GoSL, through the Ministry of Works and Public Assets, paid a yearly rent of Le925 million for the office space occupied by the Agency. In determining the steps taken by the Agency to secure its own premises, we observed that the Agency had received support from the World Bank for constructing an Emergency Operation Centre and office space. We further noted that the disbursement of the grant depends on the availability of land conveyed to the Agency with all legal documentation. Despite several engagements with the Ministry of Lands, Housing and Country Planning, the land had not been secured. We recommended that in collaboration with the Chairman of the National Platform, the Director General should engage the authorities in the Ministry



of Lands to allocate land in order to construct an office for the Agency, especially when funds are available to undertake the project.

#### **Official's Response**

*Management had made conscious effort by engaging the Ministry of Lands, Housing and Country Planning for a piece of land that will aid the construction of office space and an emergency operation Centre that can be used to coordinate large scale disasters. The Ministry of Works and Public Asset provided a piece of seven and half town of land at Bell Air Park for the same purpose. They wrote a formal letter signed by the Permanent Secretary and a site plan developed by the Office of the Professional Head and sent to the Ministry of Lands for approval. This correspondence is yet to receive the necessary attention it deserves.*

#### **Auditor's Comment**

The land had not been secured as at the time of the audit verification. Therefore, this issue remains unresolved.

#### **3.51.3. National Platform not Functional**

The national platform is a national mechanism set up for coordination and policy guidance on disaster risk reduction that is multisector and interdisciplinary, with public, private and civil society participation involving all concerned entities within a country. In this regard, we observed no evidence of meeting minutes and attendance lists to indicate that the National Platform was functional since it was established. In addition, there was no evidence of committees appointed by the National Platform to discharge its functions. This was in contravention of Sections 3(1), 5(1), 8 and 9(1) (2a, 2b & 2c) of the National Disaster Management Act of 2020. Due to the significant role of the National Platform, it is recommended that the Chairman of the National Platform cause action to be taken to ensure the committee's effectiveness. In addition, the DG should collaborate with the National Platform's Chairman to establish sub-committees to discharge its functions.

#### **Official's Response**

*The Director General in his response stated that convening the platform meeting has been a challenge and remains a top priority for the agency.*

#### **Auditor's Comment**

The National Platform was not functional for the year under review. Therefore, this issue remains unresolved.

#### **3.51.4. Absence of an Approved National Disaster Risk Reduction and Management Plan**

Increasingly, Sierra Leone is faced with all types of disasters, which have the potential to pose a significant threat to human health and safety, property, critical infrastructure and internal security. During the audit, we observed that critical policies such as the National Disaster Management Policy and the National Disaster Preparedness, Response, and Recovery Plan for Sierra Leone meant to manage disasters were in the draft stage. We recommended that the DG should collaborate with the National Platform's Chairman to finalise the National Disaster Management Policy and the National Disaster Preparedness, Response, and Recovery Plan for Sierra Leone to ensure the effective functioning of the Agency.

#### **Official's Response**

*The afore-mentioned documents are very key for effective running of the Agency. In principle and practice, these documents were to be presented at the quarterly National Platform meeting for final approval. Unfortunately, the Platform did not meet. The Agency in consultation with senior advisers in the Office of the Chief Minister suggested that the Agency should*

*use applicable clauses in the manuals to ensure operation. However, the Management will consider this a priority and will ensure that the said documents will be approved by the platform to ensure the effective function of the Agency.*

#### **Auditor's Comment**

Management's response was noted. However, the issue remains unresolved.

#### **3.51.5. Ineffective Disaster Management Committees**

There was no evidence, such as meeting minutes, attendance lists, reports, etc., to indicate that the regional, district and chiefdom disaster management committees were functional for the period under review. This contravened Sections 20(1), 22(1) and 25(1) of the National Disaster Management Act of 2020. We recommended that the DG should collaborate with the Chairman of the National Platform to ensure that the regional, district and chiefdom disaster management committees are functional. Evidence of actions taken should be forwarded to the Audit Service.

#### **Official's Response**

*The Agency inherited 16 district disaster management committees that were established by the then Department of Disaster Management. However, a careful study of the new Act indicated new players to be included in the committee, especially the District Disaster Management Committee. Some old memberships have also been transferred. This calls for reconstitution of all the committees and ensure regular meetings. In addition, the Agency was able to establish the Eastern Region Disaster Management Committee and went ahead to reconstitute the Kenema District Disaster Management Committee. More will be done with the availability of resources.*

#### **Auditor's Comment**

Minutes, attendance lists, reports, etc. to justify the effectiveness of the Regional, District and Chiefdom Disaster Management committees were not submitted for verification. Therefore, the issue remains unresolved.

#### **3.51.6. Emergency Toll-free Number not Operational**

Enquiry from key personnel revealed that the toll-free emergency line, 1199, provided through Africell for reporting emergency cases to the Agency, was not functioning at the time of the audit. We further observed that some of the mobile phones provided to the Agency to facilitate communication were faulty. In this regard, the public may find it challenging to report emergency cases to the Agency. We recommended that the Director of Communication should engage Africell to ensure that the emergency line is operational. Similarly, other mobile phone operators should be engaged in providing like services to report emergency cases effectively.

#### **Official's Response**

*The Agency wrote official correspondence to the National Telecommunication Commission and the Ministry of Information and Communications for a dedicated toll-free line to the Agency for emergency management. Among the three mobile companies in the country, only Africell responded positively. They offer the Agency 1199 toll-free line. This line at the outset was faulty but has now been fixed. This was a technical challenge on the part of the company. The agency took up the matter and they feel pleased to inform the auditors that it has been addressed.*

#### **Auditor's Comment**

As at the time of the audit verification, the toll-free line had not been reactivated. The issue remains unresolved.

#### **3.51.7. Inadequate Mobility**

Enquiry from key personnel and a review of the fixed asset register revealed that the Agency was challenged with vehicles and motorbikes. We noted that there was no delivery vehicle to transport relief items to various locations in the country. For the period under review, the Agency spent

Le212,341,500 on hiring vehicles. We recommended that the DG and the Director of Finance should collaborate with the Chairman of the National Platform and other authorities in the Ministry of Finance to ensure that vehicles and motorbikes are procured for the Agency to ease its operations and avoid the massive spending on the hiring of vehicles. Furthermore, the Director General should engage the Permanent Secretary, Ministry of Transport and Aviation to look into the Agency's dire need for vehicles and consider allocating used vehicles to the Agency to facilitate its operations.

**Official's Response**

*The lack of mobility to undertake effective disaster preparedness, mitigation, response and recovery is a huge challenge to the Agency. The only vehicles at the disposal of the Agency are the ones given by the Chinese through the Ministry of Foreign Affairs and International Cooperation and recent one COVID-19 vehicle given to the Agency. The NDMA wrote official letter to the Ministry of Transport and Aviation with specification of vehicle request for its operation. Up to date the Agency had not received the much-needed response to transportation.*

**Auditor's Comment**

Management's response was noted. However, the issue remains unresolved.

**3.51.8. Bank Confirmations not Submitted**

We did not receive confirmation for bank accounts operated at the BSL with total ledger balances of Le192,762,546.00 even though confirmation letters were sent to them. We recommended that the Director of Finance should liaise with the Bank to submit the confirmation letters.

**Official's Response**

*They will liaise with the respective bank to ensure that they reply to the bank confirmations.*

**Auditor's Comment**

The bank confirmation from the BSL in respect of bank accounts operated by the Agency was not received. This issue remains unresolved.

**3.51.9. Unpaid Loan**

During the audit of the Central Intelligence and Security Unit (CISU) for the FY2020, we noted that of was Le1,000,000,000 taken as loan from the tied fund of the Disaster Relief Account, and Le500,000,000 has been repaid by the management of CISU. We recommended that the Chairman of the National Platform and the management of CISU should ensure that a plan is instituted with to repay the outstanding amount of Le500,000,000. Failure will result in the Ministry of Finance and the Accountant General being informed that this amount is to be deducted at source from future allocations to the Unit.

**Official's Response**

*The Director General stated that they will work with the required authorities to ensure that the outstanding loan is paid by the management of CISU.*

**Auditor's Comment**

The outstanding amount of Le500,000,000 has not been repaid by the management of CISU. This issue remains unresolved.

**3.51.10. Ineffective Internal Control**

A review of the Agency's internal control and financial procedures revealed the following:

- We observed that the Human Resources Manual which streamlines the activities of the Agency in terms of its personnel and the Financial Manual which dictates the strategic approaches to be used in managing finances had not been finalised.

- During the review of the Draft Finance Manual, we observed that the classes of transactions and account balances were not clearly identified. In addition, the transaction code for each class of transaction and account balance was not stated.
- We observed that the Agency did not have a risk assessment process to identify and manage fraud and fraud-related matters.

We recommended that the Director General should ensure the following:

- Collaborate with the National Platform's Chairman to finalise the Human Resource and the Financial Manuals.
- Transaction codes for each class of transaction and account balances are identified.
- Develop a risk identification and management procedure that will eliminate the opportunity for a dishonest person to successfully perpetrate fraud in the Agency. These risk identification and management procedures must be regularly monitored and updated.

#### **Official's Response**

*The Director General responded that the following actions will be taken to resolve the observed anomalies:*

- The Agency will develop a risk identification and management procedure that will be monitored and updated regularly.*
- Appropriate action will be taken to ensure that transaction codes for each class of transaction and account balances are clearly identified.*

#### **Auditor's Comment**

As at the time of the audit verification, the Human Resources Manual and the Financial Manual have not been finalised by the Agency. Therefore, this issue remains unresolved.

### **3.51.11. Inadequate Control over the Recording and Reporting of Financial Transactions**

We observed that the Agency did not use an accounting software to record and report its financial transactions to mitigate errors in the Financial Statements and ensure timely preparation of financial reports. We recommended that the Director General should ensure that an accounting software package is installed and used to process and record all transactions of the Agency. This could create sanity and accuracy in these accounting reports/records.

#### **Official's Response**

*The Director General responded that the Agency will work with appropriate authorities to provide an accounting software package for the processing and recording of the Agency's transactions.*

#### **Auditor's Comment**

As at the time of the audit verification, an accounting software had not been acquired by the Agency. Therefore, the issue remains unresolved.

### **3.51.12. Vacant Positions**

We reviewed the organogram of the Agency as stated in Article 9.1 of the manual and compared same with the staff list and noted that there were two key positions (the Chief of Policy and Programmes and Internal Auditor) that were vacant in the Agency. The absence of particularly an internal audit to review and monitor controls at the Agency will increase control risk. We recommended that the Director General should ensure that staff are recruited for these key vacant positions.

#### **Official's Response**

*In his response, the Director General responded that during the last recruitment drive for headquarter staff of the Agency, there was a major missing link for the position of Internal Auditor. However, filling of this vacant position is still on the*

radar of the leadership of the Agency and will follow it up to its logical conclusion. They have been included in the Agency's manpower plan for FY2023.

#### **Auditor's Comment**

Management's response is noted. However, the issue remains the same.

### **3.52. SIERRA LEONE LAW SCHOOL: 2018-2020**

#### **3.52.1. Payments without Adequate Supporting Documents**

A review of cashbook, payment vouchers and their supporting documents revealed that payments amounting to Le161,671,794.00, Le106,286,640.00 and Le89,810,689.00 in respect of goods and services for 2018, 2019 and 2020 respectively, were made without adequate supporting documents such as local purchase order, receipts of payment, delivery notes, NASSIT, tax clearance certificates, business registration certificate, end users request etc.

We recommended that the Accountant should provide the missing supporting documents for audit reviews.

#### **Official's Response**

- (i) *End-users requests and delivery document are available.*
- (ii) *Veera Catering Service was catering for the Law School. She later stopped catering for Law School. When she was asked to provide the necessary documents i.e., Business Registration Certificate, NRA Tax Clearance, she refused.*
- (iii) *Sierra Construction System: I made several visits to the office location at Smart Farm, Wilkinson Road to get the necessary documents from them. The Secretary promised to give the necessary documents, but she sent me a WhatsApp message on 29th December, 2021 that the whole administrative building was burnt. No document was saved.*
- (iv) *Lucky Gold: this business is closed.*

#### **Auditor's Comment**

During the audit verification exercise, some supporting documents were submitted and satisfactorily verified. However, transactions amounting to Le116,109,091.00, Le63,097,650.00 and Le24,593,625.00 for FY2018, FY2019 and FY2020 respectively, were without adequate supporting documents. These issues are therefore partially resolved.

#### **3.52.2. Assets Register not Updated**

We observed that an updated assets register was not maintained during the years under review. This is evidenced by the fact that assets costing Le179,713,795.00, Le22,064,250.00 and Le17,010,000.00 procured in 2018, 2019 and 2020 respectively were not recorded in the register.

We recommended that the officer in charge of assets management should provide an updated assets register that details all assets owned by the Law School.

#### **Official's Response**

*The assets register has been updated. The School will update the assets register and incorporate all assets bought or donated.*

#### **Auditor's Comment**

During the verification, an assets register was not made available for review. This issue therefore remains unresolved.

### **3.53. POLITICAL PARTIES REGISTRATION COMMISSION: 2020**

#### **3.53.1. Arrears Paid to Commissioners without Supporting Documents**

Staff files and justification for payment of arrears amounting to Le11,185,000.00 were not presented for audit inspection.

We recommended that the Acting Registrar should provide appropriate documentation to substantiate the arrears paid. Otherwise, the amount should be recovered and paid into the Consolidated Fund.

#### ***Official's Response***

*The commissioners staff files are available for audit verification.*

#### **Auditor's Comment**

There were no explanation and documents to justify the above payments. The issue therefore remains unresolved.

### **3.54. PARLIAMENTARY SERVICE COMMISSION - 2020**

#### **3.54.1. Payments Without Adequate Supporting Documents**

Contrary to Section 100(1) of the PFMR of 2018, supporting documents were not attached to payment vouchers for disbursement totalling Le183,841,871.00 for goods and services.

These monies could not have been spent on the intended purposes, thereby resulting in loss of public funds. We recommended that the Finance Director should submit the supporting documents during the audit verification exercise.

#### ***Official's Response***

*At the time of the audit, the relative supporting documents were misfiled but are now available for audit inspection.*

#### **Auditor's Comment**

During the verification, supporting documents were not presented. The issue therefore remains unresolved.

#### **3.54.2. Unsupported Payment of Salary Arrears**

Salary arrears of Le84,567,537.00 were paid to seven staff during the year. There was however no justification and documents to support the said payments.

We recommended that the Human Resources Manager should submit the supporting documents during the verification to justify payment of the salary arrears.

#### ***Official's Response***

*The Director of Human Resources has contacted the O/C Payroll at the Ministry of Finance and it was confirmed that the said deductions of the queried personnel were a personal arrangement between the employee and the institutions' or service providers for which they contracted for. We however note your comments and have raised it with the Ministry but we further advise that Parliament as an institution cannot take full responsibility of personal arrangements made on behalf of them.*

*We advise that Parliament is not in charge of payroll management but however, the issue has been communicated to the Ministry of Finance for their action in order to resolve the said discrepancies.*

#### **Auditor's Comment**

During the verification, explanation was provided that the said salary arrears were leave allowances. However, the payroll revealed that the payments were indeed salary arrears. The issue therefore remains unresolved.

### **3.55. EASTERN TECHNICAL UNIVERSITY - 2021**

#### **3.55.1. Records not Maintained for other Income Generating Units**

The following were observed:

A review of a memorandum between the management of the Canteen and the University administration revealed that the Canteen Management is responsible for managing the catering services, chair rentals, Amphitheatre Hall rental and the Ahmad Tejan Kabba Hall rental. According to the memorandum, income generated from these operations should be shared between the University and the Canteen Management in the ratio of 65:35. However, during the audit, we noted that the Canteen Management did not maintain proper records to show income generated.

A review of available records and discussions with heads of units for Carpentry, Electrical and Mechanical Engineering Units revealed that these units generate income from rendering services to the public and there is an agreement for these units to pay a certain percentage of their earnings to the University. However, no records were maintained for the running of these operations, and as such, the total income generated from these operations could not be determined. The income generated from these units could be misappropriated.

We recommended the Vice Chancellor and Principal ensure that these units' operations are reassessed to improve record-keeping and promote transparency and accountability.

#### ***Official's Response***

*That appropriate mechanism has been put in place. A finance staff with the requisite competence to be put in charge to ensure adequate record keeping and reporting.*

*The records are available for audit review.*

#### **Auditor's Comment**

Records are still not maintained for the Canteen, Carpentry, Electrical and Mechanical Engineering Units, as a result, we still could not ascertain the total income generated from these operations. This issue remains unresolved.

#### **3.55.2. Receipt of Bank Confirmations**

Bank Confirmations were not received for the SLCB Sphere Project account, Zenith Bank and EcoBank. Therefore, we could not ascertain the accuracy and completeness of the total amount of Le65,242,399.81 reported in the Financial Statements for the respective bank accounts. We recommended that the Finance Director should liaise with the identified banks and ensure that ASSL receives these account balances confirmations.

#### ***Official's Response***

*The account balance confirmations are now available for review.*

#### **Auditor's Comment**

These confirmations were not received during the verification. This issue remains unresolved.

# PART III



## CHAPTER IV – LOCAL COUNCILS

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## **MAIN POINTS**

### **Introduction**

Since 2018, we have carried out combined financial and compliance audits on 22 Local Councils (LCs).

Financial auditing is a way of determining whether an entity's financial information is presented in accordance with an applicable financial reporting and regulatory framework. Auditors plan their audit that will enable them detect misstatements and errors that can have a material impact on the information presented in the financial statements. Misstatements or errors are considered material if they impact the decisions of the intended users of the financial statements. The objectives of the financial audit are:

- To express an opinion on the 2021 financial statements of the 22 LCs, whether they give a true and fair view of the state of affairs of the Councils, and whether they were prepared in accordance with the International Public Sector Accounting Standards – Cash Basis and other relevant legislation.
- To form an understanding on whether the financial documents and books of account were a reasonable presentation of the results of the activities for the year.
- Whether applicable internal control procedures necessary for sound financial management were in place and working effectively in the councils during 2021.

Compliance audit builds on the definition of public sector audits with a specific focus on assessing compliance with criteria derived from authorities. Authorities are the parliamentary decisions, laws, legislative acts, established codes or norms, and agreed-upon terms that a public sector entity is expected to comply with in the execution of its roles and responsibilities. In compliance auditing, we identify a subject matter, which is the area of the entity's work that the audit will address. The relevant authorities governing the subject matter that is to be audited form the basis of the audit criteria. Regardless of the source of criteria, you perform the audit and form a conclusion on the selected level of assurance, in accordance with the requirements in ISSAI 4000.

### **What We Did**

We conducted the financial audit in accordance with the Audit Service Sierra Leone Manual which is based on the International Standards of SAI's (ISSAI). These standards require that in the conduct of our work, we carry out risk assessments to focus resources on the areas of greatest audit risk. During this engagement, we held discussions with key members of council staff, reviewed key documents, tested key controls and performed tests on financial transactions on a sample basis.

The compliance audit was a direct engagement. The subject matters, Procurement Management and Contract Administration, were evaluated against the criteria which were selected by the auditor who produced the subject matter information using the principles of ISSAI 100, 400 & 4000. A risk-based audit approach was adopted throughout the process by focusing audit resources on areas of high risks of material non-compliance with the procurement laws and regulations.

Our findings and recommendations from the audits of the councils were discussed with the key personnel involved and communicated in individual management letters for them to comment and develop an implementation plan.

## Why it is Important

One good tenet of good governance is decentralisation. It ensures participation and promotes accountability, both of which are vital in sustaining democratic credentials. Local councils are the highest political authority with legislative and executive powers in accordance with the Local Government Act of 2004. The councils are generally responsible for the promotion of the development and welfare of the people in their locality with such resources and capacities as it can mobilise from the central government and its agencies, national and international organisations and the private sector. Therefore, obtaining an audit level of assurance on the financial statements of local councils, and comfort on the quality of governance, accounting and management reporting as well as the level of internal control exercised over expenditure of funds is a matter of profound public interest.

## What We Found

Significant matters identified in the audit examinations of the 22 LCs fall into the following categories:

- Statutory deductions (Withholding taxes, NASSIT contributions and PAYE) not paid over to the relevant authorities
- Irregularities in contract management and procurement administration
- Irregularities in management of stores
- Payments without supporting documents

We have also highlighted on the status of implementation of outstanding audit recommendations

During 2021, the irregularities with financial impact (Estimated Loss) amounted to Le5.61billion.

Table 4 below give the composition of these irregularities.

<b>Table 4</b> <b>Summary of Irregularities with Financial Impact (Estimated Loss) on Local Council's 2021</b>					
<b>Name of LC</b>	<b>Tax Le</b>	<b>Contracts and Procurement Le</b>	<b>Stores Le</b>	<b>Expenditures Le</b>	<b>Total Le</b>
Bombali District	9,219,063.00	-	-	-	9,219,063.00
Bonthe Municipal	-	20,000,000.00	-	-	20,000,000.00
Falaba District	3,701,500.00	18,000,000.00	42,796,000.00	-	64,497,500.00
Freetown City	207,099,303.00	57,684,620.00	-	59,900,000.00	324,683,923.00
Kailahun District	13,330,500.00	-	-	-	13,330,500.00
Kambia District	38,581,558.41	1,341,387,416.09	-	-	1,479,968,974.50
Koinadugu District	-	6,310,000.00	3,200,000.00	-	9,510,000.00
Karene District	6,156,000.00	3,000,000.00	-	-	9,156,000.00
Koidu New Sembehun City	65,843,325.00	-	-	-	65,843,325.00
Moyamba District	-	-	35,000,000.00	-	35,000,000.00
Makeni City	68,337,439.00	28,110,000.00	-	-	96,447,439.00
Port Loko District	130,277,149.00	1,123,508,425.00	579,720,900.00	476,256,654.00	2,309,763,128.00
Port Loko City	23,564,746.14	-	10,000,000.00	-	33,564,746.14
Tonkolili District	-	1,034,508,551.00	-	57,800,000.00	1,092,308,551.00
Western Area Rural District	38,168,550.00	-	-	18,200,000.00	56,368,550.00
<b>Grand Total</b>	<b>704,279,133.55</b>	<b>3,632,509,012.09</b>	<b>670,716,900.00</b>	<b>612,156,654.00</b>	<b>5,619,661,699.64</b>
<b>%</b>	<b>13%</b>	<b>65%</b>	<b>12%</b>	<b>11%</b>	

The audit outcomes are expanded upon in detail below, and in even greater detail in the individual councils' reports submitted to the Minister of Local Government and Rural Development as stipulated in section 81(8) of the Local Government Act of 2004.

## DETAILED FINDINGS AND RECOMMENDATIONS

### 4.1. FINANCIAL STATEMENTS ANALYSIS AND REVIEW

#### 4.1.1. Evaluation of the PETRA Accounting System

The PETRA system in most LCs is not fully functional and user-friendly. In most LCs, only the Accountant and the Finance Officer have direct access to the PETRA. Our concern is that the government pays annual licence for 10 users; eight of them are not making use of the PETRA. The system is also not networked to allow connectivity of the other users; and the PETRA application is installed in one laptop computer that is used at various intervals by the Accountant and the Finance Officer. In addition, we found the PETRA application not to be user friendly, due to difficulties encountered by the current users. In some instances, when a transaction is posted, it duplicates within the system; and when it is reversed, the reversal will not take effect but pops up an error message. In the same vein, when the users encounter problems with the system, they have to send their database to the Public Financial Management Unit (PFMRU) of the Ministry of Finance; for onward submission to the developers in South Africa. This most of the times causes delay in recording transactions on time, and sometimes lead to difficulty in correcting errors of the financial statements within the system. There will be delays in correcting errors within the PETRA system and recording transactions as they occur. This could also lead to creative accounting by falsifying figures due to the limitation posed by the system, and posting transactions under the wrong class due to errors in object codes.

We therefore recommended for the Chief Administrators to engage the PFMRU on this matter to ensure that a more user friendly accounting system is implemented in the councils for better accountability and reporting.

#### *Analysis of Audit Opinions*

In 2021, we noted that 21(95%) out of the 22 LCs, got unqualified audit opinions. This performance materially increased by 18% when compared to 2020 in which the councils recorded 17(77%) unqualified audit opinions. Additional progress observed in FY2021 when compared to FY2020 included the following:

- 17 (77%) LCs maintained their unqualified audit opinion positions
- Four (18%) LCs improved from either a qualified or adverse opinions to an unqualified audit opinion

However, one (5%) LC dropped in performance from a qualified to an adverse audit opinion. Individual council performance, based on audit opinions during 2021 is given in Table 4.1

Table 4.1 Council's Opinion 2021			
No.	Name of Council	Type of Audit Opinion	
		2021	2020
1	Bo District	Unqualified	Unqualified
2	Bombali District	Unqualified	Unqualified
3	Bonthe District	Unqualified	Unqualified
4	Bo City	Unqualified	Unqualified
5	Bonthe Municipal	Unqualified	Unqualified
6	Falaba District	Unqualified	Unqualified
7	Freetown City	Unqualified	Unqualified
8	Kailahun District	Unqualified	Unqualified
9	Kambia District	Unqualified	Unqualified

<b>Table 4.1</b>			
<b>Council's Opinion 2021</b>			
<b>No.</b>	<b>Name of Council</b>	<b>Type of Audit Opinion</b>	
		<b>2021</b>	<b>2020</b>
10	Kenema District	Unqualified	Unqualified
11	Koinadugu District	Unqualified	Adverse
12	Karene District	Unqualified	Qualified
13	Kono District	Unqualified	Unqualified
14	Kenema City	Unqualified	Unqualified
15	Koidu New Sembehun City	Unqualified	Unqualified
16	Moyamba District	Unqualified	Unqualified
17	Makeni City	Unqualified	Unqualified
18	Port Loko District	Adverse	Qualified
19	Pujehun District	Unqualified	Unqualified
20	Port Loko City	Unqualified	Qualified
21	Tonkolili District	Unqualified	Qualified
22	Western Area Rural District	Unqualified	Unqualified

The results reflect positive gradual progress by local councils. This analysis of councils' performance over the years clearly indicates that a good number of them have addressed their weaknesses in internal controls by improving systems and processes, together with the improved leadership oversight and governance.

#### **4.1.2. Quality of the Financial Statements Submitted for Audit**

The financial statements submitted by all 22 LCs contained material misstatements in one or more areas. The successes of LCs in achieving an unqualified audit result (clean audit opinion) were as a result of actions taken by management, and in some instances support from the Public Financial Management Reform Unit of the Ministry of Finance, to correct all misstatements identified during the audit. One LC, Port Loko District Council was unable to correct all the misstatements; and could therefore not avoid the qualification of their financial statements. This indicated that LCs only submitted the financial statements simply to meet the legislated deadline, with no particular regard for their accuracy or correctness.

Similarly, LCs continued to rely on the audit process to identify material errors and omissions in the financial statements. This reliance is not a practice that should be encouraged and these unqualified opinions may therefore not be sustainable.

We therefore recommended that the LCs administrative units should have internal and quality control procedures designed to find errors and omissions in place at all times.

## **4.2. LOCAL COUNCILS REVENUE**

Part VII – Financial Matters of section 45 of the Local Government Act of 2004 states: “Local councils shall be financed from (1) their own revenue collections, (2) from central government grants for devolved functions which include (Administration, Health Services, Education Services, Agricultural Services, Solid Waste Management Services, Rural Water Services and Other Services) and the Local Government Development Grant (LGDG) and (3) from transfers for services delegated from Government Ministries.”

The local council grants and transfers include three (3) broad types of transfers: Administrative Grants, Devolved Functions Grants and the LGDG. The first two is provided for in the LGA of 2004 and are financed solely by the central government. The LGDG is financed by the development partners.

Administrative grants are provided by central government to help defray LCs' administrative expenses recognising that many of them are recently established councils and are only now building capacity to mobilise local revenue. This grant should only be used for administrative and supervision activities related to performing local council functions, and should not be used solely for the allowances of councillors.

Grants for devolved functions are key to LC service delivery. In section 46(2) of the LGA of 2004, provision is made for transfers in the form of tied grants for each devolved function, in an amount that is necessary to continue the operations and maintenance of the devolved function at its pre-devolution level. In accordance with the Statutory Instruments of November 2004, more functions are being devolved to local councils on yearly basis. There is a conditional grants policy framework for local government grant distribution.

Local Government Development Grant (LGDG) is intended to help councils undertake development projects in their localities.

Local council own source revenue according to the Local Government Act of 2004, comprises of: tax revenue and the non-tax revenue. Local councils should therefore make adequate efforts to collect revenues from their own sources. The Chief Administrators are personally responsible for ensuring that adequate safeguards exist and are applied for the assessment, collection and accounting for such revenues and other public monies relating to their departments or offices. This requirement was not met by councils during 2021, and LCs were not making efforts to improve on all sources of their own-source revenue collection.

About 90% of council's funding is from the central government and external grants, whilst only 10% is from own source revenue. It was also noted that there are delays in remittance of grant allocation to the council. For example, in the year 2021, only first and second quarter allocations were received from the central government; and up to the time of audit (May 2022), the council had not received the first quarter allocation from the central government for the 2022 financial year.

#### 4.2.1. Inadequate Control Over Own Source Revenue Mobilisation

##### Western Area Rural District Council

###### *Revenue Not Paid by Consultants*

In 2021, the Council contracted three consulting services for the assessment of properties, collection of the property rates and the deployment of a comprehensive cadastre system. We however noted that the terms of the contract were not fully met by the service providers. Article 4.3 (payment terms) of the general provisions of the contract stipulates the consultants' obligations for the payment of revenue to council. It was however strange to note that the consultants were unable to meet the revenue payment obligations to council as Le5,610,000,000.00 (92% of the total contract revenue) was not paid to the council by the consultants. A summary of the outstanding obligations is given in Table 4.2 below:

<b>Table 4.2</b>				
<b>Contract Terms Not Met By Consultants</b>				
<b>Name of Contractors</b>	<b>Revenue as per Contract (Le)</b>	<b>Revenue Paid to Council (Le)</b>	<b>Revenue Not Paid (Le)</b>	<b>% Revenue Not Paid</b>
Sigma Ventures	2,600,000,000.00	190,000,000.00	2,410,000,000.00	93%
New Generation Solution	650,000,000.00	0	650,000,000.00	100%
Shaadeen Enterprise	2,850,000,000.00	300,000,000.00	2,550,000,000.00	89%
<b>Total</b>	<b>6,100,000,000.00</b>	<b>490,000,000.00</b>	<b>5,610,000,000.00</b>	<b>92%</b>

The council's objective of adequately delivering services to the localities could be greatly hindered. As at the time of concluding this audit, we noted that this matter was being investigated by the Sierra Leone Police.

We therefore recommended that the Chief Administrator should ensure that a report on the outcome of the police investigation is submitted for reference purpose.

#### *Cadastral Software and System Not Handed Over to Council*

Article 3.5 (Ownership of Materials, the Cadastral software and System) of the general provisions of the contract stipulates that any data studies report or other material, graphic or otherwise, hardware packages prepared and developed by the consultant for the client under the contract shall belong to and remain the property of the client. The consultant may retain a copy of such documents and software. A copy of the report and document are retained with the consultant for reference only. The consultant shall provide data in format prescribed by WARDC upon request. However, this provision was not complied with by the consultants as monthly reports, hardware packages prepared and developed by the service providers for the Council were not submitted. The main server that operates the cadastral system was also not installed in the Valuation Department of the Council.

This hinders the effective functions of the Valuation Department as data on property will not be easily available and thus having effect on the credibility of property information that will be produced by the department. As at the time of concluding the audit, we noted that this matter is being investigated by the Sierra Leone Police.

We therefore recommended that the Chief Administrator should ensure that a report on the outcome of the police investigation is submitted for reference purpose.

### **Bombali District Council**

#### *Value for Money Not Achieved in Developing a Revenue Cadastral*

The council invested over Le116,000,000.00 of European Union funds in the previous financial year to develop a new cadastral system. However, a review of the council's management meeting minutes, discussions with key council staff, and a request for auditable information from the cadastral by the team of auditors revealed that the council's cadastral system was malfunctioning at the time of the audit. As a result, the Valuation Unit could not generate revenue arrears relating to property and business licences. It could not perform rollover of the cadastral system into another year at the end of 2021. These adversely affected the own-source revenue generation of the Council. We therefore conclude that value for money for the millions of Leones spent on the new cadastral system was not achieved.

### **Kambia District Council**

#### *Malfunctioning Cadastral System*

Even though the Council invested Le114,460,000.00 to upgrade the cadastral system, we observed that the system was still malfunctioning at the time of the audit. As a result, the Valuation Unit could not generate revenue arrears relating to property and business licences. Moreover, the cadastral system had no backup in the event of system breakdown. There was no anti-virus installed on the computers, and no IT functions to provide regular checks on the computer systems of the Council.

#### *Improper Use of Receipt Books in the Collection of Own Source Revenues*

Duplicate copies of several receipt books used for the collection of revenue were blank, leaving no trace of the type and amount of revenue collected. As a result, it was not possible to determine the total revenue collected from those receipts issued.

### **Koinadugu District Council**

#### *Malfunctioning Revenue Cadastre System*

The council's cadastre system had been and was still malfunctioning at the time of the audit. As a result, the Valuation Unit relied on manual records to collect revenues relating to property and business licences. This adversely affected the own-source revenue generation of the Council. As government grants are small and infrequent, it is advised that the Council increase its efforts to maximise the use of the revenue cadastre system in order to generate enough resources to fund those critical service delivery areas that will increase the well-being and livelihood of the localities in which it operates.

### **Port Loko District Council**

#### *Revenue Sources Not Harnessed by the Council*

The Council has no functioning cadastre system to facilitate the assessment of property rates and business licences within the district, which could adversely hinder the own-source revenue generation of the Council.

### **Kailahun District Council**

#### *Faulty Cadastre System*

The desktop computer hosting the cadastre system was found to be faulty and cannot generate the actual arrears for property taxes and business licences for the period under review.

### **Freetown City Council**

#### *Anomalies in Accounting for Property Tax and Business Licences Revenue*

The agreement between the MOPTAX Software consultant and Council was not submitted for audit purposes. The non-submission of the agreement for Moptax software placed limitation on the audit team to verify the obligations of the parties to the contract.

### **Pujehun District Council**

#### *No Agreement for the Collection of Local Tax Precepts*

Enquiries from the Finance Officer revealed that revenues raised from local taxes across the 14 chiefdoms in Pujehun District should be shared between the Pujehun District Council and the respective chiefdom administrations. From the review of records such as bank statements, cashbooks and receipt books, it was revealed that the Pujehun District Council received payment in respect of local tax precepts in 2021 from only seven chiefdoms. However, there was no evidence of an agreement in place to determine the payment of local tax precepts to the Pujehun District Council by these 14 chiefdoms.

### **Moyamba District Council**

#### *Own Source Revenue Not Collected*

The Council did not collect own-source revenue from 12 budgeted own-source revenue streams with a total estimate of Le96,790,000.00. That was an indication that the own-source revenue mobilisation of the Council was very ineffective for the year under review.

#### *Local Tax Precepts Not Paid*

A review of the financial statements revealed that the Council budgeted a total of Le30,000,000.00 for local tax precept for the year under review. However, there was no evidence that the 14 chiefdoms in the district paid local tax precepts for 2021. Further review of general receipt books revealed that of the 14 chiefdoms in the district, local tax precepts were paid by only eight chiefdoms in 2021 for the 2020 financial year, leaving six chiefdoms that did not pay.



## Bonthe District Council

### *No Evidence of a Functional Cadastre System*

Evidence such as cadastre report, sample of demand notices, and distribution lists were not submitted for audit. Therefore, the auditors could not determine the total quantity of demand notices recorded in the cadastre system as well as those that were printed and distributed to taxpayers and the outstanding amount for the year under review.

### *Own Source Revenue Not Collected*

We observed that the Council failed to collect own-source revenue from 20 revenue streams valued at Le207,918,860. That was an indication that the own-source revenue mobilisation of the Council was very ineffective for the year under review.

## Bo District Council

Enquiry from the Valuation Officer and review of the council's cadastre system revealed that demand notices were not issued to all localities within the council's jurisdiction. This was due to the late disbursement of funds to the Valuation Unit for the assessment, printing and distribution of demand notices. We further observed that the Valuation Unit was grossly understaffed, as it only had one core staff (i.e. Valuation Officer) and seven temporary staff to cover all the localities under the control of the Council. The collection of these revenues requires sufficient manpower in order to meet the set targets of the Council for own-source revenue generation.

## 4.3. EXPENDITURE MANAGEMENT AND CONTROL

### 4.3.1. Payments without Supporting Documents

Payments totalling Le593.95 million for various expenses were without payment vouchers and the relevant supporting documents as evidence of the intended utilisation of the funds. This was contrary to section 100(1) of the PFMRs of 2018, which requires that no payment from the Consolidated Fund or a donor or special fund shall be made without a payment voucher and the relevant supporting documents.

Additionally, we observed that payments totalling Le410.09 million were without adequate supporting documents such as delivery notes, invoices, receipts, back-to-office report and beneficiaries lists to account for the payments.

These situations could undermine adequate controls and lead to payment for goods and services not delivered and misappropriation of Public Funds. Table 4.3 shows councils and their obligations.

<b>Table 4.3</b>		
<b>Payments without Supporting Documents</b>		
<b>Name of Council</b>	<b>Payments Without PVs and Relevant Supporting Documents Le</b>	<b>Payments Without Adequate Supporting Documents Le</b>
Port Loko District	476,256,654.00	678,539,259.00
Port Loko City	-	59,207,410.00
Karene District	-	75,770,379.00
Kambia District	-	31,440,000.00
Falaba District	-	40,450,000.00
Tonkolili District	57,800,000.00	20,223,000.00
Freetown City	59,900,000.00	183,000,000.00
<b>Total</b>	<b>593,956,654.00</b>	<b>410,090,789.00</b>

## **Bombali District Council**

### *Budget Overspent*

Some expenditure lines in the Petra budget module were given "allow to exceed" such that the actual expenditure for the period exceeded the budgeted expenditure. This was visible in Statement 9 (statement of expenditure by administrative units for the year ended 31st December 2021). The Council could have undertaken expenditures without obtaining prior approval, and there is therefore, the tendency for funds to be utilised inappropriately, thereby inhibiting the Council from meeting its approved planned activities.

## **Koinadugu District Council**

### *Imbalanced Budget in the Financial Statements*

In a cash-based budget, total budgeted revenue should equal total budgeted expenditure. During a review of the statement of revenue received during the year and the statement of expenditure by nature, we noted that the budgeted expenditure exceeded the budgeted revenue by Le1,057,340,172. Therefore, funds tend to be utilised inappropriately, thereby inhibiting the Council from meeting its approved planned activities.

## **Falaba District Council**

### *Fuel not Accounted For*

During our review of fuel procured and utilised by the council, we noted that fuel totalling Le42,796,000 was brought to account during 2021. This is a potential loss of council's resources. We therefore recommended that the amount is immediately recovered and paid back into council's account.

### *Flawed Payment System for Contracts Undertaken by the Council*

The council provided support for the construction of a three-classroom building at Samu Village and for which Le200,000,000.00 was earmarked for the procurement of building materials and labour costs. From the payment vouchers examined, we observed that even though the fund has been expended, materials (including those for finishing the building) had been procured and delivered, and food for work had been paid for; the building is still incomplete

## **Port Loko District Council**

### *Fuel not Accounted For*

During our review of fuel procured and utilised by the council, we noted that fuel totalling Le528,720,900 was not brought to account during 2021. Additionally, there was no justification for the use of fuel and other expenditure line items amounting to Le51,000,000.

We therefore recommended that the amount is immediately recovered and paid back into council's account.

### *Budget Overspent*

We reviewed the budget module in the Petra system and compared same with Statement 9 (statement of expenditure by administrative units for the year ended 31st December 2021). In the Petra budget module, we noted that some expenditure lines were given "allow to exceed" such that the actual expenditure for the period exceeded the budgeted expenditure by Le6,525,372,041

## **Western Area Rural District Council**

### *Ineligible Payment of Councillors' Sitting Fees and Allowances*

The sum of Le18,200,000 was paid as sitting fees and allowances for March, May, July, August, September and December 2021. However, there was no evidence of meetings held during this period.

This is a potential loss of council's resources. We therefore recommended that the amount is immediately recovered and paid back into council's account.

#### 4.4. PAYMENT OF STATUTORY OBLIGATIONS

##### 4.4.1. Withholding Taxes and PAYE not Paid to the National Revenue Authority

Withholding taxes and PAYE which totalled Le435.35 million were not paid over to the NRA. Failure to pay statutory deductions will attract penalties that may eventually affect the implementation of the activities of the Council, since the penalty was not budgeted for.

##### 4.4.2. Support Staff Not Registered with the National Social Security and Insurance Trust

Section 30 (b) of the National Social Security and Insurance Trust (NASSIT) Act of 2001 states: "All employees to be immediately registered with the Trust." We observed that 19 council staff of the Makeni City Council, were without NASSIT registration numbers. As a result, staff pension and other benefits could be affected when the staff eventually retire.

##### 4.4.3. NASSIT Contributions Not Paid to the National Social Security and Insurance Trust

NASSIT contributions of Le268.91 million were not paid to the National Social Security and Insurance Trust. Under section 25 of the NASSIT Act of 2001, the Councils are obligated to pay NASSIT contributions that have been withheld within fifteen days of the end of the month, in which it was or should have been withheld. Failure to pay NASSIT contributions increases the risk of penalty of the Council.

Table 4.4 shows councils and their statutory obligations.

Table 4.4 Non-payment of Statutory Obligations			
Name of Council	NASSIT (Le)	Withholding Taxes (Le)	PAYE (Le)
Kailahun District	13,330,500.00	-	
Koidu New Sembehun City	65,843,325.00	-	
Port Loko District	-	123,813,149.00	6,464,000.00
Port Loko City	9,450,000.00	14,114,746.14	-
Makeni City	35,556,180.00	32,781,259.00	-
Karene District	6,156,000.00	-	-
Kambia District	138,581,558.41	-	-
Falaba District	-	3,701,500.00	-
Bombali District	-	9,219,063.00	-
Freetown City	-	207,099,303.00	-
Western Area Rural District	-	38,168,550.00	-
<b>Total</b>	<b>268,917,563.41</b>	<b>428,897,570.14</b>	<b>6,464,000.00</b>

#### 4.5. ASSETS MANAGEMENT AND CONTROL

##### 4.5.1. Assets not Available for Physical Verification

We noted that assets amounting to Le48.20 million were procured during 2021. In spite of repeated requests, these assets were not made available for physical verification and there was no evidence that

they existed. It is concluded that the assets have being misused, thereby leading to loss of council's resources.

<b>Table 4.5 Fixed Assets not Verified</b>	
<b>Name of Council</b>	<b>Value of Assets (Le)</b>
Moyamba District	35,000,000.00
Port Loko City	10,000,000.00
Koinadugu District	3,200,000.00
<b>Total</b>	<b>48,200,000.00</b>

#### **4.5.2. Poor Lease Agreement Management by Bo District Council**

From the review of documents and enquiry from key personnel, we observed that the land-holding families had made a request to the Bo District Council in August 2020 that the lease agreement for the land at Hospital Road-Bo, currently occupied by the Bo Club House had expired. However, the Council did not respond to the land-holding families' request at the time of the audit. Similarly, the lease agreement in question was not submitted for audit by either party.

#### **4.5.3. Assets Procured but not Put in Use Due to Poor Priority Needs Assessment**

At the Falaba District Council, although spacious office space was considered the primary need of the Council during the project needs and constraints assessment phase, the Council went ahead to procure office equipment (air conditioners and executive tables) that are currently not in use due to inadequate office space and poor office infrastructure. Hence, if these assets were left unused for a long time, they could be prone to wear and tear, leading to the waste of resources.

### **4.6. HUMAN RESOURCES MANAGEMENT**

#### **4.6.1. Vacant Staff Positions**

Understaffing overstretches the available staff beyond their capacity, creates job-related stress to the fewer staff and negatively affects the level of public service delivery to the community.

During the review of the staff composition of the Koinadugu District Council, we observed that three key senior positions, including the Finance Officer, Human Resources Officer and Environmental Service Officer, had been vacant for more than six months.

Similarly, an Internal Auditor to ensure compliance with internal control processes and procedures was not in post at the Bonthe Municipal Council. This was contrary to section 84 (2) of the Local Government Act of 2004.

#### **4.6.2. Salary Below the Minimum Wage Paid to Support Staff**

In the Kailahun District Council, a review of support staff payroll records revealed that between January to May 2021, the Council's support staff were paid below the minimum wage; which is contrary to the Finance Act of 2021. Calculations performed by the auditors revealed an amount totalling Le7,480,000, being underpayment of support staff salaries within that period.

### **4.7. CASH AND BANK TRANSACTIONS**

#### **Bonthe District Council**

*Stale Cheques not Removed from the PETRA System*

Staled cheques and debit advice during 2021 totalled Le43,344,675.85. These cheques were not cancelled and reversed in the PETRA Accounting System and were still recorded in the cashbooks. We also noted that the Council maintained four dormant accounts at three banks as at 31st December, 2021. These accounts have been dormant for over one year and were still maintained in the books and financial statements of the Council.

### **Makeni City Council**

#### *Dormant Accounts Not Closed*

A review of the statements of financial assets and liabilities for the year ended 31st December, 2021 revealed that the Council had five (5) bank accounts that were not operational in 2021 and could therefore be considered dormant. In the absence of concrete action to close them, the Council has been incurring unnecessary bank charges, leading to overdrafts.

### **Koidu New Sembehun City Council**

#### *Account not Disclosed in the Financial Statements*

A review of the bank confirmation received from the Sierra Leone Commercial Bank (SLCB) revealed that the Council has an account relating to decentralisation. This account was not disclosed in the financial statements. The omission of such an account limits the fair presentation benchmark of the financial statements and transactions that could have passed through this account not reflected in the financial statements.

### **Kenema District Council**

#### *Stale Cheque Not Cancelled*

We noticed that cheques totalling Le19,576,050.00, issued by the Council to the National Revenue Authority as payment for withholding taxes, and some devolved sector payments for fuel and stationery, were not presented to the bank within six months of their issuance date. As a result, these cheques have become staled and cannot be accepted by the bank anymore; yet the Council continued to consider them as unpresented cheques in the monthly bank reconciliations.

## **4.8. OPERATIONAL EFFECTIVENESS**

### **Falaba District Council**

#### *Delay in the Implementation of Key Activities in the European Union Project*

The Council failed to undertake key activities slated for implementation between July to December 2021 under the EU Grant Contract Agreement. Activities such as the training of crop farmers and livestock owners on innovations in crop improvement and animal husbandry and the provision of barbed wire to fence livestock settlements to prevent cattle, goats and sheep from grazing freely and destroying farmers' crops were not undertaken, even though funds were available in the project account.

### **Kambia District Council**

#### *Grant not Transferred to the Ministry of Youths*

An amount of Le11,079,707.00 transferred to the Council for activities to be implemented as outlined in the Ministry of Youths' Annual Work Plan and Budget was not transferred to the Ministry's account. As such, the Ministry of Youths was deprived from the implementation its planned activities in 2021.

#### *Delay in the Implementation of the European Union Project*

Project delay is typically an issue that can take institutions over budget, cause them to miss deadlines, and sometimes derail projects. During the review of the EU Project Indicative Action Plan of 2021,

we observed that activities meant for implementation were not undertaken due to the slow disbursement of funds from the Project Management Unit. Some of the activities included:

- Establishment of internet connectivity within the council building,
- Fabrication of five boats with 40Hp outboard engines,
- Construction of guesthouse with a conference hall and WASH facilities at Gbalamuya crossing point,
- Construction of 240 lockable stalls with Wash facilities in Bamoi Luma, Madina, Kambia Lorry Park, Samu, Kenema Kholnimakha Chiefdom.

### **Karene District Council**

#### *European Union Project Implementation*

The EU project agreement and the Annual Work Plan were not submitted to the audit team for review. As a result, we could not ascertain whether the activities implemented by the Council were in line with the EU Project Indicative Action Plan of 2021.

### **Port Loko City Council**

#### *Delay in the Disbursement and Implementation of the European Union Project*

Project delay is typically an issue that can take institutions over budget, cause them to miss deadlines, and sometimes derail projects. During the review of the Port Loko City Council's EU Project Indicative Action Plan of 2021, we observed that activities meant for implementation were not undertaken due to the slow disbursement of funds from the Project Management Unit.

### **Freetown City Council**

#### *Late Submission of Financial Statements for Audit*

Section 81(1) of the Local Government Act (LGA) of 2004 requires the Council to submit its 2021 year-end financial statements for audit by 31st March, 2022. This requirement was not met because the Council submitted its financial statements to the Audit Service Sierra Leone on 30th May 2022, 60 days after the stipulated date for submission.

## **4.9. COMPLIANCE AUDIT ISSUES**

We conducted a compliance audit on the Procurement Administration and Contract Management for goods, works and services undertaken by the 22 LCs for the period between 1st January and 31st December, 2021. This was to ascertain whether the Councils were materially compliant with the Public Procurement Act of 2016, the PPR of 2020, and the contract agreements that were in existence during 2021. The following is a summary of the weaknesses and irregularities identified:

### **4.9.1. Payments Made to Various Suppliers/Contractors but no Evidence of Work Done**

During the audit, the team verified a sample of works contracts undertaken by the LCs to confirm whether they were done in line with the signed agreements. Our reviews revealed that payments totalling Le3.46 billion were made for contracts that were not carried out. An analysis is given in table below:

<b>Table 4.6 Contracts Not Executed</b>		
<b>Name of Council</b>	<b>Details of Contract</b>	<b>Value (Le)</b>
Freetown City	Non-construction of Mini Grain Store at Bottom Oku, Wellington.	57,684,620.00
Falaba District	Two road signs, progress photographs and two flagmen to construct a bridge	18,000,000.00
Tonkolili District	Construction of bridges, culverts and the rehabilitation of the Mile 91 market	870,470,000.00
Karene District	Signboards not erected	3,000,000.00
Makeni City	Cow Dung Pit not constructed	28,110,000.00
Koinadugu District	Several works included in the BOQs not done	6,310,000.00
Port Loko District	Several works included in the BOQs not done	1,123,508,425.00
Kambia	Construction of bridges, culverts and Rokel Community Health Centre	1,341,387,416.09
Bonthe Municipal	Three (3) motorbikes for the Solid Waste Management Unit and the Bonthe Government Hospital were not delivered	20,000,000.00
<b>Total</b>		<b>3,468,470,461.09</b>

#### 4.9.2. Procurement Documents Not Submitted for Inspection

Section 32(1-4) of the Public Procurement Act of 2016 requires that the procuring entity shall preserve all documentation relating to the procurement processes in accordance with applicable rules concerning archiving of government documentation. Section 32(6) also stipulates that records and documents maintained by procuring entities on procurement shall be made available for inspection by the Auditor-General upon request for the purpose of audit and review. In spite of repeated requests, the Port Loko District Council failed to submit procurement documents for procurement activities amounting to **Le2,159,206,650**. Table 4.7 gives a summary of procurement activities:

<b>Table 4.7 Procurement Documents Not Submitted</b>		
<b>Contracts</b>	<b>Contract Amount (Le)</b>	<b>Procurement Method</b>
Rehabilitation of maternity, and female wards and kitchen	123,450,000	RFQ
Maintenance of Masumalia- Magbando Line Road and Construction of 2No bridges and 1No box culvert in Koya Chiefdom	483,075,500	NCB
Maintenance of Melekuray - Kambia Makama Feeder Road and Construction of 5No box culvert in Port Loko District	219,099,400	NCB
Maintenance of Robis II to Maforay feeder road, Koya Chiefdom	720,462,750	NCB
Maintenance of Makankare to Makabie feeder road, Koya Chiefdom	613,119,000	NCB
<b>Total</b>	<b>2,159,206,650</b>	

#### **4.10. OTHER PROCUREMENT AND CONTRACT MANAGEMENT IRREGULARITIES**

We reviewed contracts documents and conducted contract verifications to confirm whether the objectives in respect of contracts awarded by the Council were met, all parties met their respective commitments as efficiently and effectively as possible and whether the intended outcomes of the contracts were achieved. The following were observed:

##### **Freetown City Council**

###### *Use of Wrong Procurement Method to Avoid Competition*

We observed that from January to August 2021, the Council used RFQ instead of the National Competitive Bidding procurement method for various procurement activities relating to cleaning activities for the new city council building complex amounting to Le578,528,000. This is contrary to section 37(2) and section 29(3&4) of the Public Procurement Act of 2016.

##### **Western Area Rural District Council**

###### *Construction of Four Rooms Recycling and Agricultural Grain Store*

Clause 3 of the conditions of the contract requires that the work shall be pre-finance to 50 percent of the works, and any payments will be made upon measured works by the Civil Works Engineer. This requirement was not met in the contracts for the construction of an agricultural grain store valued at Le80,000,000. We noted that full payments were made to the contractor instead of the work being pre-financed to 50 percent by the contractor and progressive payment based on measured work thereafter. There is a risk of possible collusion between the contractors and some dishonest officials of the Council. We therefore recommended that the authorities for the payment of the full contract price contrary to the terms of the contract should provide justification for such decision. Otherwise, they should be held accountable for the breach.

###### *Feeder Roads Maintenance Not Completed After Full Payments*

Clause 19.1 of the conditions of contract stipulates that the contractor shall submit to the Project Manager monthly statements of the estimated value of the work executed less the cumulative amount certified previously. Furthermore, Clause 19.2 requires that the Project Manager shall check the contractor's executed work and certify the amount that should be paid to the contractor.

We however noted that in the contracts for feeder roads maintenance within the district, there was no evidence that monthly statements were submitted by the contractor on the estimated value of work executed to the Project Manager. The contract duration was for three months from the commencement date of 14th April, 2021. Strangely, Civil Works Engineer's supervision and monitoring report of 21st August, 2021 revealed that the work was still ongoing even though the full payments of Le207,739,800.00 and Le438,750,000.00 (excluding retention) were made for Lot 2 and Lot 3 respectively.

There was a risk of possible collusion between the contractors and some dishonest officials of the Council. We therefore recommended that the authorities for the payment of the full contract price contrary to the terms of the contract should provide justification for such decision. Otherwise, they should be held accountable for the breach.

##### **Falaba District Council**

We noted severe defects with the road maintenance work along the Dankawale/Mongo Bendugu road constructed in 2020/2021. Several culverts already constructed were damaged along the way, and the contractor did not construct one culvert as indicated in the contract agreement.



### **Port Loko City Council**

We conducted physical verification of roads constructed and noted several defects in the road maintenance work along the Mathaska Junction to Romaka (7.18km) and Rosinct to Mafinsun (6.15km) as some sections of the road were not properly done.

### **Port Loko District Council**

From a review of the Petra expenditure schedules, we noticed that Le464,832,800.00 was paid to a single supplier on various dates for refreshments during the year. However, there was no framework contract agreement with the said supplier.

### **Tonkolili District Council**

From the review of contract documents for the construction and repairs of culverts, bridges and road maintenance within the Tonkolili District, we observed the following anomalies:

- A recalculation of the Bills of Quantities for several civil works contracts undertaken during 2021, revealed an overstatement of Le164,038,551.00 in the contract prices.
- The bid opening, bid evaluation, procurement committee meeting, submission of procurement committee decision to both RMFA and NPPA, reply from RMFA and NPPA and the issuance of all letters of acceptance/offer to successful bidders were all done the same day, 19th April, 2021.

### **Karene District Council**

The council's Civil Works Engineer was designated as the Project Manager for projects implemented during 2021. An inspection of the attendance register and physical verification of staff revealed that the Civil Works Engineer abandoned his duty station without any excuse from the Council or any other authority. The management of the obligations and duties of the Council as specified in the contracts may not have been properly done. Hence, the monitoring of the performance of the contracts may not have been effective.

### **Kambia District Council**

Repairs of the Community Health Centre, Culverts, Bridges and Road Maintenance Works

We observed the following anomalies:

- There was no evidence that retention money was deducted from all contractors' payments.
- The procurement activities for the eight lots were not included in the annual procurement plan of the Council submitted for audit.
- The Council awarded three contracts amounting to Le1,527,824,400.00 for road maintenance and construction of culverts on 20th May 2021, which is the start of the rainy season.
- The Council used the wrong threshold for a work contract costing Le248,742,482.31 awarded to the Abdul Petrol Construction Company for the rehabilitation of the Rokupr Community Centre.
- The Council took two RFQs from the same contractor with two different names bearing the same address for the said contract.
- Letters of acceptance from successful bidders were not submitted for audit inspection.

### **Falaba District Council**

- Physical verification of personnel revealed that the Civil Works Engineer appointed as the Contract Administrator or Project Manager to manage the progress of civil works projects on behalf of the Council had abandoned his duty station. His absence has caused civil works projects of the Council to stagnate as the contractors have abandoned the worksites due to lack of supervision and payment. This tends to increase the project costs as a result of the

interest payment as specified by Clause 20.1 due to a breach of the terms of the contract as specified by Clause 21.1 (d&f) of the contract.

- An examination of pertinent documents revealed that the council did not honour the contractors' interim payment certificates within 45 days of its receipt. As a result, the Council may be exposed to the risk of incurring more costs in the form of interest for late payment and amendment/increase in contract cost due to inflation resulting from the failure to comply with the payment period stipulated. Some of the intended completion dates have elapsed over a year.

#### **Bombali District Council**

- Four culverts valued at Le129,678,000 along the Mankeneh 2 – Pate Bana feeder road were poorly constructed as there was no passage for the flow of water at one end of the road. (See Paragraph 3.3 below).
- Some contracts were not completed on time as per the terms of the contract. The total contract value for these non-compliances amounted to Le1,421,516,700.

#### **Bo City Council**

We observed the following:

- Procurement of specialised drugs and medical supplies valued at Le44,000,000.00 with procurement number BCC/ADMIN/RFQ/024/2021 undertaken by the Council was not included in the Approved Procurement Plan for 2021, even though this was a rollover activity from the 2020 financial year.
- Procurement of stationery and equipment with procurement number BCC/ADMIN/RFQ/033/2021 valued at Le100,000,000.00 was done using the wrong procurement method. The Procurement Committee approved the use of Requests for Quotation (RFQ) method instead of National Competitive Bidding (NCB) method, even though the transaction was above the RFQ threshold. There is a risk that management may have given preferential treatment to a certain contractor or supplier.

#### **Moyamba District Council**

- The electrification is not fully done in the District Medical Store and the store had serious leakage, even though it was rehabilitated in 2021 for a contract price of Le49,975,250.
- We observed that the contract for the rehabilitation of Maternity and Child Health Post (MCHP) at Moforay Community for a contract price of Le77,580,150.00 was still ongoing, even though the completion date has elapsed and the full contract amount paid to the contractor.

### **4.11. ANALYSIS OF FOLLOW-UP ON PRIOR YEAR'S RECOMMENDATIONS**

An important component of any audit process is the follow-up of audit recommendations. There is little benefit to an audit unless recommendations are implemented. Therefore, the ASSL has since initiated a formal process to follow up and report on previously issued audit recommendations on LCs.

Table 4.8 below indicates the current status of previous audit recommendations as at 31st December, 2021.

Table 4.8 Status of Recommendations for 2021								
No.	Name of Council	Implemented		Not Implemented		Work-in-Progress		Total
		No.	%	No.	%	No.	%	
1	Kenema District	-	-	-	-	-	-	-
2	Kenema City	16	89%	1	6%	1	6%	18
3	Kono District	14	88%	1	6%	1	6%	16
4	Kailahun District	12	86%	1	7%	1	7%	14
5	Koidu New Sembehun City	12	80%	0	0%	3	20%	15
6	Tonkolili District	18	72%	0	0%	7	28%	25
7	Port Loko City	10	56%	5	28%	3	17%	18
8	Port Loko District	19	53%	4	11%	13	36%	36
9	Karene District	4	50%	0	0%	4	50%	8
10	Falaba District	5	50%	1	10%	4	40%	10
11	Moyamba District	6	40%	2	13%	7	47%	15
12	Bo District	6	38%	5	31%	5	31%	16
13	Bonthe Municipal	6	35%	4	24%	7	41%	17
14	Pujehun District	4	29%	1	7%	9	64%	14
15	Bo City	5	28%	7	39%	6	33%	18
16	Freetown City	4	21%	2	11%	13	68%	19
17	Bombali District	3	16%	6	32%	10	53%	19
18	Makeni City	1	14%	2	29%	4	57%	7
19	Western Area Rural District	1	13%	1	13%	6	75%	8
20	Bonthe District	3	10%	3	10%	25	81%	31
21	Koinadugu District	0	0%	1	14%	6	86%	7
22	Kambia District	0	0%	1	3%	30	97%	31
	<b>Total</b>	<b>149</b>	<b>41%</b>	<b>48</b>	<b>13%</b>	<b>165</b>	<b>46%</b>	<b>362</b>

The purpose of this analysis was to determine the level of actions taken on prior years' audit recommendations by the 22 LCs. Actions taken were classified into three groups: implemented, not implemented or work-in-progress (partly implemented). This categorisation is explained below:

- *Implemented* - The recommendation has been implemented or an alternate solution has been applied that fully addresses the risk identified in the recommendation;
- *Work-in-Progress* - Management is in the process of taking steps to implement the recommendation; and
- *Not implemented* - Management has not implemented the recommendation or addressed the risk identified.

Prior audit recommendations were not given the level of attention citizens and other stakeholders have a right to expect. Overall, only **41%** of previous recommendations have been implemented by the LCs. There were 362 outstanding recommendations of which 149 were implemented, 48 are a work in progress and 165 were not implemented.

There were no outstanding audit recommendations to be followed up for Kenema District Council. It means that all of the recommendations were fully implemented by the Council.

Further analysis of the status of outstanding recommendations revealed that nine (9) LCs have an implementation rate of 50% and above and nine (9) are in the process of implementation with a rate of 50% and above.

We encourage all LCs to continue in the direction of implementing audit recommendations as it represents critical input to good governance.

## CHAPTER V – SCHOOLS

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## INTRODUCTION

We examined the operations of selected secondary schools countrywide to ascertain their compliance with legal regulatory framework in promoting the Free Quality Education scheme in Sierra Leone; which is the government's flagship programme.

The set of criteria used in evaluating compliance were derived from the following authorities:

- (i) The Education Act, 2004
- (ii) The Public Financial Management Act, 2016
- (iii) Public Financial Management Regulations, 2018
- (iv) The 2010 Government Policy on Education

Three areas selected as subject matters were as follows:

- ***School Management and Infrastructure:*** We assessed the adequacy of the available classrooms and furniture against the number of pupils per class in the school, staff matters, water and sanitation facilities for hygiene purpose and the availability of facilities to cater for students with disability.
- ***Payment of School Fee Subsidies and Public Examination Fees:*** We assessed the accuracy of the list of pupils' names submitted to the Ministry of Basic and Senior Secondary Education (MBSSE) against the schools' enrolment list of examination classes.
- ***Financial Management and Control:*** We assessed whether the schools maintained proper records to account for expenditure and whether payments made by the schools had approval and adequate documentation. We also assessed whether value-for-money was achieved in the disbursement of school's funds.

Our review covered a total of 102 secondary schools (JSS and SSS) across the country. A summary of cross-cutting issues identified during the reviews is analysed in the table below:

	<b>Cross-cutting Issues Among Selected Schools</b>	<b>Total Number Schools Affected</b>	
		<b>No.</b>	<b>%</b>
<b>A</b>	<b><i>School Management and Infrastructure</i></b>		
1	Overcrowded classrooms	<b>52</b>	51%
2	Insufficient furniture in the classrooms	<b>35</b>	34%
3	Lack of school libraries and science laboratories	<b>44</b>	43%
4	Lack of sanitation facilities in the schools (no water supply, insufficient or poor latrines etc.)	<b>42</b>	41%
5	Volunteer teachers not regularised on the government payroll	<b>62</b>	61%
<b>B</b>	<b><i>Payment of School Fee Subsidies and Matters on Public Examination</i></b>		
1	Overstatement of pupil enrolment for WASSCE/BECE and the payment of school subsidies	<b>26</b>	25%
2	Late remittance of approved school fee subsidies	<b>101</b>	99%
3	Continuous assessment for WASSCE/BECE candidates not provided	<b>10</b>	10%
<b>C</b>	<b><i>Financial Management and Control</i></b>		
1	Payment without supporting/adequate supporting documents	<b>20</b>	20%
2	No fixed assets register and fixed assets not updated with codes or numbers	<b>35</b>	34%
3	Bank reconciliations not done	<b>58</b>	57%
4	NASSIT deduction for support staff not paid	<b>2</b>	2%
5	Cash held instead of being banked	<b>7</b>	7%

Government continues to pay subsidies to approved schools. In 2021, there were no guidelines on how subsidies paid were utilized. The respective beneficiary schools determined how the subsidies are utilised.

The number of resources (teaching and learning materials, furniture, etc., as well as subsidies) disbursed to approved schools are quite substantial since the advent of the Free Quality School Education (FQSE)

Payment of school subsidies, as part of other support by the Government, is geared towards reducing the cost of schooling on parents/guardians, and at the same time improves access and quality of schooling. Therefore, delays in payment of government subsidies to approved schools negatively impacted on the operations of some schools. The subsidies received by schools are normally used to pay stipends to teachers who are not on the government payroll, printing of examination questions and answer scripts etc.

Furthermore, from the sample of 102 schools, 44 (43%) of these schools lacked laboratories that were equipped with the relevant equipment and/or functioning libraries. The availability of sophisticated science laboratories for practical work and experiments helps to improve the pass rates in science subjects. The provision of a functional school library will also enable timely and easy access to learning materials for students to carry out relevant research in a conducive learning environment which has the tendency of improving learning outcomes.

We therefore recommended that government intervene in providing functional science laboratories and libraries in all affected schools.

Good financial management ensures that the resources available to the schools are used in the best interest to support the effective operations of schools. More specifically, it is primarily considered to be the monitoring of funds, revenues, expenses, expenditures, salaries and others. Furthermore, it enables school management to maintain the infrastructure and finance the school activities. The Schools Financial Administration works with the various school records; to make the right decisions. However, we noted that 20 (20%) of the sampled schools undertook transactions that were without relevant supporting records, 35 (34%) of the schools failed to maintain or update the fixed assets register, 58 (57%) of the schools failed to carryout bank reconciliations etc.

When schools fail to keep proper documents in respect of funds and resources received and spent by them, it will be impossible for an independent reviewer to ascertain that the resources were utilised for their intended purposes. We therefore recommended that the school management should ensure that all resources managed by the schools are documented for accountability and reference purposes.

Amidst all these challenges, the GoSL continue to pay for national examinations (BECE and WASSCE) and fee subsidies to all government-approved schools.



## APPENDICES

APPENDIX I DETAILED ANALYSIS OF IRREGULARITIES WITH FINANCIAL IMPACT (ESTIMATED LOSS) ACROSS MDs								
Name of MDs	Nature of irregularities	2019		2020		2021		Paragraph Reference:
		Le	USD\$	Le	USD\$	Le	USD\$	
Public Accounts								
GPFS	Duty waiver concessions(Import duty) given to illegible NGOs and other taxpayers (Le4,910,176,867.74+ Le14,288,539,594.24)	-	-	-	-	19,198,716,461.98	-	1.1
Total (A)						19,198,716,461.98		
Ministries and Departments								
Ministry of Finance: 2021	Payment without supporting documents	-	-	-	-	11,000,000.00	-	2.1.2
Ministry of Development and Economic Planning: 2021	Payments without supporting documents	-	-	-	-	473,151,490.00	18,000.00	2.2.1
Ministry of Foreign Affairs and International Cooperation: 2019-2021	Bank withdrawals without supporting documents	1,182,715,764.94	-	290,125,806.78	-	554,944,740.24	-	2.3.1
	Double payment of DSAs not refunded	470,125,209.00	-	-	-	-	-	2.3.2
	Special imprest not retired	30,750,000.00	-	203,564,450.00	-	330,000,000.00	-	2.3.3
	Special imprest not accounted for {Le16,642,000+ Le1,021,630,341}	-	-	-	-	1,038,272,341.60	-	2.3.4
	Double payment of salaries to Diplomatic Staff	-	-	-	-	98,856,238.89	-	2.3.6

APPENDIX I DETAILED ANALYSIS OF IRREGULARITIES WITH FINANCIAL IMPACT (ESTIMATED LOSS) ACROSS MDs								
Name of MDs	Nature of irregularities	2019		2020		2021		Paragraph Reference:
		Le	USD\$	Le	USD\$	Le	USD\$	
Ministry of Foreign Affairs and International Cooperation: 2019-2021	Excess payment to a contractor not refunded	-	-	32,241,480.00	-	-	-	2.3.9
	Unverified fixed assets (Le476,000,000)	223,600,000.00	-	160,600,000.00	-	91,800,000.00	-	2.3.10
Ministry of Health and Sanitation(HQ)-2021	Non-performance/supply as per contract agreements	-	-	-	-	411,208,377.00	56,142.56	2.10.1 & 2.10.4
	Withdrawals without supporting documents	-	-	-	-	4,989,292,775.00	-	2.10.2
District Health Management Team, Kono: 2021	Payments without supporting documents	-	-	-	-	132,999,850.00	-	2.15.1
Makeni Regional Government Hospital – 2021	Revenues not accounted for(Le16,200,000 + Le31,500,000)	-	-	-	-	47,700,000.00	-	2.17.1
Ministry of Technical and Higher Education(HQ): 2021	Expenditure returns not submitted TVET centres	-	-	-	-	3,221,650,000.00	-	2.19.3
	PAYE not deducted and paid to NRA by TVETcentres (Le239,000,000+ Le144,171,000 )	-	-	-	-	383,171,000.00	-	2.19.3
	Withholding tax not deducted and paid to NRA by TVET centres	-	-	-	-	31,466,220.00	-	2.19.3
Ministry of Technical and Higher Education - South:2020 & 2021	Non-payment of withholding taxes - SDF Project Account	-	-	-	-	11,150,254.50	-	2.20.2
	NASSIT contributions not paid to NASSIT	-	-	-	-	71,610,843.72	-	2.20.4

APPENDIX I DETAILED ANALYSIS OF IRREGULARITIES WITH FINANCIAL IMPACT (ESTIMATED LOSS) ACROSS MDs								
Name of MDs	Nature of irregularities	2019		2020		2021		Paragraph Reference:
		Le	USD\$	Le	USD\$	Le	USD\$	
Ministry of Basic and Senior Secondary Education(HQ): 2021 Ministry of Basic and Senior Secondary Education(HQ): 2021	No evidence of payment of GST to NRA	-	-	-	-	27,600,000.00	-	2.22.1
	Incomplete/short supply or non-delivery of contracts	-	-	-	-	48,177,603,975.00	-	2.22.2
	Short supply of Civics Education books	-	-	-	-	290,000,000.00	-	2.22.2
	Payments without supporting documents	-	-	-	-	184,841,535.00	-	2.22.6
	Ineligible payment of public funds to an entity	-	-	-	-	551,225,200.00	-	2.22.8
	DSAs for alleged local travels not refunded	-	-	-	-	34,490,000.00	-	2.22.9
	PAYE tax not paid to NRA	-	-	-	-	179,635,000.00	-	2.22.11
	Double salary paid not refunded	-	-	-	-	118,063,086.00	-	2.22.12
	Unverified fixed assets	-	-	-	-	79,300,000.00	-	2.22.14
Sierra Leone Free Education Project (SLFEP): 2021.	Unretired payments and advances	-	-	-	-	-	137,550.00	2.23.5
	Extra salary paid to project staff above the Ministry of Finance authorised scale	-	-	-	-	-	74,100.00	2.23.8
	PAYE not paid to NRA	-	-	-	-	-	200,024.00	2.23.9
Ministry of Basic and Senior Secondary Education (Kono): 2021	Payments without supporting documents	-	-	-	-	23,200,000.00	-	2.26.1
Ministry of Agriculture and Forestry(HQ):2021	Non-performance/ supply as per contract agreements	-	-	-	-	3,351,455,000.00	-	2.28.2

APPENDIX I DETAILED ANALYSIS OF IRREGULARITIES WITH FINANCIAL IMPACT (ESTIMATED LOSS) ACROSS MDs								
Name of MDs	Nature of irregularities	2019		2020		2021		Paragraph Reference:
		Le	USD\$	Le	USD\$	Le	USD\$	
Ministry of Agriculture and Forestry(HQ):2021	Changes in price quotation without justification	-	-	-	-	-	946,600.00	2.28.3
	Special Imprest not retired	-	-	-	-	64,910,000.00	-	2.28.4
	Payments without supporting documents (Le509,364,200 +Le311,823,000)	-	-	-	-	821,187,200.00	-	2.28.5
	Withholding tax not deducted and paid to NRA	-	-	-	-	50,979,294.00	-	2.28.8
Ministry of Agriculture and Forestry(Bombali):2021	Payments without supporting documents	-	-	-	-	39,500,000.00	-	2.30.1
Ministry of Fisheries and Marine Resources:2021	Unpaid Fees(fishing protection fee, fishing statistics & research fee, and fishing observers fee)	-	-	-	-	1,324,208,393.00	-	2.32.1
Ministry of Defence	Non-performance/ supply as per contract agreements	-	-	-	-	25,276,639,340.00	-	2.33.1
Ministry of Transport and Aviation: 2021	Non-performance/ delivery of vehicles as per contract agreements {Le983,000,000 +Le5,892,000,000+ Le2,880,000,000+ Le371,256,000}	-	-	-	-	10,126,256,000.00	-	2.35.1 & 2.35.2
Ministry of Social Welfare(HQ) : 2021	Special Imprest not retired	-	-	-	-	55,616,000.00	-	2.36.4
	Payments without supporting documents	-	-	-	-	36,289,275.00	-	2.36.6

APPENDIX I DETAILED ANALYSIS OF IRREGULARITIES WITH FINANCIAL IMPACT (ESTIMATED LOSS) ACROSS MDs								
Name of MDs	Nature of irregularities	2019		2020		2021		Paragraph Reference:
		Le	USD\$	Le	USD\$	Le	USD\$	
Ministry of Social Welfare(HQ) : 2021	Unverified assets	-	-	-	-	199,625,000.00	-	2.36.7
Ministry of Lands, Housing and Country Planning: 2020&2021	No evidence of banking revenue	-	-	3,495,295,674.00	-	-	-	2.39.1
	Payments without supporting documents (Le1,607,633,425 + Le121,850,000)	-	-	-	-	1,729,483,425.00	-	2.39.2
	Staff receiving DSA without evidence of attending functions	-	-	-	-	220,270,000.00	-	2.39.4
	Stores Items not accounted For	-	-	-	-	2,467,747,199.00	-	2.39.6
Ministry of Youth Affairs:2021	Withholding taxes deducted but not paid to NRA	-	-	-	-	439,685,263.27	-	2.42.1
	Payments without supporting documents	-	-	-	-	88,620,000.00	-	2.42.2
Ministry of Youth Affairs:2021	Non-performance as per contract agreements	-	-	-	-	60,000,000.00	-	2.42.3
Ministry of Information and Communications: 2021	Special Imprest not retired	-	-	-	-	17,867,197.00	-	2.43.1
	Withholding taxes deducted but not paid to NRA	-	-	-	-	24,979,925.00	-	2.43.2
	Salary paid to staff not available for physical verification	-	-	-	-	46,977,990.00	-	2.43.3
Ministry of Mines and Mineral Resources: 2021	Payments without supporting documents	-	-	-	-	120,398,509.77	-	2.44.1
Ministry of Tourism and Cultural Affairs: 2021	Payments without supporting documents	-	-	-	-	214,000,000.00	-	2.45.1

APPENDIX I DETAILED ANALYSIS OF IRREGULARITIES WITH FINANCIAL IMPACT (ESTIMATED LOSS) ACROSS MDs								
Name of MDs	Nature of irregularities	2019		2020		2021		Paragraph Reference:
		Le	USD\$	Le	USD\$	Le	USD\$	
Ministry of Works and Public Assets: 2021	Salary paid to staff not available for physical verification	-	-	-	-	278,772,492.00	-	2.46.2
	No evidence of banking of revenue collected	-	-	-	-	46,160,000.00	-	2.46.3
Ministry of Water Resources:2019-2021	Withholding taxes not deducted and paid to NRA (Le40,401,365)	16,305,659.00	-	24,095,706.00	-	-	-	2.48.1
Provincial Secretary's Office North West: 2019-2021	Payments without supporting documents	824,999,500.00	-	-	-	-	-	2.51.2
Ministry of Political Affairs: 2020	Salary paid to staff not available for physical verification	-	-	309,051,696.00	-	-	-	2.55.2
Law Officers Department: 2020-2021	Special Imprest not retired	-	-	-	3,000.00	-	-	2.60.2
Office of the Administrator and Registrar General, H/Q: 2021	Revenue not paid into the Consolidated Fund	-	-	-	-	73,641,623.00	-	2.64.1
Office of the Chief Minister: 2021	Payments without supporting documents	-	-	-	-	40,000,000.00	-	2.66.1
<b>Total (B)</b>		<b>2,748,496,132.94</b>	<b>-</b>	<b>4,514,974,812.78</b>	<b>3,000.00</b>	<b>108,779,502,052.99</b>	<b>1,432,416.56</b>	
<b>Grand Total (A+B)</b>		<b>2,748,496,132.94</b>	<b>-</b>	<b>4,514,974,812.78</b>	<b>3,000.00</b>	<b>127,978,218,514.97</b>	<b>1,432,416.56</b>	

APPENDIX II DETAILED ANALYSIS OF IRREGULARITIES WITH FINANCIAL IMPACT (ESTIMATED LOSS) ACROSS DIPLOMATIC MISSIONS										
Name of Embassy	Nature of irregularities	2014	2015	2016	2017	2018	2019	2020	2021	Paragraph Reference:
		US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	
Sierra Leone Embassy Washington, DC: June 2018 - December 2021	Payments to staff after recall from tour of duty (\$87,831.94 + \$86,128.54 + \$48,735.10)	-	-	-	-	-	222,695.58	46,865.35	-	2.5.1
Sierra Leone Permanent Mission to the United Nations, NY: June 2018 - December 2021	Payment of refunds not authorised	-	-	-	-	13,501.22	-	-	-	2.6.1
	Special imprest not retired	-	-	-	-	55,274.50	78,057.00	-	-	2.6.2
Sierra Leone Embassy in Seoul, South Korea: 2014-2021	Consular fees not banked	-	-	-	-	-	-	-	7,519.52	2.7.2
	Consular funds withdrawn but not brought to account (\$35,700)	-	-	-	7,000.00	15,200.00	13,500.00	-	-	2.7.2
	Unclaimed salaries not Brought to Account	-	-	-	-	28,665.00	-	-	-	2.7.3
	Bank withdrawals without supporting documents	-	-	-	-	-	77,095.42	-	-	2.7.4
<b>Total (US\$)</b>		-	-	-	<b>7,000.00</b>	<b>112,640.72</b>	<b>391,348.00</b>	<b>46,865.35</b>	<b>7,519.52</b>	
		€	€	€	€	€	€	€	€	
Sierra Leone Embassy, Brussels: June 2018 - December 2021	Payment of children and education allowances without evidence of birth certificates (€19,083.12)	-	-	-	-	-	3,634.88	10,904.64	4,543.60	2.8.1
	Special imprest not retired	-	-	-	-	-	-	40,141.47	-	2.8.2
<b>Total(€)</b>		-	-	-	-	-	<b>3,634.88</b>	<b>51,046.11</b>	<b>4,543.60</b>	
		£	£	£	£	£	£	£	£	
Sierra Leone High Commission, United Kingdom: June 2018 - December 2021	Payments without supporting documents (£17,644.28)	-	-	-	-	3,285.00	5,361.00	4,896.00	4,102.28	2.9.1
	Refunds without prior authorisation/approval (£12,335.57)	-	-	-	-	1,837.30	3,572.25	3,650.23	3,275.79	2.9.1
<b>Total(£)</b>		-	-	-	-	<b>5,122.30</b>	<b>8,933.25</b>	<b>8,546.23</b>	<b>7,378.07</b>	

APPENDIX III DETAILED ANALYSIS OF IRREGULARITIES WITH FINANCIAL IMPACT (ESTIMATED LOSS) ACROSS PUBLIC ENTERPRISES								
Name of Entity	Nature of irregularities	2017	2018	2019	2020	2021		Paragraph Reference:
		Le	Le	Le	Le	Le	US\$	
Bank of Sierra Leone - 2020	Used of an uneconomic price leading to loss	-	-	-	499,942,500.00	-	-	3.4.1
	Payments without supporting documents	-	-	-	2,760,541,485.22	-	-	3.4.5
Civil Aviation Authority-2020	PAYE not paid to NRA	-	-	-	1,180,815,433.00	-	-	3.10.1
Central Intelligence And Security Unit – 2020	Salary paid to staff on study leave without pay	-	-	-	15,640,876.00	-	-	3.31.1
Electricity Distribution and Supply Authority - 2020-2021	Ineligible refund to a staff	-	-	-	119,285,430.00	-	-	3.23.9
	Payments without supporting documents	-	-	-	161,748,270.00	-	-	3.23.10
Electoral Commission for Sierra Leone-2021	Payments without supporting documents	-	-	-	-	19,650,000.00	-	3.29.1
	Payments without supporting documents	-	-	-	-	174,793,001.00	-	3.29.1
	Withholding taxes not paid to NRA	-	-	-	-	3,435,919.00	-	3.29.6
Freetown Wash and Aquatic Revamping Environment Project – 2021	Withholding taxes not paid to NRA	-	-	-	-	21,158,509.02	-	3.38.1
	PAYE not deducted and paid to NRA	-	-	-	-	115,410,049.00	-	3.38.1
	PAYE not paid to NRA	-	-	-	-	264,741,998.00	-	3.38.2
Guma Valley Water Company - 2020	Payments without supporting documents	-	-	-	81,196,210.08	-	-	3.19.7



APPENDIX III DETAILED ANALYSIS OF IRREGULARITIES WITH FINANCIAL IMPACT (ESTIMATED LOSS) ACROSS PUBLIC ENTERPRISES								
Name of Entity	Nature of irregularities	2017	2018	2019	2020	2021		Paragraph Reference:
		Le	Le	Le	Le	Le	US\$	
Guma Valley Water Company - 2021	Salary paid to an employee after retirement not recouped	-	-	-	-	56,000,000.00	-	3.20.2
	PAYE not paid to NRA	-	-	-	-	10,213,774,887.56	-	3.20.5
	Withholding tax not paid to NRA	-	-	-	-	1,738,292,984.99	-	3.20.5
National Social Security and Insurance Trust - 2020	Payments without supporting documents	-	-	-	1,177,310,440.00	-	-	3.13.4
National Minerals Agency – 2021	Withholding taxes not paid to NRA	-	-	-	-	29,328,000.00	-	3.18.4
	Withholding taxes not paid to NRA	-	-	-	-	159,540,907.00	-	3.18.2
	PAYE not paid to NRA	-	-	-	-	294,716,213.00	-	3.18.2
National Electoral Commission: 2019 – 2020	PAYE not paid to NRA	-	-	334,690,867.39	28,867,765.56	-	-	3.28.6
	Payments without supporting documents	-	-	40,787,000.00	58,193,000.00	-	-	3.28.1
	Withholding taxes not paid to NRA	-	-	15,191,566.50	-	-	-	3.28.6
	GST not paid to NRA	-	-	141,694,693.59	48,869,950.00	-	-	3.28.6
National Revenue Authority: 2021	Withholding taxes not paid	-	-	-	-	-	132,000.00	3.12.2
National Public Procurement Authority - 2020	Payments without supporting documents	-	-	-	75,500,000.00	-	-	3.25.2
National Conservation Trust Fund: 2017 - 2018	Unjustified payment of allowances	72,900,000.00	-	-	-	-	-	3.41.4

APPENDIX III DETAILED ANALYSIS OF IRREGULARITIES WITH FINANCIAL IMPACT (ESTIMATED LOSS) ACROSS PUBLIC ENTERPRISES								
Name of Entity	Nature of irregularities	2017	2018	2019	2020	2021		Paragraph Reference:
		Le	Le	Le	Le	Le	US\$	
National Disaster Management Agency-2021	Unpaid loans	-	-	-	-	500,000,000.00	-	3.51.9
Petroleum Directorate – 2020	GST not paid to NRA	-	-	-	55,804,125.00	-	-	3.15.2
	PAYE not deducted and paid to NRA	-	-	-	72,900,000.00	-	-	3.15.3
Political Parties Registration Commission: 2020	Payments of salary arrears without supporting documents	-	-	-	11,185,000.00	-	-	3.53.1
Parliamentary Service Commission – 2020	Payment of salary arrears without supporting documents	-	-	-	84,567,537.00	-	-	3.54.2
Produce Monitoring Board: 2018-2019	Withholding tax not deducted and paid to NRA	-	10,438,502.00	-	-	-	-	3.48.2
	Payments without supporting documents	-	149,395,920.00	-	-	-	-	3.48.1
Right to Access Information- 2020	Withholding tax deducted but not paid to NRA	-	-	-	16,444,175.00	-	-	3.40.1
Agriculture Value Chain Development Project-2021	Withholding taxes deducted from the supply of goods, service and works contract but not paid to NRA	-	-	-	-	191,657,257.00	-	3.45.3
	Withholding taxes deducted from staff salaries and not paid to NRA	-	-	-	-	1,296,789,272.68	-	3.45.4

APPENDIX III DETAILED ANALYSIS OF IRREGULARITIES WITH FINANCIAL IMPACT (ESTIMATED LOSS) ACROSS PUBLIC ENTERPRISES								
Name of Entity	Nature of irregularities	2017	2018	2019	2020	2021		Paragraph Reference:
		Le	Le	Le	Le	Le	US\$	
Agriculture Value Chain Development Project-2021	(Le594,866,551.68+ Le701,922,721)							
	Non supply of 10 groundnut shellers	-	-	-	-	444,000,000.00	-	3.45.1
Sierra Leone Ports Authority – 2021	Non-performance /supply as per contract agreement	-	-	-	-	457,389,969.75	-	3.7.3
	Payments without supporting documents	-	-	-	-	80,000,000.00	-	3.7.1
Sierra Leone Agricultural Research Institute (SLARI) – 2020	Salary paid to staff who defaulted on the terms of the bonds	-	-	-	516,200,700.00	-	-	3.35.3
	Unjustifiable payments to casual workers	-	-	-	582,345,900.00	-	-	3.35.2
	Payments without supporting documents	-	-	-	35,657,700.00	-	-	3.35.2
	Withholding taxes not paid to NRA	-	-	-	54,151,679.00	-	-	3.35.5
Sierra Blocks Concrete Product Limited: 2017 – 2020	Salary advances paid without supporting documents	-	16,250,000.00	-	-	-	-	3.37.7
	Payments without supporting documents	1,420,083,285.25	-	-	-	-	-	3.37.5
	Withholding taxes not paid to NRA	-	12,766,820.00	6,272,090.00	11,704,280.50	-	-	3.37.6
Sierra Leone Airports Authority – 2020	Withholding taxes not paid to NRA	-	-	-	27,407,309.26	-	-	3.6.2

APPENDIX III DETAILED ANALYSIS OF IRREGULARITIES WITH FINANCIAL IMPACT (ESTIMATED LOSS) ACROSS PUBLIC ENTERPRISES								
Name of Entity	Nature of irregularities	2017	2018	2019	2020	2021		Paragraph Reference:
		Le	Le	Le	Le	Le	US\$	
Sierra Leone Roads Authority - 2021	Ineligible payments of sitting fees (Le28,125,000 +Le24,050,000)	-	-	-	-	52,175,000.00	-	3.8.1
Sierra Leone Road Transport Corporation: 2017 – 2019	Payments without supporting documents (Le164,647,615)	24,980,000.00	4,525,000.00	135,142,615.00	-	-	-	3.9.7
Universal Access Development Fund: 2020 - 2021	Unpaid levies by Mobile Network Operators and Internet Service Providers	-	-	-	12,662,897,160.96	21,412,122,288.34	-	3.46.1
<b>Grand Total</b>		<b>1,517,963,285.25</b>	<b>193,376,242.00</b>	<b>673,778,832.48</b>	<b>20,339,176,926.58</b>	<b>37,524,976,256.34</b>	<b>132,000.00</b>	

APPENDIX IV DETAILED ANALYSIS OF IRREGULARITIES WITH FINANCIAL IMPACT (ESTIMATED LOSS) ACROSS LOCAL COUNCILS			
Name of Local Councils	Nature of irregularities	Amount	Table/Paragraph Reference:
		Le	
Bombali District	Withholding taxes not paid to NRA	9,219,063.00	Table 4.4
Bonthe Municipal	Non-Performance/supply as per contract agreement	20,000,000.00	Table 4.6
Falaba District	Fuel not accounted for	42,796,000.00	4.3.1
“ “	Withholding taxes not paid to NRA	3,701,500.00	Table 4.4
	Non-Performance/supply as per contract agreement	18,000,000.00	Table 4.6
Freetown City	Payments without supporting documents	59,900,000.00	Table 4.3
“ “	Withholding taxes not paid to NRA	207,099,303.00	Table 4.4
“ “	Non-Performance/supply as per contract agreement	57,684,620.00	Table 4.6
Kailahun District	NASSIT contributions not paid to NASSIT	13,330,500.00	Table 4.4
Kambia District	NASSIT contributions not paid to NASSIT	138,581,558.41	Table 4.4
“ “	Non-Performance/supply as per contract agreement	1,341,387,416.09	Table 4.6
Koinadugu District	Fixed Assets not available for physical verification	3,200,000.00	Table 4.5
“ “	Non-Performance/supply as per contract agreement	6,310,000.00	Table 4.6
Karene District	NASSIT contributions not paid to NASSIT	6,156,000.00	Table 4.4
“ “	Non-performance/supply as per contract agreement	3,000,000.00	Table 4.6
Koidu New Sembehun City	NASSIT contributions not paid to NASSIT	65,843,325.00	Table 4.4
Moyamba District	Fixed Assets not available for physical verification	35,000,000.00	Table 4.5
Makeni City	NASSIT contributions not paid to NASSIT	35,556,180.00	Table 4.4
“ “	Withholding taxes not paid to NRA	32,781,259.00	Table 4.4
“ “	Non-performance/supply as per contract agreement	28,110,000.00	Table 4.6
Port Loko District	Fuel not accounted for(Le528,720,900+Le51,000,000)	579,720,900.00	4.3.1
“ “	Payments without supporting documents	476,256,654.00	Table 4.3
“ “	Withholding taxes not paid to NRA	123,813,149.00	Table 4.4
“ “	PAYE not paid to NRA	6,464,000.00	Table 4.4
“ “	Non-performance/supply as per contract agreement	1,123,508,425.00	Table 4.6
Port Loko City	NASSIT contributions not paid to NASSIT	9,450,000.00	Table 4.4

APPENDIX IV DETAILED ANALYSIS OF IRREGULARITIES WITH FINANCIAL IMPACT (ESTIMATED LOSS) ACROSS LOCAL COUNCILS			
Name of Local Councils	Nature of irregularities	Amount	Table/Paragraph Reference:
		Le	
“ “	Withholding taxes not paid to NRA	14,114,746.14	Table 4.4
“ “	Fixed Assets not available for physical verification	10,000,000.00	Table 4.5
Tonkolili District	Payments without supporting documents	57,800,000.00	Table 4.3
“ “	Non-performance/supply as per contract agreement	870,470,000.00	Table 4.6
“ “	Overstatement of contract price	164,038,551.00	4.10
Western Area Rural District	Ineligible payment of councillors sitting fees	18,200,000.00	4.3.1
“ “	Withholding taxes not paid to NRA	38,168,550.00	Table 4.4
<b>LCs Total Irregularities</b>		<b>5,619,661,699.64</b>	