

**Transmittal Letter**



December, 2021

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 to submit our report on the Accounts of Sierra Leone for the Financial Year ended 31st December, 2020.

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 Supreme Audit Institutions – English-speaking countries
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
DFID	-	Department for International Development
DHMT	-	District Health Management Team
DMO	-	District Medical Office(r)
EDSA	-	Electricity Distribution and Supply Authority
EGTC	-	Electricity Generation and Transmission Company
FAR	-	Fixed Assets Register
GoSL	-	Government of Sierra Leone
GPFS	-	General Purpose Financial Statements
GST	-	Goods and Services Tax
HRMO	-	Human Resources Management Office
IAS	-	International Accounting Standards
ICB	-	International Competitive Bidding
IFMIS	-	Integrated Financial Management Information System
IFRS	-	International Financial Reporting Standards
IPAM	-	Institute of Public Administration and Management
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
NCP	-	National Commission for Privatisation
NMA	-	National Minerals Agency
NPPA	-	National Public Procurement Authority
NRA	-	National Revenue Authority
NTB	-	National Tourist Board
PAYE	-	Pay-As-You-Earn
PFMA	-	Public Financial Management Act
PFMR	-	Public Financial Management Regulations
PPR	-	Public Procurement Regulations
PS	-	Permanent Secretary
RFQ	-	Request for Quotations
SAI	-	Supreme Audit Institution
SLP	-	Sierra Leone Police
WHT	-	Withholding Tax

## **THE AUDITOR-GENERAL'S STATEMENT**

We are delighted to present our professional opinion on the Accounts of Sierra Leone for the Financial Year 2020. During our 16 years of independent external audit service to the nation, we have been constantly responding to emerging changes as they occur. As we strive to keep abreast with the current challenges, we are also mindful of the challenges of the future.

In so doing, we have remained focused in fulfilling our constitutional responsibilities.

We do this through audits that provide independent assurance to Parliament on whether the MDAs have managed public funds in accordance with sound financial policies. We have also complied in all material respect with the relevant legal framework and auditing standards in carrying out our work.

This Report provides an insight on how we use our ability to serve the Government, citizens and other stakeholders, and how our work contributes to making Sierra Leone a vibrant, inclusive, transparent and accountable nation. The ASSL workforce is being shaped and supported through research and training which have enabled us to derive a more agile, responsive and innovative service for the future. Transforming our workforce is a key priority for the ASSL to ensure that we are an effective and efficient public service institution, focused on supporting the delivery of the Government's strategic agenda. Over the years, we have also led organisational and cultural change processes across the ASSL to ensure that the workforce is ready to take advantage of the new audit techniques and to adopt more innovative ways of working.

We have made provision in the 2022 annual budget for the establishment of a Legal Affairs Division. The establishment of this Division will change the dynamics and provide an opportunity to strengthen the evidence gathering methods, and put the ASSL in a better position for dealing with legal documentation that may emanate during the course of our work.

In addition to our routine audit work, we have also over the years built a good reputation both locally and internationally. This is to underpin our level of professionalism and also champion the course of public sector accountability.

The Covid-19 pandemic continues to negatively impact our economy. It has impacted our audit process, affected our annual audit coverage and limited the number of face-to-face training activities. In addition, our staff continue to face challenges in the field including in some instances, lack of cooperation from some auditees with regard the provision of adequate audit evidence, and general disregard to the audit process. The lack of cooperation from some auditees in some instances has resulted in backlog audits finding their way into current year audit reports.

## EXECUTIVE SUMMARY

### About this Executive Summary

This executive summary draws on the main issues of each chapter in this Annual Report. This summary is an independent chapter that precisely reflects the overall content of this report. It is laid out in the same sequence as the chapters in the Annual Report so that readers who are interested in seeking detailed information need only go to the individual chapters.

### Our Role

The ASSL is a leading agency responsible for auditing government revenue and spending, but the primary purpose is to oversee the management of public funds, whether from taxpayers and donors, and the quality and credibility of the government's reported financial information.

Through independent, professional, standard-driven audit work, we establish to a level of reasonable assurance that public moneys are used by the government in the manner intended by Parliament. We assess how they are used in terms of economy, efficiency and effectiveness and the quality of reporting on these activities in terms of clarity, fairness, accuracy and transparency. We report to Parliament initially but also to the citizenry of Sierra Leone and other stakeholders.

## ESTIMATED CASH LOSSES

The estimated cash losses identified in the course of our audit amounted to Le153.9 billion. These losses are in respect of the General-Purpose Financial Statements (GPFS), Public Enterprises (PEs), Ministries and Departments (MDs) and Local Councils (LCs) as indicated in Table 1 below:

Table 1					
	Category				
Years	GPFS (Le)	PEs (Le)	MDs (Le)	LCs (Le)	Total (Le)
2016	-	160,965,000.00	-	-	160,965,000.00
2017	-	10,003,311,475.00	-	-	10,003,311,475.00
2018	-	13,155,496,668.00	3,684,711,590.00	-	16,840,208,258.00
2019	-	8,144,259,549.32	5,635,177,560.91	-	13,779,437,110.23
2020	69,337,077,557.91	6,449,223,212.01	33,012,081,702.39	4,334,649,612.71	113,133,032,085.02
Total	69,337,077,557.91	37,913,255,904.33	42,331,970,853.30	4,334,649,612.71	153,916,933,928.25

The estimated cash losses in the above table include those identified both in the year under review (FY 2020) and other backlog audits covering 2016, 2017, 2018 and 2019 financial years. Nonetheless, the Auditor-General's Opinion on the Accounts of Sierra Leone relates only to issues identified in the audit of FY 2020.

## PUBLIC ACCOUNTS

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

The Public Financial Management Act (PFMA) of 2016 provides for effective management of public finances by the central and local governments. We comply with Section 87 of the Act in the preparation of the GPFS.

This section of the Act mandates the Accountant General to establish annual financial statements of the Consolidated Fund three months after the end of a financial year, and to submit, together with explanatory notes to the Auditor-General for auditing through the Minister of Finance (MOF) in line with Section 119(2) of the 1991 Constitution of Sierra Leone.

Government financial statements are annual financial statements or reports for the year. The financial statements communicate the revenue collected and amounts spent. The cash flow statements are often included to show the sources of the revenue and the destination of the expenses. The primary objective of auditing the financial statements is to provide the users with an opinion on whether the financial statements fairly present, in all material respects, the key financial information for the reporting period, in accordance with the financial framework and applicable legislation.

This year, we rendered a qualified audit opinion on the 2020 GPFS of the Consolidated Fund Account of the Government. This reveals inconsistency from the last two years when we issued unqualified opinions. As usual, we have based the opinion on our professional judgement after analysing and evaluating the evidence gathered during the audit of the GPFS, and indirectly, on the findings of the many other audits undertaken throughout 2021 on transactions carried out in 2020.

We have over the years not only reported on the main causes of poor audit outcomes, but have proffered recommendations to add value. The implementation of those recommendations warrants improvement.

Control lapses over revenue, expenditure, public debts, cash and bank, procurement of goods and services continue to attract public attention. A summary of these matters is set out below:

## **Revenue**

Below are highlights of revenue irregularities:

Total revenue of Le329.89 billion was outstanding tax liabilities resulting from non or a part payment, illegal tax credit claims, recalculation of tax liabilities, non-submission of evidence of payment and confirmed revenue arrears.

The National Minerals Agency (NMA) failed to pay some component of their revenue, totalling Le15.9 billion into the consolidated fund during 2020.

Outstanding amounts of US\$479,877.64 and US\$408,157.62 for 2019 and 2020 respectively, owed to the Government of Sierra Leone were neither remitted by the Sierra Leone Maritime Shipping Registration (SLMARAD), nor disclosed in the revenue arrears in the GPFS.

Revenues were deposited into several Escrow accounts by companies for which government shares amounting to Le13.19 billion based on the agreements, were deposited into the General Revenue Account at the Bank of Sierra Leone. Relevant data and reports as required from the agreements were however not submitted for audit.

We reviewed 1,245 duty waiver documents that were without adequate supporting documents. We therefore could not ascertain whether these duty waiver concessions, granted to these taxpayers which amounted to Le144.7 billion were legitimate.



From data in the ASYCUDA World, 58 Non-Governmental Organisations that obtained import duties and GST waivers from the Ministry of Finance totalling Le4.5 billion were not in the NGO gazette of the Ministry of Planning and Economic Development.

Revenue arrears disclosed in the GPFS for the year ended 31st December 2020 was Le346.64 billion.

We selected a sample of arrears for confirmation for which no response to our confirmation requests was received from these taxpayers; and these arrears amounted to Le271 billion (which represent 97.4% of the total arrears).

In 2020, arrears approximately Le7.2 billion and Le1.9 billion for the National Minerals Agency and Ministry of Fisheries and Marine Resources, respectively, were not included in the arrears figures in the GPFS.

### **Expenditure**

Transactions totalling Le15,584,400,081 were not supported by the relevant documentary evidence such as payment vouchers, contract agreements, receipts, delivery notes, expenditure returns, etc.

### **Public Debt**

Even though there had been an immense improvement in managing and reporting public debts for domestic arrears and external loans, a few loans with substantial values were not disclosed in the GPFS.

We noted that SIERRATEL was granted a loan by EXIM BANK for ADSL Network with a closing balance of US\$29,450,000. The loan agreement was however not submitted to the ASSL and the loan received not disclosed in the Appendix of the General-Purpose Financial Statements for 2020.

The Electricity Distribution and Supply Authority (EDSA) was given a loan valued at US\$7 million, which is an explicit liability of EDSA related to a revolving Letter of Credit to enable a steady supply of fuel for the Karpower ship to generate electricity. We also noted that the letter of credit was however not submitted to the auditors and neither disclosed in the General-Purpose Financial Statements.

Loans amounting to Le7 billion and Le4.9 billion were secured directly from local commercial banks with comfort letters provided by the Ministry of Finance. The comfort letter for procurement of aircraft rescue equipment was not submitted to the auditors. Both loan figures were not disclosed in the General-Purpose Financial Statements.

### **Budgetary Control**

The Budget Bureau did not submit budget proposals for four ministries. We could therefore not ascertain whether revenue and expenditure estimates were in line with the Public Financial Management Act and Regulations.

Comparison between the revised budget and actual expenditure revealed that some ministries, department and agencies overspent a total of Le732 billion during 2020, for which no evidence of action plan was submitted to the auditors to justify the amount overspent.

Based on information gathered from the IFMIS, transactions totalling Le479.5 billion were posted under contingencies fund and unallocated head of expenditure. There was however no evidence of quarterly

reports to Parliament submitted for audit. It is also worth noting that these amounts exceeded their budgeted amount.

### **Cash and Bank**

Records presented revealed challenges regarding the payment, recording and monitoring of split cheque. Over the years, the Ministry of Finance has been engaged in splitting cheques payments for some transactions. We found an apparent lack of internal control of the split cheques, making it impossible for management to detect overpayments if they occurred.

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

This chapter is in relation to the audit of annual financial statements of state-owned public enterprises, commissions and projects.

As at 31st March 2021, a total of 16 Public Enterprises and Commissions did not submit their accounts for the 2020 financial year. There were also 38 Public Enterprises and Commissions that submitted their accounts after the stipulated deadline date of 31st March, 2021.

In general, and virtually across all the Public Enterprises and Commissions, the significant matters identified in the audit examinations fall into the following areas: Tax Irregularities; Inventory/Stores Irregularities; Unsupported Payments; Cash Irregularities and Unretired Expenditure.

Those identified matters have given rise to a loss of Le37.9billion (Le160.9million; Le10billion; Le13.1billion; Le 8.1billion and Le6.45billion in 2016, 2017, 2018, 2019 and 2020 respectively). Details of these observations are found in the Chapter 2 that follows.

Although a number of ICT issues were also 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 overall outcome of the chapter suggests the need for improved financial management with a clear focus on basic principles of internal controls, which may include; sound procedures for authorising, recording and reporting transactions as well as separation of duties.

## **MINISTRIES AND DEPARTMENTS**

The audit of ministries and departments was carried out to determine compliance with relevant laws, regulations and policies, as well as to establish whether assets are protected and the financial records fairly reflect the financial position, and the result from operations of the selected ministries and departments.

Several irregularities grouped under eight broad categories, point out the extent of non-compliance with relevant public financial management laws, rules and regulations developed to guide the use of public resources. The identified irregularities are as a result of poor records management, wherein requested documents are in most cases not submitted for audit purpose. In some other instances, it was as a result of savings that could have been made, if accountable officials had duly complied with the provisions in the public financial management framework guiding the use of public resources.

The eight broad categories are as follows:

- Tax Irregularities
- Inventory/Stores Irregularities
- Irregularities in Revenue Management and Control
- Unretired Imprest or Funds Allocated for Specific Purposes
- Unsupported Payments
- Payroll Irregularities
- Irregularities in Contract Management
- Cash Irregularities

Those identified irregularities have given rise to an estimated loss in cash and stores to the tune of Le42.3billion (Le3.7billion, Le5.6billion and Le33billion in 2018, 2019 and 2020 respectively) Details of these observations are found in the Chapter 3 that follows.

## **LOCAL COUNCILS**

A combined audit (financial and compliance) was carried out on the 22 Local Councils (LCs) for 2020. A financial audit was done with the view of expressing an opinion on the Financial Statements submitted for the year ended 31st December, 2020. It focused on cash and bank, revenue and receipts, disbursements, payroll, and assets management.

The compliance audit covered the period between 1st January to 31st December 2020, and focused on the evaluation of the subject matter (Procurement Planning, RFQ and Tendering Process for the Procurement of Goods, Works and Services) against suitable criteria (Public Procurement Act of 2016 and Public Procurement Regulations of 2020) to form a conclusion on the entity's compliance with the criteria.

The annual financial statements for the 22 LCs were submitted for audit before or shortly after, the legislative deadline of 31st March, 2021.

Our review revealed that total cash losses during 2020 amounted to Le4.3 billion. The main irregularities identified that resulted in the cash loss has to do with Revenue; Payments; Tax Administration; Inventory/Stores; Payroll, Sitting fees and allowances and Procurement.

Even though the above irregularities are common across different councils, however, some are better than others.

These observations are expanded upon in more details in Chapter 4 and in even greater details in the individual council reports submitted to the Minister of Local Government and Rural Development for ultimate submission to Parliament.

## **PERFORMANCE AUDIT**

Performance audits are independent, objective and reliable examination of whether government undertakings, programmes, systems and activities are performed in accordance with the principles of economy, efficiency and effectiveness. They are referred to as special reports under Section 95(6) of the Public Financial Management Act (PFMA) of 2016 which states that “nothing in this section shall prevent

the Auditor-General from submitting a special report for tabling in Parliament on matters that should not await disclosure in the annual report”. Section 11 (2c) of the Audit Service Act of 2014 confers on the Audit Service the right to carry out value-for money and other audits to ensure that efficiency and effectiveness are achieved in the use of public funds.

Three performance audit reports were submitted to Parliament in 2021. The overall results of the reports have been described in Chapter 5. What follows here is a succinct note on each performance audit carried out during the course of the year.

### **Effectiveness of the monitoring, surveillance and control system of fishing activities - Ministry of Fisheries and Marine Resources**

The following were observed:

- Monitoring and surveillance plans were not made available for inspection.
- Monitoring personnel were not provided safety insurance.
- Outstation fishing officers were not present to monitor activities of artisanal fishing vessels in landing sites.
- Detail payments to fishing observers were not submitted for inspection.
- Banned monofilament nets were still being used by artisanal fishermen.
- License fees of 12% and 29% were collected in 2019 and 2020 respectively.
- Fishing vessels were constructed without the knowledge of the Ministry.
- Defaulting fishing companies were fined lesser than what was quoted in the Fisheries Act Regulations.
- The MFMR did not take action on defaulters of fines.
- Evidence for payment of performance bond by foreign fishing companies was not presented for inspection.
- No surveillance was carried out on artisanal fishing activities in 2019.
- 18 % of the intended surveillance was carried out for the review period (2016-2020).

### **Management of Examinations - University of Sierra Leone**

The following were observed:

- Sampled examination scripts at the Institute of Public Administration and Management (IPAM) and Fourah Bay College (FBC) revealed that students attempt the examinations even when they had not been registered.
- Some lecturers at the FBC did not submit examination questions to the Heads of Departments (HoDs) as per policy.
- Module lecturers at both IPAM and FBC did not collect scripts for marking from the exams office, contrary to the policy.
- Lecturers did not mark and return examination grades and scripts on time which affected the publication of students’ grades.
- Grades given by lecturers for continuous assessment were not reflective of the students’ performance during examinations.
- There were undue delays in the publication of results.

- Interviews with university authorities revealed that academic malpractices were on the rise and had become endemic within the university.
- The colleges lacked lecture rooms space equipped laboratories, well-resourced libraries, effective internet connectivity and modern technology for teaching and learning.

### **The Sierra Leone Correctional Service – Welfare of Inmates**

The following were observed:

- There was no evidence to show that inmates were medically examined upon discharge.
- A review of the medical reports by the psychiatric revealed that female inmates were not fit to plea, yet were kept at the centre.
- Sick inmates were admitted at the centre and taken to a government hospital when their health become severe as a result of the lack of adequate drugs and equipment.
- Sick inmates were laid on bare mattresses on the floor of the hospital within the male facility at the Freetown Correctional Centre.
- The hospital did not have equipment such as oxygen concentrator, cardiopulmonary resuscitator and electrocardiogram (ECG) for heart examination.
- Pharmaceutical supplies were not adequate for the number of inmates.
- Various drugs were combined in a single dosage and administered to sick inmates irrespective of the nature of their illnesses.
- The jail cells were overcrowded, especially at the maximum correctional centre.
- Cells were not airy or well ventilated, and lacked minimum floor space when one considered the number of inmates within each cell.
- The toilet facilities were inadequate for the number of inmates in all the male correctional centres visited.
- The provincial centres were challenged with water supply, as bore holes dried up during the dry season which led to inmates fetching water outside the premise of the prison.
- Monosodium crystals, commonly known as “white maggi” was an ingredient of the sauces, even though it is known to have links with health hazards (Pedial-Edema) to inmates.
- The rehabilitation programme, especially in the provincial correctional centres, were not adequate with little or no facilities in some areas visited.
- Equipment for skills trainings were inadequate to cater for the number of sentenced inmates that were willing to participate in the skills training even though they were trained in batches.
- Evidence of inmates’ ID cards were also not provided to confirm that they were legitimate.

## INTRODUCTION

Public service auditing requires that public institutions' outputs are measured in terms of how effectively, efficiently and economically they use public funds to ensure the required level of service delivery is achieved.

These three variables are usually referred to as the three *Es*.

**Effectiveness** refers to the achievement of set objectives. This involves an assessment of the outcomes of the MDAs and outputs which are measured by the public in terms of targets and performance.

**Efficiency** refers to the ability of MDAs to use available resources to achieve their mandates within a specified timeframe.

**Economy** refers to the ability to perform functions and tasks using minimal cost within a specified timeframe to achieve the organisation's objectives.

Consideration of all the three *Es* in the audit process leading to a final outcome requires detailed and complex analysis. Such work requires greater commitment on the part of those charged with governance, in order to ensure that recommendations from such rigorous work are given the attention they deserve.

Given the need and importance of public sector auditing, it is expected that users of public funds are sensitive to the importance of accountability and transparency in the use of public funds. It is the responsibility of MDAs to provide adequate supporting evidence during the course of the audit. The burden of proof rests with the auditees, and the responsibility is theirs to provide clear and convincing audit evidence to the audit team during the audit process. As the Supreme Audit Institution in Sierra Leone, we are obligated to report on all unresolved audit findings to taxpayers through Parliament.

### The Brief History of ASSL

The Office of the Auditor-General was originally established as the Auditor-General's Department in 1962. With modern auditing technics and requirements, coupled with the need for the independence of the institution, a legislative framework was established in Section 119 of the 1991 Constitution of Sierra Leone. This new dispensation established the modern-day office and functions of the Auditor-General.

In furtherance of the necessary independence of the office, the Auditor-General's Department by an Act of Parliament in 1998 became a public service establishment referred to as "The Audit Service Sierra Leone" (ASSL). The Act which came into being in 2004, also created an Audit Service Board (ASB), an advisory Board which has the power to appoint persons other than the Auditor-General, to hold or act in offices as members of the Audit Service and to exercise disciplinary control over such persons. The ASSL is mandated to audit all public institutions funded from the Consolidated Fund and submits its report to Parliament in accordance with Section 119, Sub-section 4 of the 1991 Constitution of Sierra Leone.

The ASSL continues to provide efficient service in its pursuit to enhance accountability and value-for-money, in the management of public resources. The Auditor-General is the head of the ASSL, assisted by four Deputy Auditors-General. The ASSL continues to maintain its presence in the South, East, North and Western Area of the country.

## **Our Mandates**

The Constitution of Sierra Leone is very clear about the importance of accountability and good governance. The founding provisions in Section 6, Sub-section 4 states that: “The State shall protect and defend the liberty of the individual, enforce the rule of law and ensure the efficient functioning of government services”. Furthermore, Subsection 5 states: “The State shall take all steps to eradicate all corrupt practices and the abuse of power”. The principles of accountability and transparency are therefore established at the highest statutory level. In ensuring accountability of the Executive to the citizenry, Section 119, Subsection 5 of the Constitution provides that Parliament debates the report of the Auditor-General and appoints where necessary, in the public interest, a committee to deal with any matters arising therefrom”.

The Audit Service Act of 2014 establishes the office of the Auditor-General as the external auditor of 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. Section 11 of Part 3 of the Audit Service Act of 2014, gives greater details of the work of the Auditor-General.

## **Our Independence**

Independence is the characteristic that is considerably fundamental if a Supreme Audit Institution (SAI) is to attain higher organisational performance. Section 119, Subsection 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.”

Section 12 of the Audit Service Act of 2014, gives additional powers to the Auditor-General in the performance of his functions. Under this Act, the Audit Service shall have power to perform its function independently.

As a contributing factor to good governance, the Truth and Reconciliation Commission Report identified the Auditor-General’s office as a key institution in supporting good governance. The ASSL as a key stakeholder in good governance in Sierra Leone, will continue to do its work independently without any interference from any person or authority.

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.

## **Our Vision**

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

## **Our Mission**

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

## **Our Core Values**

Below are the core values that underpin the work of all staff of the ASSL:

- **Professionalism** - we carry out our work competently with respect, and in the public interest.
- **Integrity** - we are straightforward and honest in all professional and business relationships and deal fairly with those we work with.
- **Impartiality** - we are unbiased and politically neutral.
- **Objectivity** - we always ensure we avoid any actual or perceived conflict of interest in the work we do.
- **Independence** - as an organisation, we work independently from the Government.

## **Compliance with INTOSAI Auditing Standards**

The ASSL being the Supreme Audit Institution of Sierra Leone, has the constitutional mandate to ensure accountability in the public sector. This includes the functioning and decision-making process of the organisations. 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 Supreme Audit Institutions (ISSAIs).

## **Details of this Report**

The Auditor-General's 2020 Annual Report is divided into Parts I, II and III. This outline is a way of reporting the observations on the public financial management system and comments of a more global nature, which is separate from detailed entity-focused findings.

## **PART I**

This Part comprises one chapter, which contains the following:

- The Auditor-General's Opinion on the Financial Statements of the Government of Sierra Leone for the year ended 31st December 2020, and related comments on the findings.

## **PART II**

This Part comprises two chapters (Chapters II & III); Chapter II entails Public Enterprises, Commissions and Donor-funded projects, while Chapter III comprises Ministries, Departments and Agencies.

## **PART III**

Part III consists of Chapters IV & V, while Chapter IV is Local Councils, Chapter V comprises Performance Audit.

## **Plain Language**

Our approach since 2010, has been the use of plain language. This is in the interest of clarity and ease of communicating the facts regarding the status of public financial management in Sierra Leone, as well as our views on areas that need improvement.



## Main Points

This Report is dedicated to the citizens of Sierra Leone, elected representatives in Parliament, civil society organisations, and international partners. We are however mindful of the fact that without getting into the details of each chapter, we have included a summary called ‘Main Points’.

In this, we set out three basic matters:

- **What We examined** – we describe what the audit looked into and in some cases what we did not look into.
- **Why It Is Important** – in this aspect, we make the case for the relevance and significance of an area or issue.
- **What We found** – this looks into the most significant findings of the audit. The intention of ‘Main Points’ is to succinctly convey quickly and accurately the key message(s) arising from our work as described within the Chapter. They set out in summary form, the key matters contained in the main text, which in our judgment, need to be addressed by the Government and are important to be brought to the attention of Parliament, citizens, donors and civil society organisations.

## Progress Made So Far

The ASSL has over the years taken visible steps to align itself with other SAIs in the sub-region, and other development partners. In the recent past, frantic efforts have been made to increase stakeholders’ awareness of the role, functions, and independence of the ASSL. This has been achieved through diverse ways such as presentations and publications on our website and other online platforms. The ASSL has continued to participate actively in programmes organised by regional and international bodies such as; the AFROSAI-E, the AFROSAI and the IDI. The ASSL sees quality assurance as a very important aspect of its work and as such, we have constantly and continually introduced quality control and quality assurance procedures in the work we do.

We view technical competence as fundamental in the effective delivery of our mandate. In this regard, we have subjected all our staff to continuous professional development programmes (CPDs). The CPDs form part of our performance appraisal scheme through which every staff is required to map out series of training programmes both academic and on-the-job that are needed to enhance performance. We have also linked the staff appraisal system with staff reward, promotion and annual training plans. This practice has to a very large extent, increased staff compliance with professional standards and organisational effectiveness. To strengthen the research capacity of staff, we have made available a fast and reliable internet connectivity in all offices from which staff benefit. We have provided all staff with the necessary working tools including laptop/desktop computers. We have also installed an effective IT network to store, share and backup information. Furthermore, we have made considerable progress in the types of special audits that are conducted in areas such as procurement audit, IS audit and environmental audit. An Information Systems Audit Division has now been established, and is fully operational. Staff of this Division provide support to all other divisions within the ASSL in the area of IS audit. We have continued to enhance our relationship with the Public Accounts Committee (PAC) in Parliament, and built new bridges with other oversight bodies. We have made considerable progress in reporting our audit findings. We have also been publicly reporting, progress made on the implementation of our recommendations. We

have considerably increased access to all ASSL documents such as performance and financial reports, in compliance with ISSAIs within the legislative timeframe.

### **Future Expectations**

There is a general public perception now than ever before, that oversight bodies call for accountability from those charged with governance in the public sector. The Legislature is the body charged with this oversight responsibility. This is the case across the world. The PAC and the ASSL occupy the centre as institutions of accountability, charged with the responsibility of checking the use of recurring public funds through increased and sustained probity of the financial performance of the Government.

Accountability involves someone being held responsible for something by another person or an organisation in a prescribed way. The PAC and the ASSL are concerned principally with accountability. Over the years, the ASSL has continued to perform its oversight, insight and foresights roles through the audits and reports that are subsequently submitted to the Parliament for scrutiny. The findings and recommendations in these reports therefore represent inputs that are critical in addressing the weaknesses identified, and strengthening the internal control environment within MDAs. In order to make the process of accountability meaningful, the ASSL continues to maintain an accurate and complete database on the following:

- The number of audit outcomes that are repetitive
- The number and frequency of feedbacks from relevant stakeholders that are constructive
- The number of management responses that directly address audit recommendations
- The number of actions taken by the PAC and the Auditor-General's report
- The percentage of recommendations followed up by the ACC
- Ascertain the number of public engagements
- The number of public lectures organised by the ASSL in secondary schools and tertiary institutions
- The establishment of the percentage of audit recommendations that attract compliance

The ASSL will continue to conduct training in the foreseeable future in emerging areas and on ISSAIs standards. The ASSL will also continue to work with partners such as AFROSI-E, IDI and other SAIs to enhance the capacity of our staff through training and exchange programmes.

Effective external auditing is considered a cornerstone of good governance; continuous professional media coverage on the Auditor-General's recommendations may raise significant issues for national debate in order to hold public officers accountable. To make this happen, we will continue to engage Parliament and the Ministry of Finance for the timely release of funds to enable the ASSL complete its annual work plans and all statutory audits in a timely manner. The ASSL will continue to work towards achieving greater independence through stand-alone budget support, not forgetting the fact that independence is an evolving construct and a continuous work-stream for a SAI.

### **A Word of Thanks**

We take this opportunity to extend our sincere thanks and appreciation to staff of the ASSL for their tireless dedication and commitment to the work of the organisation. We present this Report through Parliament, for the benefit of all citizens of the Republic of Sierra Leone.

# PART I

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

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## **MAIN POINTS**

The General-Purpose Financial Statement contains the audited cash flow operations and cash balances of the Consolidated Fund of the Government of Sierra Leone for the year ended 31st December 2020. The Accountant General prepared the Financial Statement in accordance with Section 87 (1) 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 of 2014. Section 16 of the PFM Act of 2016 further mandates the Auditor-General to audit the Annual Financial Statements of the Consolidated Fund on an annual basis to enable her 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 shows the financial performance of the Government of Sierra Leone for the financial year ended 31st December 2020. It is prepared on the basis of funds received by, held in or paid out of the Consolidated Fund. These financial statements also express the government's accountability to Parliament and civil society on how well it has exercised its responsibilities as custodian of the public purse. The report shows 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. It also allows citizens to see how the Government is spending public funds.

Notably, the enactment of the PFMA (2016) brought public financial management into the centre of PFM policy reform. The reforms aim to ensure 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 implementing the Treasury Single Account, with the PFM Regulations 2018 giving clear procedures on its implementation. Through the Accountant General's Department, the Government operates a centralised treasury function that accounts for funds collected by the National Revenue Authority (NRA) and administers cash expenditure incurred by all Ministries, Department and Agencies (MDAs) except for government business entities during the financial year.

### **Major Reforms**

In 2020, the Government instituted major PFM reforms, which include the following:

- The 2020 Government Budget and Statement of Economic and Financial Policies required the implementation of Phase II of the Treasury Single Account (TSA), which will bring in the bank balances of Subvented and Semi-Autonomous Agencies (SVAs) into the TSA.
- The Electronic Cash Registration (ECR) implementation is in progress with the conclusion of the Taxpayer Preparedness Survey.
- The automation of the Electronics Public Expenditure Tracking Survey (E-PETS) system started with a pilot at the Ministry of Basic and Secondary School Education during 2020. The system will be fully rolled out in 2021. The system is designed to reduce processing time and keep track of all PETS form electronically.

### **Areas we examined**

#### ***Domestic Revenue***

The Government revenue collected in 2020 increased by 6% from Le5.64 trillion in 2019 to Le5.97 trillion. The audit covered revenue generated from Goods and Services Tax, Corporation Tax, Foreign Travel Tax, Withholding Tax, Pay As You Earn, Capital Gain Tax, Petroleum, Timber, Importation and Non-Tax Revenue from selected MDAs. Many of the key revenue streams are

operated on a self-assessment system, with individuals and businesses completing their returns and making the relevant tax liability payment. Our focus was to check the controls in respect of the assessment, banking and reporting of revenue and compliance with the various tax laws and regulations by taxpayers and MDAs.

### ***Public Debt***

The total outstanding public debts of the Government as at the end of December 2020 was Le27.18 trillion or 62% of GDP, comprising domestic debts Le7 trillion (Le5.32 trillion – end FY2019) and external debts Le20.18 trillion (Le16.16 trillion – end FY2019).

Debt Management servicing in the annual recurrent budget represents a significant value and is considered material in audit terms. Public debt liability is a major government liability and critical sustainability issue for the Government of Sierra Leone. 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. In addition, we compared the disbursed outstanding debts (DODs) disclosed in the General-Purpose Financial Statement with those in the books of the creditors and reports from the Commonwealth's Secretariat Debt Recording Management Systems (CSDRMS).

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

The total amount of direct budget support grants received during 2020 was Le302.4 billion, consisting of HIPC Relief (Le12.5 billion) and the EU State Building Contract Budgetary Support (€25 million or Le289.4 billion). The total amount of direct budget support loan disbursements in 2020 was Le2.56 trillion, consisting of the World Bank (total of Le831.0 billion), which is the equivalent of US\$101million contributing Le395 billion under the third productivity and transparency support grant agreement, with an additional Le436 billion. The total amount received from the African Development Bank was Le126.1billion, the equivalent of US\$12.7 million as part of its support to the COVID-19 response under the replenishment of the revolving fund COVID-19 response programme. The IMF also provided its budgetary support of Le1.6 trillion to the Government through the Bank of Sierra Leone totalling.

### ***Expenditure***

Government expenditure in 2020 increased by 43%, from Le6.41 trillion in 2019 to Le9.18 trillion. Total Expenditure and Leading minus repayment in the original approved budget for 2020 was Le9.35 trillion; this amount was increased to Le10.53 trillion (12.6% increase) as a result of supplementary budget which Parliament approved in 2020.

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

### ***Cash and Bank***

The total cash and bank balances at the end of the fiscal year 2020 stood at a negative balance of Le192.8 billion (End FY2019 – negative Le828.1 billion). An overall cash surplus of Le635.2 billion was recorded in the financial year 2020, thereby resulting in the movement of cash balances from negative Le828.1 billion at the end of the financial year 2019, to negative Le192.8 billion at the end of the financial year 2020.

Our audit procedures to confirm the completeness and accuracy of cash and bank balances disclosed in the general-purpose financial statement also involved the requesting of 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 computerise the tax administration system. We believe that these technological interventions will help tremendously in enhancing revenue assessment, collection and reporting. For instance, the introduction of the ASYCUDA World has greatly improved the collection of customs and import duties. In 2020, most of the operations which were reported outside of the ASYCUDA world have been assimilated into the system. One such revenue stream is taxes and levies on petroleum products. Similarly, the NRA has introduced the electronics cash register to collect Goods and Service Taxes, and they are currently working assiduously to introduce the Integrated Tax Administration System (ITAS).

Notwithstanding the encouraging steps employed by the NRA to improve the revenue generation performance, we noted some irregularities in the revenue assessment, collection, and reporting. These irregularities could be attributed mainly to the failure of the National Revenue Authority to collect tax revenue and apply measures and sanctions against defaulters. We observed that the GoSL has entered into several contractual agreements with service providers for the collection of revenue. We noted that the agreements did not have enforceable clauses to ensure that revenues collected on behalf of the Government are accounted for and transmitted to the Government coffers on a timely basis. Below are highlights of irregularities observed.

#### ***Revenue owed to the Government of Sierra Leone***

Our audit disclosed that total revenue of Le329.89 billion was owed to the Government of Sierra Leone for the year 2020 by various taxpayers. Some are public corporations whilst others are privately owned businesses. We extracted these outstanding revenues from a sample of taxpayers chosen from the information/data provided by the National Revenue Authority and other Ministries, Departments and Agencies staff. These outstanding tax liabilities resulted from non or a part payment, illegal tax credit claims, recalculation of tax liabilities, non-submission of evidence of payment, and confirmed revenue arrears.

We have recommended that the management of the National Revenue Authority and other MDAs step up the collection of these revenues. Management pointed out that most of the debts for customs are essential goods imported under the Quick Economic Response Programme (QERP). This programme is a relief to taxpayers and facilitates trade during the Covid-19 pandemic. Management has however issued notification of Outstanding Liability Letters to some of these taxpayers, and some taxpayers are in payment plans by the respective MDAs.

<b>Table 1.1</b> <b>List of Revenue Arrears</b>	
<b>Tax Type</b>	<b>Tax Liabilities due Le</b>
Goods and Services Tax	78,663,941,235.00
Corporation Tax	4,337,501,594.25
Pay As You Earn Tax	23,138,911,955.00
Foreign Travel Tax	2,119,171,882.50
Foreign Travel Tax- Turkish Air Line	1,161,364,320.25
Debt – Custom Department	34,791,173,699.52
National Telecommunications	158,112,153,447.03
National Minerals Agency*	7,210,635,646.50
Sierra Leone Maritime Administration	10,664,057,380.97
Ministry of Fisheries and Marine Resources	1,891,490,856.50
SLMARAD (SLMA)	8,964,627,146.17
<b>Total</b>	<b>331,055,029,163.59</b>

\*Note: Dollar value were converted to Leone (US\$1=Le10,094.9)

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

Section 32(1) of the Public Financial Management Regulations of 2018 states: ‘All revenue and expenditure of donor funds, where appropriate, special funds, sub-vented agencies and extra-budgetary agencies shall be deposited into and paid from the Treasury Main Account or commercial bank accounts included in the Treasury Single Account.’ We however noted that, the National Minerals Agency (NMA) failed to pay some component of their revenue, totalling Le15.9 billion into the consolidated funds during 2020. In contravention of Section 45 of the Public Financial Management Regulations of 2018, these revenues were not collected by the National Revenue Authority as it was not disclosed in the NRA cash analysis regarding NMA.

### ***Non-compliance with contract agreement on the sale of Sierra Leone Flag of Convenience - Registration of Ships – Amount not remitted into the CF***

We reviewed a contract agreement and contract addenda between the Sierra Leone Maritime Administration and the Ship Registration Bureau Limited-Sierra Leone Maritime Administration Shipping Registration (SLMARAD) for the sale of the Sierra Leone flag of convenience on the registration of ships. We also reviewed the records presented by the management of the SLMA regarding the sale of the Sierra Leone Flag of Convenience - Registration of Ships. Based on the documents submitted, we observed the following:

The contract requires that - ‘All payment in respect of this agreement by the SRB through the new company to the Registrar shall be made within 90 (ninety) days of every year to such account to be specified by the Registrar.’

From the information provided for 2019, the indicative GoSL share of the revenue generated was US\$767,070.28. However, only US\$287,192.64 was remitted by the SLMARAD, leaving an outstanding of US\$479,877.64 not remitted by the SLMARAD. This amount was however not disclosed in the revenue arrears in the General-Purpose Financial Statements.

Similarly, in 2020, the indicative GoSL share of the revenue generated was US\$705,149.57; however, only US\$296,991.95 was paid, leaving an outstanding of US\$408,157.62 not remitted by SLMARAD, and the said amount was not disclosed in the revenue arrears in the General-Purpose Financial Statements.

We also noted with grave concerns that the parties to the contract representing the GoSL lacked the expertise to monitor the agreement and are unable to determine the number of units of flags sold by the



SLMARAD. Therefore, they could not determine the total revenue generated from the sale of the flag of convenience.

In conclusion, revenue totalling US\$888,035.26 is owed to the Government of Sierra Leone by the Ship Registration Bureau Limited-SLMARAD.

***Non-compliance with contract agreement for scanning and inspection services of goods at the ports and borders***

We reviewed contract agreements between the Government of Sierra Leone and African Link Inspection Company Limited and Integrated Trade Services (SL) Limited for the scanning and inspection services of goods at the ports and borders. We observed that revenues were deposited in several Escrow accounts by these companies for which government share amounting to Le13.19 billion based on the agreements were deposited into the General Revenue Account at the Bank of Sierra Leone. Relevant data and reports as required from the agreements were however not submitted to the auditors, and as such, the auditors cannot ascertain the accuracy and correctness of the revenue deposited into the Escrow Accounts.

***Irregularities in Duty Waivers Concessions***

We reviewed the duty waiver concession process and observed weak internal controls in the entire process. We observed that the Office of the Financial Secretary wrote letters to the Commissioner-General of the NRA requesting him to facilitate the clearance of duty waivers. These letters purported that the Deputy Minister of Finance has approved granting duty waivers to various institutions, whose details are attached to the letter on a spreadsheet. We did not see any evidence of the Minister's approval in any of the documents. In many cases, the attached spreadsheet was also not signed or initiated by any responsible officer. Thus making it very susceptible to manipulation, as anyone can replace this list with a new one.

Furthermore, 1,245 duty waiver documents reviewed were without adequate supporting documents. These documents include letters of request from beneficiaries stating eligibility criteria, letters from line ministry or parastatal, copy of business registration certificates, etc. These documents are essential to determine whether the beneficiaries were entitled to duty waiver concession. Therefore, because we were not provided with the documentation, we could not ascertain whether these duty waiver concessions, granted to these taxpayers which amounted to Le144,758,718,708.50 were legitimate. The duty waivers are further analysed into the following categories

No.	CATEGORIES	IMPORT DUTY	COMMENT ON ELIGIBILITY
1	Diplomatic	2,203,829,773.60	High likelihood of Eligibility
2	Development Partners /Donor Funded Projects	25,318,895.63	High likelihood of Eligibility
3	Embassy	1,705,555,517.90	High likelihood of Eligibility
4	Govt./Energy/Construction/Infrastructure	53,744,717,374.47	Medium likelihood of Eligibility
5	INGO/NGO	29,884,790,800.26	High likelihood of Eligibility
6	NACOVERC	103,324,549.60	High likelihood of Eligibility
7	Private /Private Investment/Investment	54,763,663,202.07	Low likelihood of Eligibility
8	Returning Diplomat/Officer and Hon Members of Parliament	231,882,784.06	Medium likelihood of Eligibility
9	Others	2,095,635,810.91	Low likelihood of Eligibility
	<b>Total</b>	<b>144,758,718,708.50</b>	

Based on our analyses and professional judgement, some categories such as diplomatic, development partners and embassies were granted waivers with a high likelihood of eligibility, although documentations were not submitted. For other categories such as Government MDAs, energy, construction, infrastructure, returning diplomats, MPs and others, a total of Le56.8 billion granted to taxpayers as duty waiver concession may not have been genuine.

From data in the ASYCUDA world, we found out that 58 Non-Governmental Organisations (NGOs) obtained waivers from the Ministry of Finance for import duties and GST, totalling Le4.5 billion. We however noted that, these NGOs were not in the Ministry of Planning and Economic Development NGO gazette. We therefore concluded that, these NGO's were not eligible for duty waivers concessions, and therefore waivers granted may have resulted in a potential loss of revenue to the Government.

### ***Weak controls in the reconciliation of Timber Revenue***

We observed an apparent weak internal control over the processing of the export of timber. In comparing the non-tax revenue cashbook and ASYCUDA World data regarding timber export, we observed that containers exported exceeded the number stated in the NTR timber cashbook and the NRA receipt. We recommend that management regularly carry out reviews to prevent clearing agents and staff from duplicating NTR receipts in the ASYCUDA World. Monthly reconciliation should be carried out between customs and non-tax departments for timber transactions.

### ***Misstatement of revenue arrears figures in the General-Purpose Financial Statement***

Revenue arrears disclosed in the General-Purpose Financial Statements for the year ended 31st December 2020 was Le346.64 billion. Based on work done and documents submitted, the NRA and the respective MDAs are still collecting the outstanding debt. We however observed the following:

- Our audit procedure to ascertain the existence and accuracy of revenue arrears relating to the domestic tax department and customs disclosed in the General-Purpose Financial Statements was restricted to creditor confirmation because of insufficient information presented for audit scrutiny. We selected a sample of arrears for confirmation for which no response to confirmation was received from these taxpayers; these arrears amounted to Le271 billion (which represent 97.4% of the total arrears). Therefore, the auditors cannot determine the accuracy and correctness of these arrears in the General-Purpose Financial Statements. It is also worth noting that the majority of these debts are within State-Owned Enterprises(SOEs), and even though some have debt cross arrangements with the Ministry of Finance, they still continue to accumulate their tax liabilities.
- Section 73 of the Public Financial Management Regulations of 2018 requires that the Commissioner General and the vote controller should submit revenue arrears to the Accountant General, and these arrears should be included in the General-Purpose Financial Statements. In 2020, arrears approximately Le7.2 billion and Le1.9 billion for the National Minerals Agency and Ministry of Fisheries and Marine Resources, respectively, were not included in the arrears figures in the General Purpose Financial Statements. Therefore, we are unable to ascertain whether it is free from material misstatement.

## **Expenditure**

Expenditure control continues to be very robust. Payment vouchers and supporting documents are available for all 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 many MDAs, payment vouchers are not raised when monies are disbursed from the imprest accounts. Furthermore, a good number of disbursements are not supported with documentation which is necessary to justify that the monies spent are utilised for their intended purposes.

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

We reviewed withdrawals from imprest and project accounts and transfers made to other institutions by Ministries to assess whether it was spent for the intended purpose and in accordance with the Public Financial Management (PFM) Act, 2016. We however noted that transactions totalling Le15,287,987,424.00 were not supported by the relevant documentary evidence such as payment vouchers, contract agreements, receipts, delivery notes, expenditure returns, etc. This is quite interesting, giving that the transactions in question had been entered into in the prior year (2020), and relevant documentation should have been in place as and when payment were been made. In the absence of the original records and documentation, the purpose for which the expenditure was incurred could not be ascertained, and it is possible these payments may have been misclassified in the General-Purpose Financial Statements.

Details	Amount (Le)	MDAs
Withdrawals without supporting document	3,972,659,406.00	MOF
Withdrawals without supporting document	51,504,229.00	MMMR
Withdrawals without supporting document	492,307,000.00	MWPA
Withdrawals without supporting document	321,510,000.00	MLGRD
Withdrawals without supporting document	232,517,600.00	MIA
Special imprest not retired	1,912,371,854.00	MOS
Withdrawals without supporting document	145,365,658.00	MOS
Withdrawals without supporting document	227,800,000.00	MBSSE
Withdrawals without supporting document	1,194,516,322.00	MHS
Expenditure returns not submitted	47,935,000.00	LGSC
Medical Bills without supporting documents	6,059,500,355.00	MHS
	<b>15,287,987,424.00</b>	

### **Public Debt**

There has been an immense improvement in managing and reporting public debts for domestic arrears and external loans. The level of both external and domestic loans remain very high. The Government in 2018 prepared a debt clearance strategy, which is basically a plan which should serve as a guide in settling domestic arrears which have piled up over the preceeding years before the coming of the new Government. The debt clearance strategy was vital for the management of the old debts as well as the new commitment of the Government. 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 have been settled that are not in the debt clearance strategy. We understand that through the advice of the IMF, priority has been given to arrears that are accruing interest and attracting fines. But notwithstanding, the Government must continue to ensure that the debt clearance strategy is implemented as practicable as possible.

The main area of concern is a few loans with substantial values that were not disclosed in the General-Purpose Financial Statements. Therefore, we observed the following during the audit of the General-Purpose Financial Statements:

### ***Loans Granted to State-Owned Enterprises***

We noted that SIERRATEL was granted a loan by EXIM BANK for ADSL Network with a closing balance of US\$29,450,000. The loan agreement was however not submitted to the ASSL and the loan received not disclosed in the Appendix of the General-Purpose Financial Statements for 2020.

EDSA was given a loan valued at US\$7 million, which is an explicit liability of EDSA related to a revolving Letter of Credit to enable a steady supply of fuel for the Karpower ship to generate electricity. The letter of credit was however not submitted to the auditors and neither disclosed in the General-Purpose Financial Statements.

We also noted that Le7 billion and Le4.9 billion were given to the Sierra Leone Airport Authority for a soft loan for staff salaries and allowances and procurement of aircraft rescue equipment, respectively. These loans were secured directly from local commercial banks on comfort letters provided by the Ministry of Finance. The comfort letter for procurement of aircraft rescue equipment was not submitted to the auditors. Both loan figures were not disclosed in the General-Purpose Financial Statements.

### ***Misstatement of external debt information in the General-Purpose Financial Statements***

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 restricted to creditor confirmation because of insufficient information presented for audit scrutiny. Of a total External Debt of Le18.30 billion reported in the General-Purpose Financial Statements, only Le17.6 billion, which accounts for 96.00% were confirmed; external creditors did not confirm Le708.28 million, which represent (4%) of the total debt. We were not able to perform other audit procedures to gain assurance over the remaining unconfirmed balance. Therefore, we are unable to ascertain whether it is free from material misstatement.

### **Budgetary Control**

The budgeting process has remained quite in line with the rules and regulations stipulated by the Public Financial Management Act of 2016 and the Public Financial Management Regulations of 2018. The major challenge has been allocating resources to the MDAs in a timely manner. This has questioned the integrity of the National Budget because, in many cases, MDAs do not receive the budgeted resources needed to carry out their activities as planned. For those who do receive these allocations, it is not received on time. For the year under review, we also noted some challenges with the disclosure of budget information in the General-Purpose Financial Statement. Some records pertaining to the budget proposals for some MDAs were also not submitted for review. However, the main concern is the failure of the Ministry of Finance to follow due process in some of the budget activities and transactions. These concerns are detailed below;

### ***Ministries without budget proposal***

Section 32 (1) of the Public Financial Management Act of 2016 state that: “By such date as specified by a budget call circular, the head of every budgetary agency shall submit to the Financial Secretary a budget proposal which includes – (a) estimates of revenues expected to be received under his responsibilities for the next three years at a level of detail as specified by the budget call circular; (b) estimates of expenditures for the next three years at a level of detail as specified by the budget call circular; and (c) any other matters required under this Act. Budget Bureau did not submit budget proposals for the Ministries stated below. Therefore, the auditors cannot ascertain whether revenue and expenditure estimates are in line with the Act and Regulations.

Table 1.2 Expenditure Estimate in the Approved Budget						
MDA Code	Details	Personnel Emolument Le	Other recurrent expenditure Le	Domestic Capital Le	Foreign Capital Le	Total Le
129	Ministry of Finance	72,091,047,100	82,952,318,600	7,400,000,000	1,557,000,000	164,000,365,700
301	Ministry of Basic and Senior Secondary Education	665,709,604,900	26,077,738,500	292,699,850,000	91,250,000,000	1,075,737,193,400
304	Ministry of Health and Sanitation	348,807,542,000	54,955,575,000	37,199,950,000	240,181,000,000	681,144,067,000
401	Ministry of Agriculture and Forestry	15,797,053,400	37,425,720,700	109,378,000,000	172,862,000,000	335,462,774,100
	<b>Totals</b>	<b>1,102,405,247,400</b>	<b>201,411,352,800</b>	<b>446,677,800,000</b>	<b>505,850,000,000</b>	<b>2,256,344,400,200</b>

### ***Overspending by MDA without justification***

Section 30 (1) (2) of the Public Financial Management Regulations 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”. Comparison between revised budget and actual expenditure revealed that some ministries, department and agencies overspend a total of Le732 billion during 2020 for which no evidence of action plan was submitted to the auditors to justify the amount overspent.

### ***Budgetary information not communicated to Parliament.***

Sections 37 (6) and 39 (2) of the Public Financial Management Act of 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 Le479.5 billion were posted under 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 amount.

### **Cash and Bank**

Performing bank reconciliation between the bank statement and the cashbook is one of the critical controls required to safeguard an organisation’s assets. The Accountant-General has, over the years, instituted a robust regime of bank reconciliation. With the advent of cheque splitting, these controls however became penetrable. Since 2018, cheque payments were no longer split into small payments, but older cheques that were split and still have outstanding balances were settled in the ensuing years. In 2020 from the records presented, we observed that payment regarding these split cheques amounted to Le191 billion. We note some challenges regarding the payment, recording and monitoring of these payments as follows:

### ***Overpayment to a Contractor***

Over the years, the Ministry of Finance has been engaged in splitting cheques payments for some transactions. We found an apparent lack of internal control in recording, payment, and monitoring split cheques, making it impossible for management to detect overpayment if it occurs. Consequently, from our review, we discovered an overpayment made to a contractor on cheques numbered 277423/277424. The supplier was overpaid by Le26.8 billion as compared to the interim payment certificate No. 8 for the rehabilitation of 14.7 KM road in Kabala. The excess payment was, however, recovered from the contractor on 8th November 2021 and paid into the consolidated fund.

We also noted that as a result of delayed payment or split payment for several foreign exchange transactions, an excess payment (due to exchange rate differences) totalling Le35.2 billion were made to contractors/suppliers.

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

### **Qualified Opinion**

We have audited the financial statements of the General-Purpose Financial Statement of the Consolidated Fund for the year ended 31st December 2020. 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, and Statement of Cash Position for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effect on the financial statements of the matters described in the basis of qualified opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Government of Sierra Leone as at 31st December 2020 and (of) its financial performance and its cash flows for the year then ended in accordance with Cash Basis, International Public Sector Accounting Standards.

### **Basis for Qualified Opinion**

#### ***Insufficient audit evidence to determine the accuracy and completeness of the revenue reported in the Financial Statements***

In the following circumstances, we were not provided with sufficient and appropriate audit evidence to confirm the accuracy and completeness of the revenue reported in the Financial Statements.

1. Some supporting documents were not submitted to confirm the eligibility of duty waivers granted to taxpayers to the tune of Le144 billion. Furthermore, waivers totalling Le4.5 billion were granted to Non-Governmental Organisations (NGOs), but these NGOs were not registered with the Ministry of Planning and Economic Development in contravention of the rules governing the operations of NGOs.
2. Revenues totalling Le5.56 billion and Le7.61 billion were paid into the General Revenue Treasury Account in respect of scanning and destination inspection, respectively. Other relevant documents, such as invoices, reports, etc., were not submitted to the auditors; and as such, we cannot ascertain the accuracy and completeness of the revenue deposited in the Accounts.
3. Revenue of Le2.89 billion was remitted into the General Revenue Treasury Account in respect of sale of the Sierra Leone shipping flag of convenience in 2020. Due to the nature of the contract and the supporting documents submitted, we were unable to ascertain the total revenue generated by the service provider and therefore, the proportion of this revenue that was due to the Government of Sierra Leone. Furthermore, from the document provided by the Management of the Sierra Leone Maritime Association (SLMA), we were able to determine that revenue to the tune of US\$479,877.64 and US\$408,157.62 (approximately Le8.9 billion) relating to 2019 and 2020 respectively were not remitted into the CF by the Ship Registration Company. This is in contravention of the contractual agreement.
4. Thirty-three (33) corporation taxpayers' files were not submitted, despite several requests to justify whether they paid the estimated taxes which totalled Le2.5 billion.
5. Comparison between the files submitted and passenger manifest/statistics of all registered airlines revealed that several taxpayers' files were not submitted to the auditors for the period under review. Based on the statistics, total FTT liabilities for these taxpayers amounted to US\$209,925 (approximately Le2.1 billion).

We conducted our audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those 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 Government of Sierra Leone in accordance with the ethical requirements that are relevant to our audit of the financial statements in Sierra Leone, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### **Key Audit Matters**

Key audit matters are those, which in my professional judgement, are of utmost significance in the audit of the financial statements. We have determined that there are no key audit matters to communicate in our report.

### **Emphasis of Matters**

#### ***Prior Year Adjustments***

We draw attention to Note 34 of the GPFs, which describes that prior year adjustments were done to the Financial Statements for 2017 to effect the inclusion of the Infrastructure Development Fund, a departmental account at the time but was later converted into a treasury account.

#### ***Lack of evidence and understatement of revenue arrears***

We draw attention to *Note 6 and Appendix 2* in the financial statements, which describes *Domestic Arrears*.

Our audit procedure to ascertain the existence and accuracy of revenue arrears relating to the domestic tax department and customs of approximately Le271.03 billion disclosed in Note 6 and Appendix 2 of the General-Purpose Financial Statement was restricted to creditor confirmation to insufficient information presented for audit scrutiny. No confirmation was received from taxpayers. We also noted that arrears totalling Le7.2 billion and Le1.9 billion for the National Mineral Agency and the Ministry of Fisheries and Marine Resources respectively were not included in the arrears figures in the General Purpose Financial Statement. Furthermore, arrears were understated by Le157.7 billion and Le19.6 billion for the National Telecommunications and the Sierra Leone Maritime Administration, respectively, in the arrears figures in the General Purpose Financial Statement. Therefore, we are unable to ascertain whether it is free from material misstatement.

Our opinion is not modified in respect of this matter.

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

We draw your attention to note 16, which describes the use of Goods and Services.

Some payments and some imprests to the tune of Le15.3 billion were not supported with documentation or retirement details. As these transactions were without payment vouchers and relevant supporting documents, we were unable to ascertain whether proper public financial management procedures were followed and payments were made for the purposes intended.

Our opinion is not modified in respect of this matter.

#### ***Overpayment to a contractor due to lack of control over cheque splitting***

We draw your attention to note 16, which describes the use of Goods and Services and note 9, which describes Cash Deficit & Cash Balances

In 2020, a total of Le191.4 billion was paid to suppliers and contractors in respect of split cheques. We found an apparent lack of internal control in recording, payment and monitoring of split cheques. Therefore, management did not have safeguards to record and monitor split cheques. Consequently, from our review, we discovered an overpayment made to a contractor. on cheques numbered 277423/277424. The supplier was overpaid by Le26.8 billion as compared to the interim payment certificate no 8 for the Rehabilitation of 14.7km Road in Kabala. This resulted in overstatement of



expenditure to the tune of Le26.8 billion with a consequential effect on cash/bank balance to that extent. This excess payment has however been recovered from the contractor and paid into the consolidated fund on 8th November 2021.

## **Other Matters**

### ***Budget Overrun***

Section 26 (2) of the Public Financial Management Act of 2016 and Section 30 of the Public Financial Management Regulations of 2018 required that "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. We however observed a budget overrun totalling Le732.9 billion for several MDAs.

### ***Budgetary information not communicated to Parliament***

Section 37 (5) & (6) and Section 39 (4) & (5) of the Public Financial and Management Act 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. From the general ledger, we noted that transactions which totalled Le479.5 billion were posted under contingencies fund and unallocated head of expenditure but were not reported to Parliament as required by the Act.

### ***Expenditure Without any Regulation/Policy***

Funds which amounted to Le1.7 billion were withdrawn from the Consolidated Fund account at the Bank of Sierra Leone to defray the cost of funeral expenses of some senior government officers who had passed away without any regulation, policy or other legal instruments to justify the stated disbursements. Apart from the fact that no legal instrument existed for the disbursement of such funds, there was no evidence to indicate how the stated amounts were expended on the funeral of the deceased and allowances paid to staff.

## **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. It also complies 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 Supreme Audit Institutions 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 Supreme Audit Institutions, 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 audit 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 audit report. Future events or conditions may however 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.



**Ag. AUDITOR-GENERAL**

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

#### STATEMENT A

#### STATEMENT OF CASH RECEIPTS AND PAYMENTS OF THE CONSOLIDATED FUND FOR THE YEAR ENDED 31ST DECEMBER, 2020

Amounts in millions of Leones

	Note	FY2020	FY2019
<b>REVENUE AND GRANT RECEIPTS</b>			
<b>Domestic Revenue</b>			
<i>Income Tax Receipts</i>	6	1,998,200	1,855,171
<i>Goods and Services Tax (GST) Receipts</i>	7	1,021,400	1,037,093
<i>Customs and Excise (C &amp; E) Receipts</i>	8	1,503,888	1,313,905
<i>Mineral Resources</i>	9	258,041	236,488
<i>Fisheries</i>	10	156,299	143,005
<i>Other Departmental Receipts</i>	11	923,113	941,496
<i>Road User Charges</i>	12	112,595	116,664
<b>Total Domestic Revenue Receipts</b>		<b>5,973,537</b>	<b>5,643,823</b>
<b>Receipts from Foreign Grants (Direct Budgetary Support - Grants)</b>			
<i>HIPC Debt Relief Assistance</i>	13	12,976	11,689
<i>Other Grants and Aid</i>	14	289,485	220,938
<b>Total Direct Budgetary Support Grants</b>		<b>302,461</b>	<b>232,627</b>
<b>TOTAL REVENUE AND GRANTS RECEIPTS</b>		<b>6,275,998</b>	<b>5,876,450</b>
<b>EXPENDITURE PAYMENTS</b>			
<b>Recurrent Operations</b>			
<i>Wages, Salaries and Employee Benefits</i>	15	3,102,675	2,414,641
<i>Use of goods and services</i>	16	2,901,125	1,978,609
<b>Transfers and Grants</b>			
<i>Grants to Tertiary Educational Institutions</i>	17	439	148,984
<i>Transfers to the Road Fund</i>	18	113,349	8,338
<i>Transfers to Local Councils</i>	19	118,488	198,140
<i>Other Grants</i>	20	22,029	27,487
<b>Other Recurrent Payments</b>	21	58,640	38,805
<b>Interest Payments</b>			
<i>Financing Costs – Domestic Interest Payments</i>	22	1,089,183	885,632
<i>Financing Costs – External Interest Payments</i>	23	120,094	93,972
<b>Total Interest Payments</b>		<b>1,209,277</b>	<b>979,604</b>
<b>Total Recurrent Expenditure Payments</b>		<b>7,526,022</b>	<b>5,794,608</b>
<b>Domestic Capital/Development Expenditure</b>	24	<b>1,175,279</b>	<b>529,281</b>

## STATEMENT A

### STATEMENT OF CASH RECEIPTS AND PAYMENTS OF THE CONSOLIDATED FUND FOR THE YEAR ENDED 31ST DECEMBER, 2020

Amounts in millions of Leones

	Note	FY2020	FY2019
<b>Arrears Payments</b>	26	<b>481,123</b>	<b>86,263</b>
<b>TOTAL EXPENDITURE PAYMENTS</b>		9,182,424	6,410,152
<b>CASH SURPLUS/(DEFICIT), INCLUDING GRANTS</b>		(2,906,426)	(533,702)
<b>FINANCING ITEMS</b>			
External Borrowing (Loans)	27	2,558,196	644,880
External Debt Amortization	28	(631,269)	(466,653)
Domestic Borrowing (Net)	29	1,614,256	427,619
Staff Loans and Advances (Net)	31	488	494
<b>Other Items (Net)</b>	,		
<i>Returned Payments</i>		20	7,518
<b>Total Other Items (Net)</b>		<b>20</b>	<b>7,518</b>
<b>OVERALL CASH SURPLUS/(DEFICIT)</b>		635,265	80,155
<b>Cash Balance at 1st January 2020</b>	32	(828,127)	(908,282)
<b>Cash Balance at 31st December 2020</b>	<b>32</b>	<b>(192,862)</b>	<b>(828,127)</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: 31th March, 2021



## STATEMENT B

### STATEMENT OF COMPARISON OF BUDGET AND ACTUAL REVENUE AND EXPENDITURE FOR THE YEAR ENDED 31ST DECEMBER 2020

Amounts in millions of Leones

	Original Budget Estimates	Revised Budget Estimates	Actual	FY2020 Surplus/ (Shortfall)	FY2019 Actual
<b>Domestic Revenue</b>					
Income Tax Receipts	2,274,303	2,001,598	1,998,200	(3,398)	1,855,171
Goods and Services Tax (GST) Receipts	1,235,200	930,636	1,021,400	90,763	1,037,093
Customs and Excise (C&E) Receipts	1,541,563	1,189,562	1,503,888	314,326	1,313,905
Mineral Resources	322,125	225,251	258,041	32,790	236,488
Fisheries	122,715	110,746	156,299	45,552	143,005
Other Departmental Receipts	849,701	828,430	923,113	94,683	941,496
Road User Charges	124,829	112,655	112,595	(60)	116,664
<b>Total Domestic Revenue</b>	<b>6,470,436</b>	<b>5,398,879</b>	<b>5,973,537</b>	<b>574,658</b>	<b>5,643,823</b>
 <b>Total Direct Budgetary Support Grants</b>	 1,765,160	 3,060,692	 302,461	 (2,758,231)	 232,627
<b>Total Revenue and Grant Receipts</b>	<b>8,235,596</b>	<b>8,459,571</b>	<b>6,275,998</b>	<b>(2,183,573)</b>	<b>5,876,450</b>
 <b>EXPENDITURE PAYMENTS</b>					
Wages, Salaries and Employees Benefits	3,174,476	3,338,817	3,102,675	236,142	2,414,641
Non-Salary, Non-Interest Recurrent Expenditure	1,755,742	2,005,215	2,901,125	(895,910)	1,978,609
 <b>Transfers and Grants</b>					
Grants to Tertiary Educational Institutions	82,216	82,216	439	81,777	148,984
Transfers to the Road Fund	124,829	124,829	113,349	11,480	8,338
Transfers to Local Councils	113,183	113,183	118,488	(5,305)	198,140
Other Grants	0	0	22,029	(22,029)	27,487
 <b>Other payments</b>	 0	 0	 58,640	 (58,640)	 38,805
 <b>Total Non-Interest Recurrent Expenditure Payments</b>	 <b>5,250,446</b>	 <b>5,664,260</b>	 <b>6,316,745</b>	 <b>(652,485)</b>	 <b>4,815,004</b>
Capital/Development Expenditure	1,795,191	2,523,909	1,175,279	1,348,630	529,281
Financing Costs – Domestic Interest Payments	1,104,521	1,104,521	1,089,183	15,338	885,632
Financing Costs – External Interest Payments	120,517	156,011	120,094	35,918	93,972
 <b>Arrears Payments</b>	 0	 0	 481,123	 (481,123)	 86,263
<b>Total Expenditure Payments</b>	<b>8,270,675</b>	<b>9,448,701</b>	<b>9,182,424</b>	<b>266,277</b>	<b>6,410,152</b>
 <b>Cash Surplus/(Deficit) from operations</b>	 <b>(35,079)</b>	 <b>(989,130)</b>	 <b>(2,906,426)</b>	 <b>(2,449,850)</b>	 <b>(533,702)</b>

## STATEMENT B

### STATEMENT OF COMPARISON OF BUDGET AND ACTUAL REVENUE AND EXPENDITURE FOR THE YEAR ENDED 31ST DECEMBER 2020

External Borrowing (Loans)	1,078,465	1,078,465	2,558,196	644,880
External Debt Amortization	(569,091)	(578,186)	(631,269)	(466,653)
Domestic Borrowing (Net)	873,930	2,174,324	1,614,256	427,619
Staff Loans and Advances (Net)	0	0	488	494
Other Items (Net)	0	0	20	7,518
<b>Net Financing Flows</b>	<b>1,383,304</b>	<b>2,674,603</b>	<b>3,541,691</b>	<b>613,857</b>

<b>Overall Cash Surplus/(Deficit)</b>	<b>1,348,225</b>	<b>1,685,473</b>	<b>635,265</b>	<b>80,155</b>
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#### Reconciliation to Fiscal Profile

Cash Surplus/(Deficit) from operations	(35,079)	(989,130)
External Borrowing (Loans)	(1,078,465)	(1,078,465)
Contingency	(3,760)	(134,293)
Arrears Payments	(266,000)	(266,000)
<b>Overall Deficit/Surplus (Fiscal Profile)</b>	<b>(1,383,304)</b>	<b>(2,467,888)</b>

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

## STATEMENT C

### STATEMENT OF CASH POSITION AS AT 31ST DECEMBER 2020

Amounts in millions of Leones

	As At 31st December 2020	As At 31st December 2019	Change in Balances
<b>CONSOLIDATED FUND</b>			
<b>CASH AND CASH EQUIVALENTS</b>			
Treasury Ways & Means Advances Account	213,569	192,404	21,165
Strategic Petroleum Fund Account	2,017	2,017	0
Road Maintenance Fund (RMFA)	0	58,597	(58,597)
Cargo Tracking	0	28,620	(28,620)
Anti Corruption	78	15,078	(15,000)
Fish Protection Stats Res	875	0	875
Donation To Free Health Care	593	0	593
GST-Refund	17,312	0	17,312
COI Special Recovery	365	0	365
Departmental Bank A/C	266,686	195,322	71,364
COVID-19 Emergency Response	33,471	0	33,471
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>534,966</b>	<b>492,039</b>	<b>42,927</b>
<b>OVERDRAFTS HELD AT BANK</b>			
Treasury Main Account	(276,536)	(330,326)	53,790
Other Charges Account	(175,229)	(679,644)	504,415
Salaries Account	(195,784)	(198,188)	2,403
Pensions Accounts	(12,506)	(44,377)	31,871
Departmental Bank O/D A/C	(67,772)	(67,631)	(141)
<b>TOTAL BANK OVERDRAFT HELD</b>	<b>(727,828)</b>	<b>(1,320,166)</b>	<b>592,338</b>
<b>NET CASH AND BANK BALANCES - CONSOLIDATED FUND</b>	<b>(192,862)</b>	<b>(828,127)</b>	<b>635,265</b>



## 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 Government of Sierra Leone, as specified in Section 111 of the Constitution of Sierra Leone 1991 and the Public Financial Management Act of 2016.

The Unaudited Financial Statements presented above reflect the Cash Receipts and Payments of the Consolidated Fund of the Government of Sierra Leone for the financial year ended 31st December 2020 predominantly on the basis of moneys 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 moneys either received directly by the treasury or collected by the National Revenue Authority (NRA) and administers cash expenditures incurred by all ministries, department 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 2020* 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, Department 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 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 that are 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 of 2016 and complied 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 a 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, which is the functional and reporting currency of the Government of Sierra Leone.

### **c. Reporting Period**

The reporting period for these financial statements is a period of twelve months, starting on 1st January to 31st December 2020, 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/Authorised 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 standardized GPFS. Notes shall be provided with 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 as at end of the financial year shall also be provided by 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 actually 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 respective expenditure item in the period of payment.

**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 either as receipts/payments.

**j. Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and cash at 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. In the event 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 accounts 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 Government of Sierra Leone Budget Printed Estimates.

An assessment of the actual budgetary performance, at the level of legislative approval, 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 a 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 neither 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 memorandum basis – as additional disclosure).

**3. Authorisation Date**

The unaudited Financial Statements were authorised for issue on 25th March 2021 by Mr. Jacob Jusu Saffa, Minister of Finance of the Government of Sierra Leone.

**4. The Approved National Budget**

The approved National Budget is developed on the same accounting basis (cash basis), same classification basis, and for the same period (from 1st January to 31st December 2020) as for the financial statements. The Appropriation Act for FY2020 was adopted and passed into law by Parliament in November 2019. Following that assent, the Appropriation Act for FY2020 was signed into law by the President in December 2019. This Government Budget and Statement of Economic and Financial Policies for the financial year 2020, was themed: *"Fiscal Consolidation for Human Capital Development"*. The key objectives of the 2020 Government Budget included the pursuing of fiscal consolidation to ensure fiscal and debt sustainability, and accelerate investments in human capital, in order to improve the wellbeing of current and future generations. It also focused on the expansion of 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 FY2020 was Le6.9 trillion. Wages, Salaries and Employees Benefits got Le 3,338,817 million; Non Salary Non Interest Recurrent Expenditure got Le2.3 trillion; Devolved Functions Le113 billion; Development Expenditure Le1.8 trillion; Public Debts Charges got Le1.2 trillion and Contingency Fund Le1343 trillion.

## 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 of 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 amount of Income Tax Receipts collected during the fiscal year 2020 amounted to Le1.9 trillion (Le18 trillion - FY2019). The summary details of the income tax receipts are presented in the table below:

Income Tax Receipts (In millions of Leones)				
	Budget Estimates FY 2020	Actual FY 2020	Surplus/ (Shortfall) FY 2020	Actual FY 2019
Corporate Tax	340,398		(340,398)	0
Personal Income Tax	1,661,201	1,556,729	(104,472)	1,544,635
PAYE- Government Employees		348,672	348,672	266,137
Withholding Tax-Govt. Contractors		85,428	85,428	39,805
Withholding Tax-Free Health Care		7,371	7,371	4,594
<b>Total Income Tax Receipts</b>	<b>2,001,598</b>	<b>1,998,200</b>	<b>(3,398)</b>	<b>1,855,171</b>

The total amount of Domestic Revenue (Tax) Arrears as at 31st December 2020 amounted to Le346.6 billion (Le286.3 billion - FY 2019). Further details are presented in Appendix 2 - Statement of Domestic Revenue Arrears.

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

The total amount of Goods and Services Tax (GST) Receipts collected during the fiscal year 2020 amounted to Le1. trillion (Le14 trillion - FY2019). The summary details of the Goods and Services Tax receipts are presented in the table below:

Goods and Services Tax (GST) Receipts (In millions of Leones)				
	Budget Estimates FY 2020	Actual FY 2020	Surplus/ (Shortfall) FY 2020	Actual FY 2019
Import GST	507,554	1,004,087	496,533	1,037,093
Domestic GST	423,082		(423,082)	
GST Refund		17,312	17,312	
<b>Total GST Receipts</b>	<b>930,636</b>	<b>1,021,400</b>	<b>90,763</b>	<b>1,037,093</b>

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

The total amount of Customs and Excise (C&E) Receipts collected during the fiscal year 2020 amounted to Le1.5 trillion (Le1.3 trillion - FY2019), with further details shown below:

**Custom and Excise (C & E) Receipts (In millions of Leones)**

	<b>Budget Estimates</b>	<b>Actual</b>	<b>Surplus/ (Shortfall)</b>	<b>Actual</b>
	<b>FY 2020</b>	<b>FY 2020</b>	<b>FY 2020</b>	<b>FY 2019</b>
Import Duties	641,362	1,142,816	501,454	939,760
Petroleum Fuel Oils Excise Duty	506,339	356,042	(150,297)	374,128
Other Excise Duties	41,861		(41,861)	
Duty Waiver Income		5,030	5,030	17
<b>Total C &amp; E Receipts</b>	<b>1,189,562</b>	<b>1,503,888</b>	<b>314,326</b>	<b>1,313,905</b>

**9. Mineral Resources**

The total receipts from mineral resources for FY2020 amounted to Le2.6 trillion (Le2.4 trillion - FY2019), with further details shown below:

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

	<b>Budget Estimates</b>	<b>Actual</b>	<b>Surplus/ (Shortfall)</b>	<b>Actual</b>
	<b>FY 2020</b>	<b>FY 2020</b>	<b>FY 2020</b>	<b>FY 2019</b>
Royalty on Rutile	73,336		(73,336)	
Royalty on Bauxite	14,133		(14,133)	
Royalty on Diamond and Gold	27,274	7,773	(19,502)	5,264
Royalty on Iron Ore	20,357		(20,357)	
Licences	90,151		(90,151)	
Miscellaneous		250,269	250,269	231,223
<b>Total Mineral Receipts</b>	<b>225,251</b>	<b>258,041</b>	<b>32,790</b>	<b>236,488</b>

**10. Fisheries**

The total receipts from fisheries for FY2020 amounted to Le1.6 trillion (Le1.4 trillion - FY2019), with further details shown below:

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

	<b>Budget Estimates</b>	<b>Actual</b>	<b>Surplus/ (Shortfall)</b>	<b>Actual</b>
	<b>FY 2020</b>	<b>FY 2020</b>	<b>FY 2020</b>	<b>FY 2019</b>
Reg'n Artisanal Fish Vessels	110,746	95,866	(14,880)	100,767
Freight Levy Maritime		59,557	59,557	42,239
Fish Health Certificates		875	875	
<b>Total Fisheries Receipts</b>	<b>110,746</b>	<b>156,299</b>	<b>45,552</b>	<b>143,005</b>

**11. Other Departmental Receipts**

The total amount of Other Departmental Receipts collected during the fiscal year 2020 amounted to Le9.2 trillion (Le9.4 trillion - FY2019), with further details shown below:

## Other Departmental Receipts (In millions of Leones)

	Budget Estimates FY 2020	Actual FY 2020	Surplus/ (Shortfall) FY 2020	Actual FY 2019
Issuance of National ID Cards	150	25	(125)	0
Passports	353,000	5,555	(347,445)	12,185
Pharmacy Board Licence	1,988	1,086	(901)	4,056
Rent Received from Gov't Qtrs.	60,750	167	(60,583)	191
Strategic Petroleum Income		15,855	15,855	11,474
Petroleum Directorate		838	838	2,647
Forest Produce Licences	215	32,874	32,659	28,684
Export Licences	40	229,605	229,565	196,047
EPA Monitoring Fees		28,804	28,804	32,336
Standards Bureau	350	1,516	1,166	2,496
National Telecommunications Commission	285,377	137,838	(147,539)	165,192
Sierra Leone Road Safety Authority	19,680	72,839	53,159	57,628
Sierra Leone Civil Aviation Authority	2,911	28,219	25,308	67,972
Penalties		365	365	
Auctioneer Licence	750	2,162	1,412	
Donation to Free Health Care		534	534	
Hospital Fees	350	479	129	
Produce Licence		1,277	1,277	
Misc. Receipts	51,889	363,076	311,187	360,588
<b>Total Other Departmental Receipts</b>	<b>777,449</b>	<b>923,113</b>	<b>145,664</b>	<b>941,496</b>

The total amount of Miscellaneous Receipts of Le3.6 trillion for fiscal year 2020, this includes donations made towards the fight of the COVID 19 pandemic amounting to Le4.1 trillion (Le3.6 trillion – FY2019) comprises, as follows:

## MISC. RECEIPTS - FY2020

MDA Code	Description	FY2020 Le' m	FY2019 Le' m
105	Ministry of Political and Public Affairs	0	2,213
107	Ministry of Local Govt. and Rural Development	0	2,685
110	Secretary to the President	5,941	10,520
112	Office of the Vice President	18,591	6,919
117	Cabinet Secretariat	555	146
118	The Judiciary	6,051	1,576
120	High Court	0	1,981
122	Human Resource Management Office	152	186
124	Law Officers' Department	12,168	7,934
127	Ministry of Planning and Economic Development	4,252	3,008
128	Ministry of Foreign Affairs and International Coop.	5,341	22,828
129	Ministry of Finance	32,308	74,350
130	National Revenue Authority (NRA)	105,499	100,945
132	Accountant General's Department	7,123	18,116
133	Ministry of Information and Communications	5,673	1,103
141	Government Printing Department	540	466
201	Ministry of Defence	27,196	2,985
205	Ministry of Internal Affairs	20	0
206	Sierra Leone Police	41,505	39,352

MISC. RECEIPTS - FY2020

MDA Code	Description	FY2020 Le' m	FY2019 Le' m
207	Sierra Leone Correctional Services	708	5,099
208	National Fire Authority	60	134
211	Immigration Department	1,158	0
301	Ministry of Education Science and Technology	9,916	6,391
302	Ministry of Sports	156	49
303	Ministry of Tourism and Cultural Affairs	1,374	2,976
304	Ministry of Health and Sanitation	19,855	26,729
305	Ministry of Social Welfare Gender and Childrens' Affairs	118	507
306	Ministry of Lands, Country Planning and Environment	1,175	2,337
310	Ministry of Youth Affairs	1,201	1,372
401	Ministry of Agriculture, Forestry and Food Security	5,706	1,938
402	Ministry of Fisheries and Marine Resources	184	209
403	National Minerals Agency	0	580
404	Ministry of Transport and Aviation	680	70
406	Ministry of Energy	658	844
407	Ministry of Labour and Social Security	130	333
408	Ministry of Works Housing and Infrastructure	4,412	5,176
409	Ministry of Trade and Industry	33	26
411	Road Maintenance Fund	0	372
412	National Telecommunications Commission (NATCOM)	0	5,575
414	Ministry of Water Resources	1,430	2,558
610	Contingency (Donations to NERCOVERC)	41,208	0
<b>Total</b>		<b>363,076</b>	<b>360,588</b>

## 12. Road User Charges

Receipts collected from Road User Charges totalled Le1.1 trillion (Le1.1 trillion – FY2019).

Road User Charge Receipts (In millions of Leones)

	Budget Estimates FY 2020	Actual FY 2020	Surplus/ (Shortfall) FY 2020	Actual FY 2019
Road User Charges	112,655	112,595	(60)	116,664
<b>Total Road User Charge Receipts</b>	<b>112,655</b>	<b>112,595</b>	<b>(60)</b>	<b>116,664</b>

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

## 13. HIPC Debt Relief

The total amount of debt relief granted in FY2020 under the Highly-Indebted Poor Countries (HIPC) programme was Le12.9 billion (Le11.78 billion – FY2019), with details as shown below.

HIPC Debt Relief Assistance (In millions of Leones)

	Budget Estimates FY 2020	Actual FY 2020	Surplus/ (Shortfall) FY 2020	Actual FY 2019
IFAD		4,543	4,543	6,126
EEC	1,030,000	8,433	(1,021,567)	5,563
<b>Total HIPC Debt Relief Assistance</b>	<b>1,030,000</b>	<b>12,976</b>	<b>(1,017,024)</b>	<b>11,689</b>



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

The total amount of foreign (external) grants received during FY2020 was Le2.89 trillion (Le2.2 trillion – FY2019), with details as shown below:

Other Grants and Aid (In millions of Leones)				
	Budget Estimates FY 2020	Actual FY 2020	Surplus/ (Shortfall) FY 2020	Actual FY 2019
UK DFID			0	
EU State Building Contract		289,485	289,485	220,938
Grants from the ECOWAS Commission			0	
Other Grant and Aid	735,160		(735,160)	
<b>Total Other Grants and Aid</b>	<b>735,160</b>	<b>289,485</b>	<b>(445,675)</b>	<b>220,938</b>

The European Union gave a direct budgetary support of 25 million (net), representing Le289,485 million (Le220, 938 million – FY2019), under the EU State Building Contract. The EU receipts was split into two tranches comprising of the fixed tranche of €10 million which was received earlier in the wake of the COVID 19 pandemic. The remaining €15 million was received later in the year which was supposed to be the variable tranche but was converted to a fixed tranche as a result of the effective cooperation between our services during these challenging moments and the continued focus towards the achievements of relevant indicators for the strengthening of our national PFM systems.

#### 1.5 Wages, Salaries and Employee Benefits

The total amount of Wages, Salaries and Employee Benefits paid during FY2020 was Le3,102,675 million (Le2,414,641 million – FY2019), excluding Wages and Salaries Arrears Payments of Le14,459 million (Le33,084 million – FY2019) 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)

		Actual FY 2020	Actual FY 2019
2111	Basic Salaries	1,526,995	1,261,212
2112	Salary Grants	568,169	402,247
2114	Travelling Claim to Retirement	397	151
2121	Transport Allowance	87,545	69,922
2122	Medical Allowance	22,057	15,870
2123	Rent Allowance	68,959	52,857
2126	Domestic Servant Allowance	68	77
2127	Fuel Allowance	72	90
2128	Risk Allowance	37,374	28,130
2130	Clothing Allowance	342	279
2131	Responsibility Allowance	219	174
2132	Remote Allowance	46,682	36,421
2133	Acting Allowance	9,680	5,831
2136	Travel Bonus	176	132
2139	Other Allowances	49,738	37,942
2140	Late Allowance	13	20

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

		<b>Actual FY 2020</b>	<b>Actual FY 2019</b>
2142	Taxation Allowance	0	25
2145	Entertainment Allowance	679	657
2149	Leave Allowance	120,512	62,383
2152	Special Acting Allowance	189	141
2153	Representation Allowance	91	132
2155	Children Allowance	1,041	955
2156	Education Allowance	157	189
2158	On Call Medical Allowance	57,946	42,771
2181	Emp Cont To Social Security Pen	216,602	184,056
2182	Gratuities	200,837	151,261
2183	Pensions	60,950	48,384
2184	Death Gratuities	24,949	11,530
2199	Unallocated Personnel Exp	235	801
<b>Total Wages, Salaries and Employee Benefits</b>		<b>3,102,675</b>	<b>2,414,641</b>

Further details on Wages, Salaries and Employee Benefits paid by the Government during FY2019 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 Le2.9trillion (Le1.9 trillion – FY2019) 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 2020</b>	<b>Actual FY 2019</b>
2211	Local Travelling	2,061	6,881
2212	Overseas Travelling	27,482	40,432
2221	Electricity	4,047	2,533
2222	Water	3,074	2,533
2223	Telephone & Other Comm	5,195	2,039
2241	Office & General	541,817	882,504
2242	Stationery	6,338	5,061
2243	Official Recpt,Ent & Hosp	487	700
2244	Office Cleaning	3,245	1,252
2245	Office Stores/Supplies	6,570	40,496
2246	Computer Running Costs	2,328	1,700
2247	Cleaning - Others	2,945	0
2251	Advertisements	12	-60
2252	Publications	35,451	399
2253	Printing (General)	394	416
2255	Public Relations Expenses	27	371
2261	Building Maintenance	7,987	7,773
2262	Machinery & Equip Maintenance	1,003	221
2264	Vehicle Maintenance	9,628	3,771

Use of goods and services (In millions of Leones)

		<b>Actual FY 2020</b>	<b>Actual FY 2019</b>
2265	Generator Running Cost	369	168
2267	Insurance-Motor Vehicles/Cycle	18	22
2270	Rice For Officers & Other Rank	86,055	14,772
2272	Medical Consumables	853	23
2277	Imprest	24,337	0
2291	Bank Charges	41,235	7,780
2292	Misc. Operat'L Expenses	9,264	37,568
2293	Honoraria & Other All'Ces	0	40
2294	Freight/Port Charges	1,815	3
2299	Stock Price Adjustment	5,357	0
2312	Training Local	1,482	2,783
2313	Training Overseas	5,063	7,499
2314	Local Conferences	109	4,245
2315	Professional Fees/Consultancy	31,367	19,187
2317	Legal Expenses	20	0
2318	Medical Expenses	12,407	18,353
2321	Uniforms/Protective Clothing	18,773	966
2322	Text Books	0	73,893
2323	Teaching & Learning Materials	3,619	18,635
2324	Diets & Feeding	95,797	59,206
2325	Drugs & Medical Supplies	35,082	21,847
2326	Tools & Laboratory Items	30,315	0
2328	Fuel & Oil (Vehicles)	67,870	58,251
2332	Essential Drugs	21,722	0
2333	Medical Supplies	70,962	65
2334	Other Consumables	0	547
2341	Rent For Office Accomod'T	11,182	5,055
2342	Rent For Residential Accom'T	0	1,183
2344	Rates	2,950	2,491
2346	State House & Pres. Lodge Exp.	11,186	4,798
2351	Research Expenses	0	877
2361	Social Events	8	0
2364	Sports Competitions	19,847	16,330
2365	Fuel For Emergency Power	147,673	92,649
2383	Official Receptions/Hosp	100	395
2385	Diplomatic Corp Activities	1,471	868
2391	Defence Expenses	2,033	0
2392	State Security Expenses	41,014	249
2393	Agricultural Expenses	130,045	24,808
2394	Agricultural Input	580	-75
2411	Current Grants Gen. Gov'n Bodies	915,693	413,887
2423	Youth Development Prog.	0	303
2446	Ration For Officers	209	0
2611	Aquisition Of Land	4,200	0
2613	Furn, Office Equip, Safes	7,762	11,225
2614	Computers and Ancillary Equip	6,103	2,179
2615	Vehicles	276,035	56,539
2619	Science Equipment	0	-2,200
2621	Feasibility Study, Proj. Design	6,760	218

Use of goods and services (In millions of Leones)

		<b>Actual FY 2020</b>	<b>Actual FY 2019</b>
2623	Motor Vehicles	1,330	0
2624	Bicycles And Tricycles	36,432	100
2631	Plant, Equip. & Machinery	52,720	0
2632	Const'N/Reconst'N of Buildings	1,239	642
2633	Rehabilitation of Buildings	575	1,212
<b>Total Use of goods and services</b>		<b>2,901,125</b>	<b>1,978,609</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 Le439 million (Le1.5 trillion – FY2019).

### 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 Le1.1 trillion (Le8.338 billion – FY2019).

### 19. Transfers to Local Councils

The total amounts paid in respect of Transfers to Local Councils and school fee subsidies for FY2020 was Le1.18 trillion (Le1.9 trillion – FY2019).

Transfers to Local Councils (In millions of Leones)

<b>Local Councils</b>	<b>Particulars</b>	<b>Budget Estimates FY 2020</b>	<b>Actual FY2020</b>	<b>Actual FY2019</b>
701	Direct Transfers to Local Councils	61,753	47,823	46,947
702	Kailahun District	3,727	4,043	4,773
703	Kenema City Council	879	1,735	2,249
704	Kenema District Council	1,663	2,884	2,535
705	Koidu New Sembenhun City Council	2,492	3,094	3,871
706	Kono District Council	1,689	2,819	2,477
707	Makeni City Council	795	1,390	1,797
708	Bombali District Council	1,389	2,343	2,014
709	Kambia District Council	3,019	5,199	3,123
710	Koinadugu District Council	2,580	3,354	2,752
711	Port Loko District Council	3,393	4,795	3,522
712	Tonkolili District Council	3,508	4,933	4,426
713	Bo City Council	877	1,685	3,226
714	Bo District Council	1,818	3,020	2,327
715	Bonthe Municipal Council	1,500	1,825	2,340
716	Bonthe District Council	1,299	2,042	4,420
717	Moyamba District Council	3,100	4,100	3,073
718	Pujehun District Council	3,158	4,173	2,707
719	Western Area Rural District Council	1,619	3,039	2,302
720	Freetown City Council	5,881	8,716	13,753
721	Port Loko City Council	631	1,088	1,636
722	Karene City Council	1,522	2,465	1,873

Transfers to Local Councils (In millions of Leones)

Local Councils	Particulars	Budget Estimates FY 2020	Actual FY2020	Actual FY2019
723	Falaba City Council	1,173	1,925	1,702
		109,465	118,488	119,846
	Indirect Transfers to Local Councils			
	School Fees Subsidy		0	78,294
	Local Government Development Grant	4,072	0	0
		<b>113,536</b>	<b>118,488</b>	<b>198,140</b>

## 20. Other Grants (Payments)

The Other Grants (Payments) made in FY2020 totalled Le22 billion (Le27.5 billion - FY2019), as outlined below:

Other Grants (In millions of Leones)

	Actual FY 2020	Surplus/ (Shortfall) FY 2019	Actual FY 2019
Grants to Educational Units	1,633	(1,633)	
Exams Subsidy to WAEC	20,396	(20,396)	27,487
<b>Total Other Grants</b>	<b>22,029</b>	<b>(22,029)</b>	<b>27,487</b>

## 21. Other Recurrent Payments

The Other Recurrent payments made in FY2020 totalled Le58.6 billion (Le38.8 billion - FY2019), as outlined below:

Other Recurrent Payments (In millions of Leones)

	Actual FY 2020	Actual FY 2019
Social Benefits	1,706	1,902
Other Contributions		9,636
Subscription to International Orgs.	56,863	27,196
Consolidated Act Based Expense	72	70
<b>Total Other Recurrent Payments</b>	<b>58,640</b>	<b>38,805</b>

## 22. Financing Costs – Domestic Interest Payments

The Financing Costs for Domestic Borrowing held in FY2020 (Domestic Interest Payments) amounted to Le1.1 trillion (Le8.8 trillion - FY2019) 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)

	<b>Budget Estimates FY 2020</b>	<b>Actual FY 2020</b>	<b>Surplus/ (Shortfall) FY 2020</b>	<b>Actual FY 2019</b>
Interest on Treasury Bills	875,955	922,590	(46,635)	769,639
Interest on Treasury Bonds	217,396	155,043	62,352	101,696
Ways and Means Interest	11,171	11,550	(379)	14,297
<b>Total Domestic Interest Payments</b>	<b>1,104,521</b>	<b>1,089,183</b>	<b>15,338</b>	<b>885,632</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 FY2020 (External Interest Payments) amounted to Le1.2 trillion (Le93.9 billion - FY2019) representing interest payments actually made during the period to external creditors, as outlined below:

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

	<b>Budget Estimates FY 2020</b>	<b>Actual FY 2020</b>	<b>Surplus/ (Shortfall) FY 2020</b>	<b>Actual FY 2019</b>
Multilateral Debts	120,517	106,005	14,512	64,370
Bilateral Debts		14,089	(14,089)	29,602
Commercial Debts			0	0
<b>Total External Interest Payments</b>	<b>120,517</b>	<b>120,094</b>	<b>423</b>	<b>93,972</b>

Further details are available in Note 27 and Appendix 9

### 24. Capital/Development Expenditure

The total amount of Le1.17 trillion (Le529 billion – FY2019) 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.

### 25. Development Project Operations

The total receipts recorded for Donor Funded Projects for the year under review amounted to Le625,570 million (Le1,156,378 million – FY2019) while total payments made by these projects stood at Le565,226 million (Le1,148,193 million – FY2019), resulting in a surplus of Le60,344 million (surplus Le8,182 million – FY2018). Summary details are provided in the analysis below:

**Development Project Operations**

Amounts in millions of Leones

	<b>FY2020</b>	<b>FY2019</b>
Project Receipts	625,570	1,156,375
Project Payments	565,226	1,148,193
Loss/Gains on Exchange	(8,479)	9,705
<b>Development Project Operations (Net Flows)</b>	<b>51,865</b>	<b>17,887</b>

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

## 26. 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. It is however not currently possible to identify and reliably ascertained the financial value received for such contributions.

## 27. Arrears Payments

The Arrears Payments made in FY2020 totalled Le481,123 million (Le86,263 million - FY2019), as outlined below:

Arrears Payments (In millions of Leones)

	<b>Budget Estimates</b>	<b>Actual</b>	<b>Surplus/ (Shortfall)</b>	<b>Actual</b>
	<b>FY 2020</b>	<b>FY 2020</b>	<b>FY 2020</b>	<b>FY 2019</b>
Wages and Salaries Arrears	9,046	14,549	(5,503)	33,084
Domestic Arrears	285,000	466,574	(181,574)	53,179
<b>Total Arrears Payments</b>	<b>294,046</b>	<b>481,123</b>	<b>(187,077)</b>	<b>86,263</b>

## 28. Receipts from External Borrowings (Direct Budgetary Support - Loans)

The total amount of foreign (external) loans disbursed during FY2020 as direct budgetary support was Le2,558,196 million (Le644, 880 million – FY2019), with details as shown below:

External Borrowing (Loans) (In millions of Leones)

	<b>Budget Estimates</b>	<b>Actual</b>	<b>Surplus/ (Shortfall)</b>	<b>Actual</b>
	<b>FY 2020</b>	<b>FY 2020</b>	<b>FY 2020</b>	<b>FY 2019</b>
World Bank		831,043	831,043	341,613
African Development Bank		126,143	126,143	180,008
International Monetary Fund (IMF)	1,078,465	1,601,010	522,545	123,259
<b>Total External Borrowing (Loans)</b>	<b>1,078,465</b>	<b>2,558,196</b>	<b>1,479,731</b>	<b>644,880</b>

Amounts totalling Le1,601,010 million (Le123,259 million – FY2019) was received during the fiscal year from the IMF (through the Bank of Sierra Leone) under the Rapid Credit Facility Programme. This is the equivalent of its Special Drawing Rights (SDR) of Le103.7 million.

During the fiscal year 2020, the CRF also received an amount of Le126,143 million equivalent to US\$12.7 million from the African Development Bank in respect of the replenishment of the revolving fund fiscal consolidation support programme in favour of the Government of Sierra Leone

There was also the International Development Association disbursement through the Bank of Sierra Leone of US\$101.55 million under the Third Productivity and Transparency Grant credited to the CF of Le831,043 million being the Leone equivalent of the said amount.

## 29. External Public Debt Amortization - Repayment of principal on Foreign Loans

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

	FY2020			FY2019		
	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	48,320	27,852	76,172	20,888	19,813	40,701
African Development Fund (ADF)	11,678	12,897	24,575	13,427	13,910	27,337
Opec Fund For International Development	55,572	18,848	74,420	43,001	9,305	52,307
International Fund For Agricultural Development (IFAD)	10,769	2,860	13,629	6,044	2,762	8,805
Islamic Development Bank	138,614	15,783	154,398	105,208	925	106,133
Arab Bank For Economic Development Bank	11,144	1,300	12,444	8,556	793	9,349
European Investment Bank	6,393	14,587	20,979	11,702	7,308	19,011
ECOWAS Regional Development Fund	11,811	3,155	14,967	11,788	3,980	15,768
ECOWAS Bank For Investment Development	21,131	8,723	29,854	12,423	5,574	17,997
Total Multilateral Debts (A)	315,433	106,005	421,438	233,038	64,370	297,408
<b>BILATERAL DEBTS</b>						
Saudi Fund For Development	4,462	2,429	6,891	8,428	3,149	11,577
Kuwait Fund	13,184	4,763	17,947	29,496	12,928	42,423
China	14,579	3,183	17,762	27,312	6,261	33,574
Exim Bank Of India	22,112	3,714	25,826	33,377	7,264	40,641
Total Bilateral Debts (B)	54,336	14,089	68,425	98,613	29,602	128,216
<b>COMMERCIAL DEBTS (C)</b>						
Commercial & Suppliers Credit	219,289	0	219,289	135,002	0	135,002
<b>TOTAL EXTERNAL PUBLIC DEBTS PAYMENTS</b>	<b>589,058</b>	<b>120,094</b>	<b>709,152</b>	<b>466,653</b>	<b>93,972</b>	<b>560,626</b>

The total amount of External Debt Payments made during the financial year was Le709,152 million (Le560,626 million – FY2019), comprising Principal Loan Repayments of Le589,058 million (Le466,653 million – FY2019) and Interest Payments of Le120,094 million (Le93,972 million – FY2019). As part of the debt repayment, there is an amount of Le42,211 million representing payments made in respect of Loans to other units of the General Government.

Further details are available in Appendix 9.

## 30. Domestic Borrowing (Net)

Domestic Borrowing issued during FY2020 totalled Le 5,843,746 million (Le 4,137,576 million – FY2019) and this comprises:



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

	Issues FY 2020	Repayments FY 2020	Net Flows FY 2020	Issues FY 2019	Repayments FY 2019	Net Flows FY 2019
<b>Short term Securities (Less than one year)</b>						
Treasury Bills	5,575,365	3,932,810	1,642,555	3,792,462	3,424,561	367,901
Bridging Loan			0	0	247,019	(247,019)
Ways and Means	21,165	117,162	(95,997)	117,162	75,235	41,927
<b>Total Short term Securities</b>	<b>5,596,530</b>	<b>4,049,972</b>	<b>1,546,558</b>	<b>3,909,624</b>	<b>3,746,815</b>	<b>162,809</b>
<b>Long term Securities</b>	<b>247,216</b>	<b>288,184</b>	<b>(40,968)</b>	<b>227,951</b>	<b>213,078</b>	<b>14,873</b>
<b>Total Domestic Borrowing</b>						
<b>Payments</b>	<b>5,843,746</b>	<b>4,338,156</b>	<b>1,505,590</b>	<b>4,137,576</b>	<b>3,959,893</b>	<b>177,683</b>

Treasury Bills – The amount of Le5,575,365 million (Le3,792,462 million – FY2019) 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 Le3,932,810 million (Le3,424,561 million – FY2019). The total outstanding amount of treasury bills at the end of FY2020 is Le5,404,411million (Le3,761,856 million – end FY2019). Further details are available in the table below (Summary Schedule of Domestic Public Debts) and in Appendix 6 for a 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 for the 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 FY2020 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 Le95.9 billion, taking the total amount owed at the end of the fiscal year to Le21,165 million and arriving at a closing balance of Le213,569 million repayable in the ensuing year.

Long Term Securities (with more than one year maturity) - A total of Le247,216 million (Le227,951million – FY2019) represents long-term securities issued in the form of treasury bonds during the year ended FY2019. The total worth of long-term securities redeemed during the year amounted to Le288,184 million (Le213,078 million – FY2019).

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 FY2020 was Le1,576,385 million (Le1,439,840 million – end FY2019) held by the Bank of Sierra Leone (Le935,818 million) and NASSIT (Le106,559 million). The Special Marketable Securities held by the Bank of Sierra Leone totalling Le799,273 million as at 31st December 2019, comprises: 3-Year Treasury Bonds Le314,722 million, 5-Year Treasury Bonds Le367,990 million and 10-Year Treasury Bond Le560,258 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 2020									
	Outstanding Balance 01-Jan-20 Le' m	Issued During the PRD Le' m	Matured During the PRD Le' m	Outstanding Balance 31-Dec-20 Le' m	Interest Payments FY2020 Le' m	Interest Payments FY2019 Le' m	Issue Date	Maturity Date	Interest Due Period
<b>Short term Securities (with one year or less maturity)</b>									
91-Day Treasury Bills	3,534	184,068	167,278	20,324	3,703	650		See Schedule on 91 Days	On various maturity dates
182-Day Treasury Bills	3,177	135,522	10,387	128,311	626	970		See Schedule on 182 Days	
364-Day Treasury Bills	3,755,146	5,255,776	3,755,146	5,255,776	918,260	768,020		See Schedule on 364 Days	
<b>Total Treasury Bills</b>	<b>3,761,856</b>	<b>5,575,365</b>	<b>3,932,810</b>	<b>5,404,411</b>	<b>922,590</b>	<b>769,639</b>			
NB-Treasury Bills are recorded at Issued Values, excluding outstanding interests									
Bridging Loans - Bank of Sierra Leone (BSL)	0	0	0	0	0	1,705			
Ways and Means Advances	117,162	21,165	117,162	21,165	11,550	12,592			
<b>Total Short Term Securities</b>	<b>3,879,018</b>	<b>5,596,530</b>	<b>4,049,972</b>	<b>5,425,576</b>	<b>934,140</b>	<b>783,936</b>			
<b>1.5-Year Treasury Bonds</b>									
1.5-yr UBA Bond	0	29,259	0	29,259	3,657	0	02-Mar-20	30-Aug-21	25.0%
	0	68,271	0	68,271	8,534	0	04-Mar-20	01-Sep-21	25.0%
<b>Total 1.5-Year Tresury Bonds</b>	<b>0</b>	<b>97,531</b>	<b>0</b>	<b>97,531</b>	<b>12,191</b>	<b>0</b>			
<b>2-Year Treasury Bonds</b>									
2-Year Treasury Bond (NASSIT)	40,487	0	0	40,487	6,496	3,473	29-May-17	23-May-19	13.0%
							27-May-19	26-May-21	Avg Inflation + 200 basis point
2-Year Treasury Bond (RCB,CMB & GTB)	46,195	0	46,195	0	1,963	7,830	11-Jan-18	09-Jan-20	17.0%
2-Year Treasury Bond (RCB)	10,000	0	10,000	0	1,100	2,200	22-Feb-18	20-Feb-20	22.0%
2-Year Treasury Bond (SLCB)	15,000	0	15,000	0	1,681	3,362	01-Mar-18	27-Feb-20	22.4%
2-Year Treasury Bond,Securiport Bond (USD 5.7 Million)	49,173	0	49,173	0	0	0	04-Jul-18	30-Jun-20	Zero Coupon Bond
2-Year Treasury Bond (Tricon)	11,255	0	11,255	0	2,476	2,465	26-Jul-18	23-Jul-20	22.0%
2-yr Bond (Le28.00 bn issued in Sept, 2019)	28,000	0	0	28,000	6,160	0	24-Sep-19	21-Sep-21	22.0%
2-yr Bond (Le20.00 bn issued in Sept, 2019)	20,000	0	0	20,000	4,800	0	25-Sep-19	22-Sep-21	24.0%
2-yr Bond (Le42.499 bn issued in Sept, 2019)	42,499	0	0	42,499	9,350	0	02-Oct-19	29-Sep-21	22.0%
2-yr Bond (Le19.013 bn issued in Oct, 2019)	19,013	0	0	19,013	4,183	0	11-Oct-19	08-Oct-21	22.0%
2-yr Bond (Le23.00 bn issued in Dec, 2019)	23,000	0	0	23,000	5,520	0	23-Dec-19	20-Dec-21	24.0%
2-yr Bond (Le45.00 bn issued in Dec, 2019)	45,000	0	0	45,000	11,025	0	31-Dec-19	28-Dec-21	24.5%
2-yr Bond (Le13.38 bn issued in Sept, 2020)		13,384	0	13,384	1,004	0	10-Mar-20	08-Mar-22	15.0%
2-yr Bond (Le4.5 bn issued in Dec, 2020)		4,500	0	4,500	0	0	10-Dec-20	08-Dec-22	11.0%
<b>Total 2-Year Tresury Bonds</b>	<b>349,623</b>	<b>17,884</b>	<b>131,623</b>	<b>235,884</b>	<b>55,758</b>	<b>22,366</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	0	0	62,013	5,581	5,581	14-Sep-18	10-Sep-21	9.0%
3-Year Treasury Bond (RCB)	37,405	0	0	37,405	8,383	8,383	25-Jan-18	21-Jan-21	22.4%
3-Year Treasury Bond (SLCB)	22,442	0	0	22,442	5,029	5,029	01-Feb-18	28-Jan-21	22.4%
3-Year Treasury Bond (SLCB/Hajj A/C)	14,590	0	0	14,590	2,334	2,334	06-Feb-18	02-Feb-21	16.0%
3-Year Treasury Bond (SLCB)	11,220	0	0	11,220	2,514	2,514	09-Feb-18	05-Feb-21	22.4%
3-Year Treasury Bond (Ecobank)	30,047	0	0	30,047	6,734	6,734	15-Feb-18	11-Feb-21	22.4%
3-Year Treasury Bond (Fimet Benton Villa)	47,464	0	17,260	30,205	8,198	2,589	25-Jul-19	21-Jul-22	20.0%
3-Year Treasury Bond (NASSIT)	15,000	0	0	15,000	2,427	1,287	14-Jun-19	10-Jun-22	19.5%
3-Year Treasury Bond (NASSIT)	10,000	0	0	10,000	1,672	0	26-Jul-19	22-Jul-22	19.5%
<b>Total 3-Year BSL Capitalisation Bonds</b>	<b>331,982</b>	<b>81,801</b>	<b>99,061</b>	<b>314,722</b>	<b>47,781</b>	<b>39,359</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%
	65,000	0	0	65,000	5,850	5,850	20-Dec-18	14-Dec-23	9.0%
5-Year BSL (Converted from NNIB) Bonds	65,000	0	0	65,000	2,925	2,925	26-Jun-14	20-Jun-19	9.0%
					2,925	2,925	20-Jun-19	13-Jun-24	9.0%
	50,000	0	0	50,000	2,250	2,250	26-Dec-14	20-Dec-19	9.0%
	50,000	50,000	50,000	50,000	2,250	2,250	20-Dec-19	13-Dec-24	9.0%
5-Year NASSIT Bond	41,072	0	0	41,072	4,500	4,500	26-Jun-15	19-Jun-20	9.0%
5-Year BSL (Ways and Means) Bond	46,918	0	0	46,918	5,955	5,955	10-Oct-16	04-Oct-21	14.5%
<b>Total 5-Year Tresury Bonds</b>	<b>367,990</b>	<b>50,000</b>	<b>50,000</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	33,750	0	7,500	26,250	2,550	3,184	05-Jan-14	18-Apr-24	8.0%
<b>Total Long Term Securities</b>	<b>1,617,353</b>	<b>247,216</b>	<b>288,184</b>	<b>1,576,385</b>	<b>155,066</b>	<b>101,696</b>			
<b>TOTAL OUTSTANDING DOMESTIC PUBLIC DEBTS</b>	<b>5,496,371</b>	<b>5,843,746</b>	<b>4,338,156</b>	<b>7,001,961</b>	<b>1,089,205</b>	<b>885,632</b>			

The Treasury Bills are marketable securities of the Government on the basis of 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.

### 31. Privatization Receipts

Privatization Receipts during the fiscal year 2020 arising as a result of government's share of concession fees has been recorded as part of miscellaneous revenue.

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

The net position staff loans and advances during FY 2020 stood at Le488 million (Le494 million – FY2019).

### 33. Cash and Cash Equivalents

The net amount of Cash and Cash Equivalents totalled a negative balance of Le22.2 billion taking into account Le170.6 million of project cash balances (Negative Le709.3 billion – FY2019), most of which are held with the Bank of Sierra Leone, net of project balances of Le118.7 billion.

#### Cash and Bank Balances

As at	31st Dec. 2020	31st Dec. 2019	Change
	Le' million	Le' million	Le' million
Cash held at Bank	534,966	492,039	42,927
Overdraft with Bank	(727,828)	(1,320,166)	592,338
Net Cash and Bank Balance	(192,862)	(828,127)	635,265
Cash Balance at 31st December 2020	170,623	118,758	

### 34. Previous Year Adjustment

Adjustment was done to the Financial Statements for the year 2017 to effect the inclusion of the Infrastructure Development Fund which was a departmental account at the time but was later converted into a treasury account.

## 1.5. ADDITIONAL NOTES TO THE ACCOUNTS

### 35. Investments – Public Enterprises

The Government has participating equity interests in a number of Public Enterprises (as State-Owned Enterprise – SOEs), as presented in Appendix 10 below.

### 36. 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 are unable to 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.

### 37. Pending financial litigations:

Contingent liabilities as at year-end, relating to pending financial litigations against the Government of Sierra Leone, amounted to Le8.564 trillion, as presented below:

<b>SUMMARY OF PENDING FINANCIAL RELATED LITIGATIONS 2020</b>		
<b>NATURE</b>	<b>AMOUNT(Le)</b>	<b>AMOUNT(US\$)</b>
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		2,257,200,000
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 2019 is US\$ 1 = Le9,716.71		

### 38. 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 where the Government undertakes to accept the risk of loss or damage that another party may suffer and to hold the other party harmless against loss caused by a specific stated event.

The Government provides guarantees against bank loans contracted by state-owned or public enterprises and local councils. Total guarantees amount to Le92.584 billion as at December 2020. 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 31st December 2020 is as follows:

#### **Schedule of Guarantees Issued by Government**

	<b>Year of Issuance</b>	<b>Amount in Million (Le)</b>
Njala University College	2018	3,900.00
Sierra Leone State Lottery	2016	1,000.00
Sierra Leone Postal Services Ltd. (SALPOST)	2015	394.00
Sierra Leone Broadcasting Corporation (SLBC)	2013	3,765.00
Guma Valley Water Company	2013	2,164.00
National Hajj Committee	2018	15,872.00
Road Maintenance Fund Administration	2017	65,000.00
Sierra Leone Postal Services Ltd. (SALPOST)	2018	489.00
<b>Total</b>		<b>92,584.00</b>

### Contingent Assets:

There are no Contingent Assets recorded.

## 1.6. SUPPLEMENTARY DISCLOSURES IN APPENDICES

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

LIST OF TREASURY AND DEPARTMENTAL BANK ACCOUNTS ( Included in the GPFS 2020)		
MDA name	Bank name	Accounts name
Consolidated Fund	Bank of Sierra Leone	Consists of (72) 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 Imperest 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
	Bank of Sierra Leone	Ecowas National Unit Account
	Bank of Sierra Leone	Duty Waiver Joint Monitoring Fund
Ministry of Information and Broadcasting	Bank of Sierra Leone	Ministry of Information and Communications
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	Emergency Works
	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
Imigration 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
		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

LIST OF TREASURY AND DEPARTMENTAL BANK ACCOUNTS ( Included in the GPFS 2020)		
MDA name	Bank name	Accounts name
		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 Force 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 Fishries 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 2020

Amounts in millions of Leones

	Revenue Arrears 31st Dec 2020	Revenue Arrears 31st Dec 2019
<b>Arrears as per Domestic Tax Department</b>		
Large Tax Office (LTO)	259,058	187,298
Small and Medium Tax Office (Company)	7,738	6,913
Small and Medium Tax Office (Trade)	2,621	3,659
Extractive Industry Revenue Unit	12,023	81,025
<b>Total for Domestic Taxes Department</b>	<b>281,440</b>	<b>278,894</b>
<b>Arrears as per Custom and Excise Department</b>		
Debt Management Unit	64,682	7,448
<b>Total for Customs and Excise Department</b>	<b>64,682</b>	<b>7,448</b>
<b>Non-Tax Revenue</b>		
Non-Tax Revenue Collection	515	-
<b>Total for Non-Tax Revenue</b>	<b>515</b>	<b>-</b>
<b>Total Revenue Arrears</b>	<b>346,637</b>	<b>286,343</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 2020**

Amounts in millions of Leones

MDA Code	Description	Budget Estimates FY 2020	Actual FY 2020	Surplus/ (Shortfall) FY 2020	Actual FY 2019
101	Charged Emoluments	157,287	133,169	24,118	117,434
105	Ministry of Political and Public Affairs	3,648	3,053	595	2,609
106	Office of the Chief of Staff	17,344	16,349	995	12,834
107	Ministry of Local Government & Rural Development	35,459	26,670	8,789	23,231
108	Sierra Leone Small Arms Commission	2,639	2,037	602	2,013
110	Office of the Secretary to the President	86,705	91,520	(4,814)	78,191
112	Office of the Secretary to the Vice President	8,292	12,067	(3,775)	7,728
116	Parliamentary Service Commission	30,152	31,271	(1,120)	17,915
117	Cabinet Secretariat	6,719	7,691	(972)	7,144
118	Supreme Court	16,815	16,588	228	(41)
119	Court of Appeal	0	0	0	158
120	High Court	0	160	(160)	16,442
121	Audit Service Sierra Leone	23,948	29,924	(5,976)	27,256
122	Human Resource Management Office	11,361	11,967	(605)	10,918
123	Public Service Commission	6,828	5,453	1,375	5,524
124	Law Officers Department	29,037	29,756	(718)	25,330
125	Local Court's Administration	0	5,204	(5,204)	0
126	Independent Police Complaints Board	1,531	1,706	(175)	1,548
127	Ministry of Planning and Economic Development	15,749	13,596	2,153	11,510
128	Ministry of Foreign Affairs & International Co-operation	209,357	222,244	(12,887)	181,879
129	Ministry of Finance and Economic Development	104,791	102,282	2,509	72,909
131	Revenue Appellate Board	2,597	2,442	155	2,010
132	Accountant General's Department	19,130	19,776	(646)	16,820
133	Ministry of Information and Communications	26,801	24,712	2,089	23,741
134	National Electoral Commission of Sierra Leone	19,738	21,980	(2,242)	19,998
137	National Commission for Democracy	5,174	4,950	224	4,925
138	Statistics Sierra Leone	13,910	15,360	(1,450)	11,580
139	National Commission for Privatisation	3,247	3,183	64	3,210
140	Mass Media Services (SLBC Staff)	11,594	7,879	3,715	8,006
141	Government Printing Department	888	770	117	1,146
142	National Public Procurement Authority	5,998	7,840	(1,842)	4,414
144	National Commission for Human Rights	15,425	16,816	(1,391)	14,805
145	Rights to Access Information Commission	3,223	3,155	68	3,052
201	Ministry of Defence	158,038	28,297	129,741	48,661
203	National Civil Registration Authority	45,414	39,332	6,082	30,536
205	Ministry of Internal Affairs	1,493	754	739	633
206	Sierra Leone Police	237,365	222,343	15,022	197,978
207	Sierra Leone Correctional Services	33,986	32,453	1,533	25,091
208	National Fire Authority	8,926	6,518	2,408	5,749
209	Central Intelligence and Security Unit	7,537	7,842	(305)	6,854
210	Office of National Security	14,700	12,594	2,106	12,153
211	Immigration Department	4,544	4,855	(312)	4,416



**APPENDIX 3 – COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS FOR WAGES, SALARIES AND EMPLOYEES BENEFITS BY MDA**

**for the financial year ended 31st December 2020**

Amounts in millions of Leones

MDA Code	Description	Budget Estimates FY 2020	Actual FY 2020	Surplus/ (Shortfall) FY 2020	Actual FY 2019
212	National Drugs Law Enforcement Agency	1,135	886	249	595
300	Ministry of Technical and Higher Education	235,769	234,926	842	111,627
301	Ministry of Basic and Senior Secondary Education	665,710	639,471	26,238	476,579
302	Ministry of Sports	5,332	7,104	(1,771)	6,575
303	Ministry of Tourism and Cultural Affairs	892	853	39	599
304	Ministry of Health and Sanitation	408,808	400,455	8,352	308,266
305	Ministry of Social Welfare, Gender & Children's Affairs	9,544	10,045	(501)	9,141
306	Ministry of Lands, Country Planning and the Environment	4,723	4,620	102	4,948
307	National Pharmaceutical Procurement Unit	4,181	4,871	(690)	2,395
308	National Commission for Social Action	16,030	16,077	(48)	14,691
310	Ministry of Youth Affairs	3,525	3,345	180	3,556
311	Health Service Commission	2,000	983	1,017	899
312	Teaching Service Commission	9,630	10,523	(893)	8,909
313	National Youth Service	2,507	3,734	(1,227)	2,179
314	National HIV and AIDS Commission	3,232	3,001	231	2,226
315	Teaching Hospital Complex Administration	1,000	235	765	0
317	SL Council for Post Grad Colleges Health Specialist	500	204	296	
341	Pensions, Gratuities and Retirement Benefits	300,292	299,482	809	213,962
345	Pharmacy Board Services	2,000	2,947	(947)	2,365
401	Ministry of Agriculture, Forestry and Food Security	19,797	18,995	802	15,152
402	Ministry of Fisheries and Marine Resources	2,394	2,380	15	2,201
403	Ministry of Mines and Mineral Resources	33,539	33,264	275	29,037
404	Ministry of Transport and Aviation	5,819	3,090	2,729	3,428
405	Ministry of Tourism and Cultural Affairs (National Tourist Board and Relics Commission)	7,851	7,855	(4)	6,457
406	Ministry of Energy	6,997	6,253	744	6,501
407	Ministry of Employment Labour and Social Security	4,482	3,809	673	3,769
408	Ministry of Works, Housing and Infrastructure	4,554	3,753	801	3,889
409	Ministry of Trade and Industry	34,655	26,162	8,493	16,479
410	National Protected Area Authority	11,705	11,196	509	10,579
411	Road Maintenance Fund Administration (SLRA Staff)	29,166	24,993	4,173	25,988
413	Sierra Leone Electricity and Water Regulatory Commission	4,925	4,966	(41)	4,043
414	Ministry of Water Resources	15,446	14,664	782	12,422
416	Civil Aviation Authority	0	0	0	1,002
417	Nuclear Safety and Radiation Protection Authority	3,500	2,775	725	1,783
418	Sierra Leone Agricultural Research Institute	16,490	15,079	1,411	14,558

**APPENDIX 3 – COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS FOR WAGES, SALARIES AND EMPLOYEES BENEFITS BY MDA**

**for the financial year ended 31st December 2020**

Amounts in millions of Leones

<b>MDA Code</b>	<b>Description</b>	<b>Budget Estimates FY 2020</b>	<b>Actual FY 2020</b>	<b>Surplus/ (Shortfall) FY 2020</b>	<b>Actual FY 2019</b>
419	Sierra Leone Local Content Agency	1,784	2,164	(380)	1,796
421	Small and Medium Enterprises Development Agency	2,154	2,418	(265)	2,023
422	Sierra Leone Meteorological Agency	3,306	3,971	(666)	3,077
501	Unallocated Personnel Emoluments	0	0	0	801
509	Change in Arrear	9,046	0	9,046	25
602	Public Debt Charges	0	12	(12)	
612	Unallocated Head Exp	0	40	(40)	
701	Transfers to Local Councils	37,012	24,513	12,500	11,808
<b>Grand Total</b>		<b>3,338,817</b>	<b>3,102,675</b>	<b>236,142</b>	<b>2,414,641</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 2020  
Amounts in millions of Leones**

MDA Code	Description	Budget Estimates FY 2020	Actual FY 2020	Surplus/ (Shortfall) FY 2020	Actual FY 2019
105	Ministry of Political and Public Affairs	2,197	2,070	128	9,814
106	Office of the Chief of Staff	12,670	13,445	(775)	10,945
107	Ministry of Local Government & Rural Development	13,799	13,856	(57)	18,622
108	Sierra Leone Small Arms Commission	1,241	966	275	1,120
110	Office of the President	54,834	63,241	(8,407)	52,846
112	Office of the Vice President	15,339	52,460	(37,121)	57,698
116	Parliament	37,237	45,147	(7,910)	17,255
117	Cabinet Secretariat	10,462	3,323	7,138	4,065
118	Supreme Court	16,967	15,765	1,202	9,287
120	High Court	0	0	0	985
121	Audit Service Sierra Leone	7,242	7,242	(0)	6,878
122	Human Resource Management Office	3,544	3,914	(370)	3,093
123	Public Service Commission	2,409	1,995	414	3,551
124	Law Officers' Department	18,776	47,608	(28,831)	25,760
125	Local Courts	425	0	425	(115)
126	Independent Police Complaints Board	1,091	729	362	490
127	Ministry of Planning and Economic Development	43,482	15,909	27,573	13,274
128	Ministry of Foreign Affairs & International Co- operation	92,991	98,365	(5,374)	81,485
129	Ministry of Finance and Economic Development	82,952	113,718	(30,765)	41,400
130	National Revenue Authority (NRA)	193,861	154,068	39,793	157,161
131	Revenue Appellate Board	803	664	138	798
132	Accountant General's Department	35,020	16,647	18,373	22,901
133	Ministry of Information and Communication	4,627	9,981	(5,354)	7,037
134	National Electoral Commission (NEC)	18,900	11,252	7,648	8,220
137	National Commission for Democracy	1,098	3,691	(2,592)	805
138	Statistics - Sierra Leone	5,641	5,640	2	3,853
139	National Commission for Privatisation (NCP)	2,057	17,171	(15,115)	15,831
140	Mass Media Services	2,730	994	1,736	765
141	Government Printing Department	2,080	1,594	486	2,300
142	National Public Procurement Authority (NPPA)	2,248	4,769	(2,522)	1,641
143	Justice and Legal Service Commission	401	0	401	0
144	Human Rights Commission Sierra Leone	1,579	1,765	(186)	987
145	Rights to Access Information Commission	977	1,447	(470)	908
201	Ministry of Defence	70,756	270,692	(199,936)	172,514
203	National Civil Registration Authority	1,506	15,063	(13,558)	1,869
205	Ministry of Internal Affairs	880	2,579	(1,699)	1,360
206	Sierra Leone Police	60,075	187,989	(127,914)	75,411
207	Sierra Leone Correctional Services	43,817	73,249	(29,432)	59,312
208	National Fire Authority	3,429	5,788	(2,359)	3,698
209	Central Intelligence & Security Unit	4,479	10,206	(5,727)	23,793
210	Office of National Security	6,598	7,222	(624)	9,921

**APPENDIX 4 - COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS FOR USE OF GOODS AND SERVICES  
BY MDA  
for the financial year ended 31st December 2020  
Amounts in millions of Leones**

MDA Code	Description	Budget Estimates FY 2020	Actual FY 2020	Surplus/ (Shortfall) FY 2020	Actual FY 2019
211	Immigration Department	3,733	6,220	(2,488)	6,037
212	National Drugs Law Enforcement Agency	685	370	316	207
300	Ministry of Technical Higher Education	121,982	59,848	62,134	30,733
301	Ministry of Education, Science and Technology	26,078	69,047	(42,970)	124,530
302	Ministry of Sports	16,611	23,288	(6,677)	21,730
303	Ministry of Tourism and Cultural Affairs	3,854	6,786	(2,932)	5,278
304	Ministry of Health and Sanitation	54,956	81,510	(26,554)	98,458
305	Ministry of Social Welfare, Gender & Children's Affairs	20,658	9,074	11,584	18,572
306	Ministry of Lands, Country Planning and the Environment	3,692	4,059	(367)	2,636
307	National Pharmaceutical Procurement Unit (NPPU)	51,304	27,424	23,880	2,655
308	National Commission for Social Action	2,136	1,635	500	523
309	Dental and Medical Board	541	56	485	152
310	Ministry of Youth Affairs	5,489	6,282	(793)	5,395
311	Health Service Commission	1,034	476	558	347
312	Teaching Service Commission	2,287	2,604	(317)	4,891
313	National Youth Service	2,407	1,733	674	1,534
314	National HIV and AIDS Commission	2,074	1,754	320	346
315	Teaching Hospital Complex Administration	1,649	926	723	1,178
316	Civil Service Training College	588	424	165	649
317	Post Graduate College of Health Specialist	1,510	500	1,010	0
318	Ministry of Environment	0	565	(565)	
345	Pharmacy Board Services	4,011	2,267	1,744	2,901
401	Ministry of Agriculture, Forestry and Food Security	37,426	156,930	(119,505)	42,064
402	Ministry of Fisheries and Marine Resources	12,578	6,681	5,897	9,700
403	Ministry of Mines and Mineral Resources	3,372	3,960	(588)	2,050
404	Ministry of Transport and Aviation	56,371	71,626	(15,255)	56,435
405	Ministry of Tourism and Cultural Affairs	7,718	7,149	570	14,489
406	Ministry of Energy	154,082	150,018	4,065	115,426
407	Ministry of Labour and Social Security	4,432	2,686	1,746	2,943
408	Ministry of Works, Housing and Infrastructure	10,905	17,110	(6,205)	14,447
409	Ministry of Trade and Industry	14,795	11,642	3,153	10,819
410	National Protected Area Authority	1,517	2,729	(1,212)	1,276
411	Road Maintenance Fund Administration	124,829	0	124,829	165,096
412	National Telecommunications Commission	167,641	116,986	50,654	85,903
413	Sierra Leone Electricity and Water Regulatory Commission	822	0	822	0
414	Ministry of Water Resources	11,312	9,880	1,432	10,334
415	Sierra Leone Maritime Administration	33,872	47,715	(13,843)	30,729
416	Civil Aviation Authority	43,238	27,622	15,616	41,066
417	Nuclear Safety and Radiation Protection Authority	1,955	1,500	455	1,818

**APPENDIX 4 - COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS FOR USE OF GOODS AND SERVICES  
BY MDA**

**for the financial year ended 31st December 2020**

**Amounts in millions of Leones**

<b>MDA Code</b>	<b>Description</b>	<b>Budget Estimates FY 2020</b>	<b>Actual FY 2020</b>	<b>Surplus/ (Shortfall) FY 2020</b>	<b>Actual FY 2019</b>
418	Sierra Leone Agricultural Research Institute (SLARI)	3,717	1,802	1,915	1,500
419	Local Content Agency	3,218	2,437	781	305
420	Sierra Leone Environmental Protection Agency	28,542	25,203	3,339	25,792
421	Small and Medium Enterprises Development Agency	1,439	2,503	(1,063)	907
422	Sierra Leone Meteorological Agency	1,409	997	412	688
423	Sierra Leone Petroleum Regulatory Agency	10,217	11,605	(1,388)	9,004
424	Sierra Leone Petroleum Directorate	6,000	17,770	(11,770)	25,647
425	Sierra Leone Road Safety Authority	41,244	76,235	(34,991)	0
501	Miscellaneous Services	0	39,226	(39,226)	6,323
509	Change in Arrears		5,597	(5,597)	235
601	Public Debt Charges		2,010	(2,010)	1,650
610	Contingency Expenditure	332,413	460,883	(128,470)	12,802
611	Special Warrants of the President	940	2,186	(1,246)	351
612	Unallocated Head of Expenditure	940	9,367	(8,427)	30,521
<b>Grand Total</b>		<b>2,325,443</b>	<b>2,901,125</b>	<b>(575,682)</b>	<b>1,978,609</b>

**APPENDIX 5 – COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS FOR DOMESTIC CAPITAL/ DEVELOPMENT EXPENDITURE BY MDA**

**for the financial year ended 31st December 2020**

**Amounts in millions of Leones**

MDA Code	Description	Budget Estimates FY 2020	Actual FY 2020	Surplus/ (Shortfall) FY 2020	Actual FY 2019
106	Office of the Chief Minister	6,000	0	6,000	
107	Ministry of Local Government & Rural Development	900	400	500	10,671
110	Office of the President	8,500	5,000	3,500	2,498
116	Parliament	200	0	200	10,152
117	Cabinet Secretariat and Head of the Civil Services (CS&HOCS)	700	0	700	0
118	The Judiciary	900	0	900	
121	Audit Service Sierra Leone	5,000	4,750	250	0
122	Human Resource Management Office	200	1,251	(1,051)	1,189
124	Law Officers Department	2,650	0	2,650	0
127	Ministry of Planning and Economic Development	13,000	0	13,000	1,775
128	Ministry of Foreign Affairs & International Co-operation	21,570	0	21,570	16,225
129	Ministry of Finance and Economic Development	27,400	6,985	20,415	8,095
133	Ministry of Information and Communication	2,000	7,346	(5,346)	5,984
134	National Electoral Commission (NEC)	3,500	1,047	2,453	1,500
138	Statistics - Sierra Leone	2,500	4,000	(1,500)	1,490
201	Ministry of Defence	26,007	20,623	5,384	0
203	National Civil Registration Authority	8,000	17,960	(9,960)	24,998
205	Ministry of Internal Affairs	1,400	700	700	0
206	Sierra Leone Police	7,000	0	7,000	2,917
207	Sierra Leone Correctional Services	2,500	0	2,500	4,782
208	National Fire Authority	300	0	300	1,000
209	Central Intelligence & Security Unit	4,000	19,029	(15,029)	0
300	Ministry of Technical Higher Education	25,900	18,089	7,811	8,399
301	Ministry of Education, Science and Technology	377,867	92,164	285,703	3,295
303	Ministry of Tourism and Cultural Affairs	1,900	1,161	739	0
304	Ministry of Health and Sanitation	145,977	152,301	(6,324)	600
305	Ministry of Social Welfare, Gender & Children's Affairs	2,600	500	2,100	0
306	Ministry of Lands, Country Planning and the Environment	2,000	0	2,000	3,148
308	National Commission for Social Action	26,711	7,461	19,250	25,388
310	Ministry of Youth Affairs	57,362	11,140	46,222	9,570
313	Health Service Commission	400	1,010	(610)	0
314	National HIV and AIDS Commission	500	1,000	(500)	1,010
318	Ministry of Environment	33,000	23,646	9,354	
401	Ministry of Agriculture, Forestry and Food Security	132,407	39,015	93,392	8,047
402	Ministry of Fisheries and Marine Resources	7,500	20,653	(13,153)	0
404	Ministry of Transport and Aviation	7,500	4,435	3,065	0
405	Ministry of Tourism and Cultural Affairs	35,200	1,040	34,160	0
406	Ministry of Energy	143,275	39,910	103,365	27,725

**APPENDIX 5 – COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS FOR DOMESTIC CAPITAL/ DEVELOPMENT EXPENDITURE BY MDA**

**for the financial year ended 31st December 2020**

**Amounts in millions of Leones**

<b>MDA Code</b>	<b>Description</b>	<b>Budget Estimates FY 2020</b>	<b>Actual FY 2020</b>	<b>Surplus/ (Shortfall) FY 2020</b>	<b>Actual FY 2019</b>
407	Ministry of Employment Labour and Social Security	500	0	500	0
408	Ministry of Works, Housing and Infrastructure	379,654	584,640	(204,986)	293,210
409	Ministry of Trade and Industry	51,300	468	50,832	1,290
410	National Protected Area Authority	7,173	2,223	4,950	0
413	Sierra Leone Electricity and Water Regulatory Commission	1,300	0	1,300	0
414	Ministry of Water Resources	161,964	82,009	79,955	54,324
417	Nuclear Safety and Radiation Protection Authority	300	0	300	0
422	Sierra Leone Meteorological Services	200	0	200	0
701	Transfers to Local Councils	29,686	3,325	26,361	0
<b>Grand Total</b>		<b>1,776,402</b>	<b>1,175,279</b>	<b>595,123</b>	<b>529,281</b>

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

Amounts in millions of Leones

	<b>FY2020</b>	<b>FY2019</b>
<b>Project Revenue Receipts</b>		
Gosl Budget Transfer – Salaries	171,719	99,724
Gosl Budget Transfer – Expenses	315,835	719,520
External Grants	76,651	198,814
O/W Ext. Grants-DP	1,092	-
O/W Ext. Grants-Loan	-	29,666
Earmarked Revenue	5,985	2,355
Other Revenue	33,815	67,709
Sales of Goods Services	20,472	38,587
<b>Total Project Revenue Receipts</b>	<b>625,570</b>	<b>1,156,375</b>
<b>Project Expenditure Payments</b>		
Wages Salaries	133,862	407,603
O/W W&S-DP-Grant	664	-
O/W W&S-DP-Loan	-	-
Others	46,230	62,650
Goods Services	352,720	573,125
Capital Development	27,223	79,230
Grants Paid	4,527	25,585
Interest	-	-
<b>Total Expenditure</b>	<b>565,226</b>	<b>1,148,193</b>
<b>Overall Cash Surplus/(Deficit)</b>	<b>60,344</b>	<b>8,182</b>
Loss/Gains on Exchange	(8,479)	9,705
<b>Cash Balance at 1st January 2020</b>	<b>118,758</b>	<b>100,871</b>
<b>Cash Balance at 31st December 2020</b>	<b>170,623</b>	<b>118,758</b>



# APPENDIX 6: STATEMENT OF MOVEMENTS IN 91-DAY TREASURY BILLS

during the financial year ended 31st December 2020

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31st Dec. 2020	Interest Paid in FY2020	Interest Rate
	97,897,489	02-Jan-20	97,897,489		2,003,000	2%
3rd Oct. 2019	249,511	02-Jan-20	249,511			0%
10th Oct. 2019	579,342,544	09-Jan-20	579,342,544		11,787,000	2%
17th Oct. 2019	406,014,000	16-Jan-20	406,014,000		8,286,000	2%
24th Oct. 2019	75,295,400	23-Jan-20	75,295,400		1,604,600	2%
31st Oct. 2019	73,425,000	30-Jan-20	73,425,000		1,575,000	2%
7th Nov. 2019	738,802,350	06-Feb-20	738,802,350		15,847,650	2%
28th Nov. 2019	389,446,200	27-Feb-20	389,446,200		8,353,800	2%
5th Dec. 2019	363,770,477	05-Mar-20	363,770,477		7,810,950	2%
5th Dec. 2019	368,573	05-Mar-20	368,573			0%
12th Dec. 2019	317,049,150	12-Mar-20	317,049,150		6,800,850	2%
19th Dec. 2019	106,468,300	19-Mar-20	106,468,300		2,231,700	2%
26th Dec. 2019	387,704,400	26-Mar-20	387,704,400		8,295,600	2%
	<b>3,535,833,394</b>		<b>3,535,833,394</b>		<b>74,596,150</b>	
2nd Jan. 2020	61,677,000.00	02-Apr-20	61,677,000.00		1,323,000.00	2%
9th Jan. 2020	1,138,034,400.83	09-Apr-20	1,138,034,400.83		24,365,599.17	2%
10th Oct. 2019	1,779,544.38	09-Jan-20	1,779,544.38			0%
16th Jan. 2020	245,324,700.00	16-Apr-20	245,324,700.00		5,775,300.00	2%
23rd Jan. 2020	75,326,700.00	23-Apr-20	75,326,700.00		1,773,300.00	2%
30th Jan. 2020	369,035,000.00	30-Apr-20	369,035,000.00		7,965,000.00	2%
6th Feb. 2020	249,047,700.00	07-May-20	249,047,700.00		5,602,300.00	2%
13th Feb. 2020	578,921,250.00	28-May-20	578,921,250.00		13,028,750.00	2%
5th March 2020	11,724,000.00	06-Jun-20	11,724,000.00		276,000.00	2%
12th March 2020	118,032,000.00	11-Jun-20	118,032,000.00		2,768,000.00	2%
19th March 2020	248,506,400.00	18-Jun-20	248,506,400.00		5,693,600.00	2%
26th March 2020	353,710,000.00	25-Jun-20	353,710,000.00		8,290,000.00	2%
2nd April 2020	523,479,250.00	02-Jul-20	523,479,250.00		12,320,750.00	2%
3rd April 2020	90,189,312,500.00	03-Jul-20	90,189,312,500.00		2,123,187,500.00	2%
9th April 2020	488,366,250.00	09-Jul-20	488,366,250.00		11,483,750.00	2%

# APPENDIX 6: STATEMENT OF MOVEMENTS IN 91-DAY TREASURY BILLS

during the financial year ended 31st December 2020

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31st Dec. 2020	Interest Paid in FY2020	Interest Rate
9th Jan. 2020	306,652.05	09-Apr-20	306,652.05			0%
16th April 2020	98,774,700.00	16-Jul-20	98,774,700.00		2,325,300.00	2%
16th January 2020	1,913,219.18	16-Apr-20	1,913,219.18			0%
23rd April 2020	65,068,200.00	23-Jul-20	65,068,200.00		1,531,800.00	2%
30th April 2020	10,405,050.00	30-Jul-20	10,405,050.00		244,950.00	2%
7th May 2020	-	06-Aug-20	0.00		-	0%
14th May 2020	985,793,000.00	13-Aug-20	985,793,000.00		23,207,000.00	2%
21st May 2020	40,203,550.00	20-Aug-20	40,203,550.00		946,450.00	2%
28th May 2020	678,295,150.00	27-Aug-20	678,295,150.00		15,654,850.00	2%
4th June 2020	211,644,000.00	03-Sep-20	211,644,000.00		4,356,000.00	2%
11th June 2020	118,412,400.00	10-Sep-20	118,412,400.00		2,787,600.00	2%
18th June 2020	523,574,300.00	17-Sep-20	523,574,300.00		12,325,700.00	2%
25th June 2020	1,051,740,500.00	24-Sep-20	1,051,740,500.00		24,759,500.00	2%
2nd July 2020	-	01-Oct-20	0.00		-	0%
9th July 2020	819,073,350.00	08-Oct-20	819,073,350.00		19,276,650.00	2%
16th July 2020	181,978,700.00	15-Oct-20	181,978,700.00		3,971,300.00	2%
23rd July 2020	820,207,450.00	22-Oct-20	820,207,450.00		17,892,550.00	2%
30th July 2020	-	29-Oct-20	0.00		-	0%
3rd April 2020	2,123,187,500.00	03-Jul-20	2,123,187,500.00			0%
6th Aug. 2020	-	05-Nov-20	0.00		-	0%
13th Aug. 2020	998,413,875.00	12-Nov-20	998,413,875.00		23,436,125.00	2%
20th Aug. 2020	23,420,541,950.00	19-Nov-20	23,420,541,950.00		477,008,050.00	2%
27th Aug. 2020	17,078,298,000.00	26-Nov-20	17,078,298,000.00		353,802,000.00	2%
3rd Sept. 2020	18,921,471,900.00	03-Dec-20	18,921,471,900.00		403,528,100.00	2%
10th Sept. 2020	147,686,000.00	10-Dec-20	147,686,000.00		3,014,000.00	2%
17th Sept. 2020	316,062,900.00	17-Dec-20	316,062,900.00		5,987,100.00	2%
24th Sept. 2020	482,407,500.00	24-Dec-20	482,407,500.00		8,592,500.00	2%
1st Oct. 2020		31-Dec-20				
8th Oct. 2020	825,589,375.00	07-Jan-21		825,589,375.00		
15th Oct. 2020	529,242,750.00	14-Jan-21		529,242,750.00		
22nd Oct. 2020	1,172,649,800.00	21-Jan-21		1,172,649,800.00		

# APPENDIX 6: STATEMENT OF MOVEMENTS IN 91-DAY TREASURY BILLS

during the financial year ended 31st December 2020

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31st Dec. 2020	Interest Paid in FY2020	Interest Rate
29th Oct. 2020	347,688,000.00	28-Jan-21		347,688,000.00		
05-Nov-20	435,049,000.00	04-Feb-21		435,049,000.00		
12-Nov-20	1,452,084,900.00	11-Feb-21		1,452,084,900.00		
19-Nov-20	10,881,390,140.00	18-Feb-21		10,881,390,140.00		
26-Nov-20	3,696,556,800.00	25-Feb-21		3,696,556,800.00		
03-Dec-20	200,082,900.00	04-Mar-21		200,082,900.00		
10-Dec-20	305,921,700.00	11-Mar-21		305,921,700.00		
10-Sep-20	24,949.15	10-Dec-20		24,949.15		
17-Dec-20	-	18-Mar-21		-		
24-Dec-20	477,859,000.00	25-Mar-21		477,859,000.00		
31-Dec-20	-	01-Apr-21		-		
	<b>184,071,875,856</b>		<b>163,747,736,541</b>	<b>20,324,139,314</b>	<b>3,628,500,374.17</b>	
					<b>3,703,096,524.17</b>	
FY2020						
<b>SUMMARY</b>						
Outstanding Balance FY2019		3,535,833,394				
Issued FY2020		184,071,875,856				
Matured FY2020			167,283,569,936			
Outstanding Balance FY2020				20,324,139,314		
<b>Total for FY2020</b>		<b>187,607,709,250</b>	<b>167,283,569,936</b>	<b>20,324,139,314</b>		

# APPENDIX 7: STATEMENT OF MOVEMENTS IN 182-DAY TREASURY BILLS

during the financial year ended 31st December 2020

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31st Dec. 2020	Interest Paid in FY2020	Interest Rate
04-Jul-19	101,520,000.00	02-Jan-20	101,520,000		4,230,000.00	4%
11-Jul-19	140,064,000.00	09-Jan-20	140,064,000		5,836,000.00	4%
18-Jul-19	516,480,000.00	16-Jan-20	516,480,000		21,520,000.00	4%
25-Jul-19	-				-	0%
01-Aug-19	543,744,000.00	30-Jan-20	543,744,000		22,656,000.00	4%
08-Aug-19	50,880,000.00	06-Feb-20	50,880,000		2,120,000.00	4%
15-Aug-19	45,600,000.00	13-Feb-20	45,600,000		1,900,000.00	4%
22-Aug-19	136,464,000.00	20-Feb-20	136,464,000		5,686,000.00	4%
29-Aug-19	283,150,000.00	27-Feb-20	283,150,000		11,850,000.00	4%
05-Sep-19	31,954,150.00	03-Mar-20	31,954,150.00		1,695,850.00	5%
12-Sep-19	331,250,000.00	12-Mar-20	331,250,000.00		18,750,000.00	6%
17-Sep-19	-		-		-	0%
26-Sep-19	108,435,000.00	26-Mar-20	108,435,000.00		6,065,000.00	6%
03-Oct-19	3,058,250.00	02-Apr-20	3,058,250.00		191,750.00	6%
10-Oct-19	301,120,000.00	09-Apr-20	301,120,000.00		18,880,000.00	6%
17-Oct-19	78,075,000.00	16-Apr-20	78,075,000.00		4,925,000.00	6%
24-Oct-19	145,718,257.19	23-Apr-20	145,718,257.19		9,279,025.00	6%
24-Oct-19	952,717.81		952,717.81			0%
31-Oct-19	46,732,000.00	30-Apr-20	46,732,000.00		2,318,000.00	5%
07-Nov-19	27,086,230.14	07-May-20	27,086,230.14		1,722,000.00	6%
14-Nov-19	21,620,000.00	14-May-20	21,620,000.00		1,380,000.00	6%
21-Nov-19	4,606,000.00	21-May-20	4,606,000.00		294,000.00	6%
28-Nov-19	26,931,000.00	28-May-20	26,931,000.00		1,719,000.00	6%
05-Dec-19	147,298,000.00	04-Jun-20	147,298,000.00		9,402,000.00	6%
12-Dec-19	37,600,000.00	11-Jun-20	37,600,000.00		2,400,000.00	6%
19-Dec-19	-	18-Jun-20	-		-	0%
26-Dec-19	46,295,000.00	25-Jun-20	46,295,000.00		2,955,000.00	6%
	3,176,633,605.14		3,176,633,605.14		157,774,625.00	
02-Jan-20	15,745,000.00	02-Jul-20	15,745,000.00		1,005,000.00	6%

# APPENDIX 7: STATEMENT OF MOVEMENTS IN 182-DAY TREASURY BILLS

during the financial year ended 31st December 2020

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31st Dec. 2020	Interest Paid in FY2020	Interest Rate
09-Jan-20	286,183,000.00	09-Jul-20	286,183,000.00		18,267,000.00	6%
16-Jan-20	56,635,000.00	16-Jul-20	56,635,000.00		3,615,000.00	6%
23-Jan-20	117,500,000.00	23-Jul-20	117,500,000.00		7,500,000.00	6%
30-Jan-20	582,424,000.00	30-Jul-20	582,424,000.00		37,176,000.00	6%
06-Feb-20	382,487,575.00	06-Aug-20	382,487,575.00		24,412,425.00	6%
13-Feb-20	88,971,000.00	13-Aug-20	88,971,000.00		5,679,000.00	6%
20-Feb-20	58,421,000.00	20-Aug-20	58,421,000.00		3,729,000.00	6%
27-Feb-20	353,769,000.00	27-Aug-20	353,769,000.00		22,581,000.00	6%
05-Mar-20	1,044,340,000.00	03-Sep-20	1,044,340,000.00		66,660,000.00	6%
12-Mar-20	1,002,040,000.00	10-Sep-20	1,002,040,000.00		63,960,000.00	6%
19-Mar-20	89,347,000.00	17-Sep-20	89,347,000.00		5,703,000.00	6%
26-Mar-20	738,840,000.00	24-Sep-20	738,840,000.00		47,160,000.00	6%
02-Apr-20	92,120,000.00	01-Oct-20	92,120,000.00		5,880,000.00	6%
09-Apr-20	572,742,000.00	08-Oct-20	572,742,000.00		36,558,000.00	6%
16-Apr-20	99,640,000.00	15-Oct-20	99,640,000.00		6,360,000.00	6%
23-Apr-20	403,589,000.00	22-Oct-20	403,589,000.00		25,761,000.00	6%
30-Apr-20	44,932,000.00	29-Oct-20	44,932,000.00		2,868,000.00	6%
07-May-20	-	05-Nov-20	-			0%
07-Nov-19	108,230.14	07-May-20	108,230.14			0%
14-May-20	47,846,000.00	12-Nov-20	47,846,000.00		3,054,000.00	6%
21-May-20	137,287,000.00	19-Nov-20	137,287,000.00		8,763,000.00	6%
28-May-20	25,004,000.00	26-Nov-20	25,004,000.00		1,596,000.00	6%
04-Jun-20	174,746,000.00	03-Dec-20	174,746,000.00		11,154,000.00	6%
11-Jun-20	285,854,000.00	10-Dec-20	285,854,000.00		18,246,000.00	6%
18-Jun-20	483,771,000.00	17-Dec-20	483,771,000.00		30,879,000.00	6%
25-Jun-20	25,897,000.00	24-Dec-20	25,897,000.00		1,653,000.00	6%
02-Jul-20	130,613,000	31-Dec-20	130,613,000		8,337,000.00	6%
09-Jul-20	249,978,400.00	07-Jan-21		249,978,400.00		
16-Jul-20	366,694,000.00	14-Jan-21		366,694,000.00		
23-Jul-20	89,817,000.00	21-Jan-21		89,817,000.00		

# APPENDIX 7: STATEMENT OF MOVEMENTS IN 182-DAY TREASURY BILLS

during the financial year ended 31st December 2020

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31st Dec. 2020	Interest Paid in FY2020	Interest Rate
30-Jul-20	668,716,000.00	28-Jan-21		668,716,000.00		
06-Aug-20	465,545,550.00	04-Feb-21		465,545,550.00		
13-Aug-20	4,870,598,000.00	11-Feb-21		4,870,598,000.00		
20-Aug-20	41,807,612,695.00	18-Feb-21		41,807,612,695.00		
27-Aug-20	35,902,237,300.00	25-Feb-21		35,902,237,300.00		
03-Sep-20	16,885,128,000.00	04-Mar-21		16,885,128,000.00		
10-Sep-20	10,222,754,850.00	06-Apr-17		10,222,754,850.00		
17-Sep-20	115,029,750.00	11-Mar-21		115,029,750.00		
24-Sep-20	1,021,824,600.00	18-Mar-21		1,021,824,600.00		
01-Oct-20	94,227,000.00	01-Apr-21		94,227,000.00		
08-Oct-20	394,384,200.00	08-Apr-21		394,384,200.00		
15-Oct-20	184,738,400.00	15-Apr-21		184,738,400.00		
22-Oct-20	1,286,470,500.00	22-Apr-21		1,286,470,500.00		
29-Oct-20	920,544,400.00	29-Apr-21		920,544,400.00		
30-Apr-20	45,899.40	29-Oct-20		45,899		
05-Nov-20	852,538,000.00	06-May-21		852,538,000.00		
12-Nov-20	903,023,400.00	13-May-21		903,023,400.00		
19-Nov-20	998,960,775.00	20-May-21		998,960,775.00		
26-Nov-20	2,885,262,200.00	27-May-21		2,885,262,200.00		
03-Dec-20	139,815,000.00	03-Jun-21		139,815,000.00		
10-Dec-20	5,138,250,000.00	10-Jun-21		5,138,250,000.00		
17-Dec-20	1,479,607,000.00	17-Jun-21		1,479,607,000.00		
24-Dec-20	41,892,780.00	24-Jun-21		41,892,780.00		
31-Dec-20	195,000,000.00	01-Jul-21		195,000,000.00		
	<b>135,521,547,505</b>		<b>7,340,851,805</b>	<b>128,180,695,699</b>	<b>468,556,425.00</b>	
					<b>626,331,050.00</b>	
FY2020				-		
<b>SUMMARY</b>				-		
Outstanding		3,176,633,605				

**APPENDIX 7: STATEMENT OF MOVEMENTS IN 182-DAY TREASURY BILLS****during the financial year ended 31st December 2020**

<b>Issued Date</b>	<b>Issued at Nominal Value</b>	<b>Maturity Date</b>	<b>Matured at Nominal Value</b>	<b>Balance as at 31st Dec. 2020</b>	<b>Interest Paid in FY2020</b>	<b>Interest Rate</b>
Balance FY2019						
Issued FY 2020		135,521,547,505				
Matured FY 2020			10,517,485,410			
Outstanding Balance FY 2020				128,180,695,699		
<b>Total for FY2020</b>		<b>138,698,181,110</b>	<b>10,517,485,410</b>	<b>128,180,695,699</b>		

# APPENDIX 8: STATEMENT OF MOVEMENTS IN 364-DAY TREASURY BILLS

during the financial year ended 31st December 2020

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31st Dec. 2020	Interest Paid in FY2020	Interest Rate
03-Jan-19	55,344,657,418.92	02-Jan-20	55,344,657,419		11,808,902,975.00	21%
10-Jan-19	67,181,500,035.71	09-Jan-20	67,181,500,036		15,088,908,175.00	22%
17-Jan-19	104,915,805,936.42	16-Jan-20	104,915,805,936		21,455,855,700.00	20%
24-Jan-19	95,138,676,116.63	23-Jan-20	95,138,676,117		20,408,546,577.30	21%
31-Jan-19	115,382,689,476.99	30-Jan-20	115,382,689,477		24,573,341,975.00	21%
07-Feb-19	119,506,377,464.98	06-Feb-20	119,506,377,465		26,518,925,012.33	22%
14-Feb-19	109,100,362,144.91	13-Feb-20	109,100,362,145		17,311,037,855.09	16%
14-Feb-19	59,356,000,000.00	13-Feb-20	59,356,000,000		6,366,539,094.91	11%
21-Feb-19	131,314,316,131.71	20-Feb-20	131,314,316,132		25,857,928,300.00	20%
28-Feb-19	66,466,867,611.86	27-Feb-20	66,466,867,612		13,880,773,825.00	21%
07-Mar-19	62,530,811,016.63	05-Mar-20	62,530,811,017		12,876,747,040.92	21%
14-Mar-19	110,278,201,624.04	12-Mar-20	110,278,201,624		21,437,870,115.00	19%
21-Mar-19	39,321,174,608.95	19-Mar-20	39,321,174,609		8,461,800,655.00	22%
28-Mar-19	104,971,138,055.42	26-Mar-20	104,971,138,055		22,824,377,630.67	22%
04-Apr-19	67,858,605,400.05	02-Apr-20	67,858,605,400		14,993,706,065.00	22%
11-Apr-19	109,052,976,963.27	09-Apr-20	109,052,976,963		25,239,618,025.00	23%
18-Apr-19	111,682,339,401.19	16-Apr-20	111,682,339,401		22,089,873,225.00	20%
25-Apr-19	52,465,388,364.11	23-Apr-20	52,465,388,364		10,758,738,275.00	21%
02-May-19	55,334,722,955.30	30-Apr-20	55,334,722,955		12,055,034,200.00	22%
09-May-19	63,761,567,289.91	07-May-20	63,761,567,290		13,781,383,075.00	22%
16-May-19	55,368,745,893.09	14-May-20	55,368,745,893		12,339,254,440.00	22%
23-May-19	40,281,522,584.53	21-May-20	40,281,522,585		8,627,659,350.00	21%
30-May-19	84,125,298,197.59	28-May-20	84,125,298,198		19,097,297,765.00	23%
06-Jun-19	57,061,346,425.24	04-Jun-20	57,061,346,425		13,738,582,555.00	24%
13-Jun-19	54,020,987,024.40	11-Jun-20	54,020,987,024		12,467,001,455.00	23%
20-Jun-19	69,050,578,078.61	18-Jun-20	69,050,578,079		14,874,850,150.00	22%
27-Jun-19	119,464,300,932.59	25-Jun-20	119,464,300,933		27,091,886,240.00	23%
04-Jul-19	69,756,547,398.50	02-Jul-20	69,756,547,399		15,367,843,340.00	22%



# APPENDIX 8: STATEMENT OF MOVEMENTS IN 364-DAY TREASURY BILLS

during the financial year ended 31st December 2020

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31st Dec. 2020	Interest Paid in FY2020	Interest Rate
11-Jul-19	101,255,679,993.16	09-Jul-20	101,255,679,993		23,845,175,255.00	24%
18-Jul-19	116,267,125,708.95	16-Jul-20	116,267,125,709		25,450,633,120.00	22%
25-Jul-19	124,874,979,107.69	23-Jul-20	124,874,979,108		26,170,603,615.00	21%
01-Aug-19	79,142,140,082.16	30-Jul-20	79,142,140,082		18,712,571,780.00	24%
08-Aug-19	64,522,308,433.05	06-Aug-20	64,522,308,433		15,521,722,585.00	24%
15-Aug-19	56,431,278,309.99	13-Aug-20	56,431,278,310		13,748,431,690.00	24%
22-Aug-19	63,660,308,276.47	20-Aug-20	63,660,308,276		14,730,023,340.00	23%
29-Aug-19	51,560,012,846.96	27-Aug-20	51,560,012,847		12,106,431,550.00	23%
05-Sep-19	65,283,493,529.74	03-Sep-20	65,283,493,530		14,610,531,800.00	22%
12-Sep-19	55,991,043,989.91	10-Sep-20	55,991,043,990		13,604,806,790.00	24%
19-Sep-19	54,053,785,193.70	17-Sep-20	54,053,785,194		12,548,250,245.00	23%
26-Sep-19	39,132,851,347.96	24-Sep-20	39,132,851,348		9,215,883,935.22	24%
03-Oct-19	37,589,516,878.35	01-Oct-20	37,589,516,878		9,202,918,860.00	24%
10-Oct-19	26,784,354,119.14	08-Oct-20	26,784,354,119		6,503,435,170.00	24%
17-Oct-19	47,262,840,267.70	15-Oct-20	47,262,840,268		11,518,699,200.00	24%
24-Oct-19	73,626,341,550.61	22-Oct-20	73,626,341,551		17,930,569,000.00	24%
31-Oct-19	83,474,021,650.43	29-Oct-20	83,474,021,650		17,294,094,230.00	21%
07-Nov-19	111,218,254,028.07	05-Nov-20	111,218,254,028		25,303,913,164.39	23%
14-Nov-19	112,594,881,285.91	12-Nov-20	112,594,881,286		25,663,279,645.00	23%
21-Nov-19	89,589,872,079.28	19-Nov-20	89,589,872,079		20,632,337,855.00	23%
28-Nov-19	100,263,161,077.17	26-Nov-20	100,263,161,077		24,758,805,755.00	25%
05-Dec-19	111,032,061,880.23	03-Dec-20	111,032,061,880		25,810,455,200.00	23%
12-Dec-19	98,618,004,390.55	10-Dec-20	98,618,004,391		23,668,012,276.10	24%
19-Dec-19	53,166,467,166.78	17-Dec-20	53,166,467,167		13,279,953,375.00	25%
26-Dec-19	48,838,463,002.74	24-Dec-20	48,838,463,003		12,158,162,100.00	25%
02-Jan-20	53,547,896,615.92	31-Dec-20	53,547,896,616		12,876,390,165.00	24%
	<b>4,169,874,647,364.17</b>		<b>4,169,874,647,364.17</b>		<b>918,260,374,791.93</b>	

# APPENDIX 8: STATEMENT OF MOVEMENTS IN 364-DAY TREASURY BILLS

during the financial year ended 31st December 2020

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31st Dec. 2020	Interest Paid in FY2020	Interest Rate
02-Jan-20	51,507,359,835.00	31-Dec-20		51,507,359,835.00		
03-Jan-19	4,478,260,393.92	02-Jan-20		4,478,260,393.92		
09-Jan-20	107,544,563,280.79	07-Jan-21		107,544,563,280.79		
10-Jan-19	1,791,908,210.71	09-Jan-20		1,791,908,210.71		
16-Jan-20	95,869,891,245.00	14-Jan-21		95,869,891,245.00		
17-Jan-19	11,832,511,636.42	16-Jan-20		11,832,511,636.42		
23-Jan-20	88,725,872,455.00	21-Jan-21		88,725,872,455.00		
24-Jan-19	6,208,122,693.93	23-Jan-20		6,208,122,693.93		
30-Jan-20	119,686,896,034.89	28-Jan-21		119,686,896,034.89		
31-Jan-19	8,347,831,451.99	30-Jan-20		8,347,831,451.99		
06-Feb-20	155,450,658,655.00	04-Feb-21		155,450,658,655.00		
07-Feb-19	3,644,752,477.31	06-Feb-20		3,644,752,477.31		
13-Feb-20	127,265,509,685.00	11-Feb-21		127,265,509,685.00		
14-Feb-19	59,356,000,000.00	13-Feb-20		59,356,000,000.00		
14-Feb-19	6,366,539,094.91	13-Feb-20		6,366,539,094.91		
20-Feb-20	128,620,394,715.00	18-Feb-21		128,620,394,715.00		
21-Feb-19	19,205,694,431.71	20-Feb-20		19,205,694,431.71		
22-Feb-18	91,764,634,085.00	25-Feb-21		91,764,634,085.00		
28-Feb-19	6,234,391,436.86	27-Feb-20		6,234,391,436.86		
05-Mar-20	70,135,236,235.00	04-Mar-21		70,135,236,235.00		
07-Mar-19	6,826,908,057.55	05-Mar-20		6,826,908,057.55		
12-Mar-20	114,008,830,590.00	11-Mar-21		114,008,830,590.00		
14-Mar-19	17,999,521,739.04	12-Mar-20		17,999,521,739.04		
19-Mar-20	75,110,544,295.64	18-Mar-21		75,110,544,295.64		
21-Mar-19	2,893,675,263.95	19-Mar-20		2,893,675,263.95		
26-Mar-20	123,159,546,080.00	25-Mar-21		123,159,546,080.00		
28-Mar-19	6,535,615,686.09	26-Mar-20		6,535,615,686.09		

# APPENDIX 8: STATEMENT OF MOVEMENTS IN 364-DAY TREASURY BILLS

during the financial year ended 31st December 2020

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31st Dec. 2020	Interest Paid in FY2020	Interest Rate
02-Apr-20	80,966,042,849.30	01-Apr-21		80,966,042,849.30		
04-Apr-19	3,321,711,465.05	02-Apr-20		3,321,711,465.05		
09-Apr-20	135,608,728,375.00	08-Apr-21		135,608,728,375.00		
11-Apr-19	195,594,988.27	09-Apr-20		195,594,988.27		
16-Apr-20	118,800,631,215.00	15-Apr-21		118,800,631,215.00		
18-Apr-19	16,311,462,626.19	16-Apr-20		16,311,462,626.19		
23-Apr-20	57,762,389,335.00	22-Apr-21		57,762,389,335.00		
25-Apr-19	6,320,026,639.11	23-Apr-20		6,320,026,639.11		
30-Apr-20	65,677,493,700.00	29-Apr-21		65,677,493,700.00		
02-May-19	3,573,757,155.30	30-Apr-20		3,573,757,155.30		
07-May-20	74,244,599,135.00	06-May-21		74,244,599,135.00		
09-May-19	4,653,350,364.91	07-May-20		4,653,350,364.91		
14-May-20	66,546,866,121.00	13-May-21		66,546,866,121.00		
16-May-19	2,798,500,333.09	14-May-20		2,798,500,333.09		
21-May-20	44,629,616,970.00	20-May-21		44,629,616,970.00		
23-May-19	4,132,531,934.53	21-May-20		4,132,531,934.53		
28-May-20	96,731,070,560.00	27-May-21		96,731,070,560.00		
30-May-19	6,667,795,962.59	28-May-20		6,667,795,962.59		
04-Jun-20	49,561,247,275.00	03-Jun-21		49,561,247,275.00		
06-Jun-19	1,278,878,980.24	04-Jun-20		1,278,878,980.24		
11-Jun-20	62,906,138,325.00	10-Jun-21		62,906,138,325.00		
13-Jun-19	3,644,988,479.40	11-Jun-20		3,644,988,479.40		
18-Jun-20	66,541,676,910.00	17-Jun-21		66,541,676,910.00		
20-Jun-19	8,256,028,228.61	18-Jun-20		8,256,028,228.61		
25-Jun-20	108,852,821,599.38	20-Jun-19		108,852,821,599.38		
01-Jul-19	10,791,287,172.59	29-Jun-20		10,791,287,172.59		
04-Jul-19	150,969,844,260.00	02-Jul-20		150,969,844,260.00		

# APPENDIX 8: STATEMENT OF MOVEMENTS IN 364-DAY TREASURY BILLS

during the financial year ended 31st December 2020

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31st Dec. 2020	Interest Paid in FY2020	Interest Rate
04-Jul-19	7,453,490,738.50	02-Jul-20		7,453,490,738.50		
11-Jul-19	122,310,145,200.00	09-Jul-20		122,310,145,200.00		
11-Jul-19	5,422,405,248.16	09-Jul-20		5,422,405,248.16		
18-Jul-19	150,386,541,400.00	16-Jul-20		150,386,541,400.00		
18-Jul-19	13,108,858,828.95	16-Jul-20		13,108,858,828.95		
25-Jul-19	135,851,896,530.00	23-Jul-20		135,851,896,530.00		
25-Jul-19	18,968,532,722.69	23-Jul-20		18,968,532,722.69		
01-Aug-19	103,046,623,750.00	30-Jul-20		103,046,623,750.00		
01-Aug-19	3,838,211,862.16	30-Jul-20		3,838,211,862.16		
04-Jul-19	83,439,315,950.00	02-Jul-20		83,439,315,950.00		
08-Aug-19	1,966,681,018.05	06-Aug-20		1,966,681,018.05		
11-Jul-19	71,426,057,000.00	09-Jul-20		71,426,057,000.00		
15-Aug-19	1,256,359,999.99	13-Aug-20		1,256,359,999.99		
18-Jul-19	36,792,304,550.00	16-Jul-20		36,792,304,550.00		
22-Aug-19	4,449,481,616.47	20-Aug-20		4,449,481,616.47		
25-Jul-19	55,249,970,000.00	23-Jul-20		55,249,970,000.00		
29-Aug-19	3,056,544,396.96	27-Aug-20		3,056,544,396.96		
03-Sep-20	49,382,221,650.00	02-Sep-21		49,382,221,650.00		
05-Sep-19	6,768,975,329.74	03-Sep-20		6,768,975,329.74		
10-Sep-20	78,116,930,500.00	09-Sep-21		78,116,930,500.00		
12-Sep-19	1,472,600,779.91	10-Sep-20		1,472,600,779.91		
17-Sep-20	83,286,724,735.00	16-Sep-21		83,286,724,735.00		
19-Sep-19	3,798,235,438.70	17-Sep-20		3,798,235,438.70		
24-Sep-20	61,624,557,800.00	23-Sep-21		61,624,557,800.00		
26-Sep-19	2,168,585,283.18	24-Sep-20		2,168,585,283.18		
01-Oct-20	41,172,698,325.00	30-Sep-21		41,172,698,325.00		
03-Oct-19	701,885,738.35	01-Oct-20		701,885,738.35		
08-Oct-20	29,298,521,400.00	07-Oct-21		29,298,521,400.00		

# APPENDIX 8: STATEMENT OF MOVEMENTS IN 364-DAY TREASURY BILLS

during the financial year ended 31st December 2020

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31st Dec. 2020	Interest Paid in FY2020	Interest Rate
10-Oct-19	732,589,289.14	11-Oct-18		732,589,289.14		
15-Oct-20	73,000,054,163.54	14-Oct-21		73,000,054,163.54		
17-Oct-19	1,122,539,467.70	18-Oct-18		1,122,539,467.70		
22-Oct-20	96,405,102,500.00	21-Oct-21		96,405,102,500.00		
24-Oct-19	1,841,260,550.61	25-Oct-18		1,841,260,550.61		
29-Oct-20	137,523,560,100.00	28-Oct-21		137,523,560,100.00		
31-Oct-19	3,676,415,880.43	29-Oct-20		3,676,415,880.43		
05-Nov-20	126,733,551,850.00	04-Nov-21		126,733,551,850.00		
07-Nov-19	13,636,667,192.46	05-Nov-20		13,636,667,192.46		
12-Nov-20	147,895,109,647.27	11-Nov-21		147,895,109,647.27		
14-Nov-19	9,927,310,930.91	12-Nov-20		9,927,310,930.91		
19-Nov-20	135,670,952,530.00	18-Nov-21		135,670,952,530.00		
21-Nov-19	7,054,109,934.28	19-Nov-20		7,054,109,934.28		
26-Nov-20	151,159,882,075.00	25-Nov-21		151,159,882,075.00		
28-Nov-19	1,225,016,832.17	26-Nov-20		1,225,016,832.17		
03-Dec-20	179,077,808,350.00	02-Dec-21		179,077,808,350.00		
05-Dec-19	7,765,667,080.23	03-Dec-20		7,765,667,080.23		
10-Dec-20	168,230,818,650.00	09-Dec-21		168,230,818,650.00		
12-Dec-19	3,943,866,666.65	10-Dec-20		3,943,866,666.65		
17-Dec-20	81,054,389,059.16	16-Dec-21		81,054,389,059.16		
19-Dec-19	16,770,541.78	17-Dec-20		16,770,541.78		
24-Dec-20	58,706,856,915.00	23-Dec-21		58,706,856,915.00		
26-Dec-19	1,425,102.74	24-Dec-20		1,425,102.74		
31-Dec-20	270,284,243,910.00	30-Dec-21		270,284,243,910.00		
02-Jan-20	2,040,536,780.92	31-Dec-20		2,040,536,780.92		
	<b>5,616,858,614,517.07</b>			<b>5,616,858,614,517.07</b>		
FY2020				-		

**APPENDIX 8: STATEMENT OF MOVEMENTS IN 364-DAY TREASURY BILLS****during the financial year ended 31st December 2020**

<b>Issued Date</b>	<b>Issued at Nominal Value</b>	<b>Maturity Date</b>	<b>Matured at Nominal Value</b>	<b>Balance as at 31st Dec. 2020</b>	<b>Interest Paid in FY2020</b>	<b>Interest Rate</b>
SUMMARY				-		
Outstanding Balance FY2019		4,169,874,647,364				
Issued FY2020		5,616,858,614,517				
Matured FY2020			4,169,874,647,364			
Outstanding Balance FY2020				5,616,858,614,517		
<b>Total for FY2020</b>		<b>9,786,733,261,881</b>	<b>4,169,874,647,364</b>	<b>5,616,858,614,517</b>		

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

REVISED DISBURSED OUTSTANDING DEBTS ON A LOAN BY LOAN BASIS TO EXTERNAL  
CREDITORS AS AT JANUARY 2020 AND DECEMBER 2020  
(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, 2018	Disbursements	Principal Repayment	Disbursed Outstanding Debt Including Principal Arrears As At 31 December 2019
2003082 /CF GOSL	ADF - Nerice Rice Dissemination - US\$	USD	2003	1,985,046.6	2008	10	2013	2	80	2053	19,850.5	0.75	1,817.00	0.00	19.90	1,797.20
2003083 /CF GOSL	Nerice Rice Dissemination Project - JPK xcl MDRI	JPY	2003	104,938.2	2008	10	2013	2	80	2054	1,049.4	0.75	98.10	0.00	1.00	97.10
2003284 /CF GOSL	ADF - Nerice Rice Dissemination - GBP	GBP	2003	243,358.1	2012	10	2013	2	80	2053	2,433.6	0.75	227.50	0.00	2.40	225.10
2004011 /CF GOSL	ERRR II east. MDRI - ADF - US\$	USD	2004	10,512,538.4	2005	10	2014	2	80	2053	105,125.4	0.75	9,859.40	0.00	105.10	9,754.30
2005011 /CF GOSL	ADF-Agriculture Sector Rehab. Project - JPK xcl MDRI	JPY	2005	249,233.4	2006	10	2015	2	80	2055	1,246.2	0.75	238.00	0.00	2.50	235.50
2005012 /CF GOSL	ADF-Agriculture Sector Rehab. Proj - EUR	EUR	2005	2,140,539.2	2007	10	2015	2	80	2055	21,405.3	0.75	2,044.30	0.00	21.40	2,022.90
2005013 /CF GOSL	ADF-Agriculture Sector Rehab. Proj - USD	USD	2005	7,219,328.2	2008	10	2015	2	80	2055	72,193.3	0.75	4,461.30	0.00	48.80	4,412.50
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	3,039.20	0.00	31.80	3,007.40
2008071 /CF GOSL	ADF-Bumbuna Hydro Power Project - USD - Add. Financing	USD	2008	8,227,911.3	2009	11	2020	2	80	2060	82,279.1	0.75	8,145.60	0.00	82.30	8,063.40
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	192.10	0.00	1.90	190.20
2010061 /CF GOSL	ADF-Three Towns Water Supply System Proj. - USD	USD	2010	7,962,201.9	2013	9	2020	2	80	2060	79,622.0	0.75	8,908.00	0.00	178.20	8,729.80
2010401 /CF GOSL	ADFINTF- Supp loan_Bumbuna Hydro Power Proj - USD	USD	2010	1,099,819.6	2012	6	2017	2	40	2036	54,991.0	0.75	999.80	0.00	55.00	934.80
2012051 /CF GOSL	ADF Matoloka -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
2013287 /SL GOSL	Cole D'ivoire, Liberia, Sierra Leone, Guinea (CLSG) Electricity Networks Interconnection Project	SDR	2013	14,500,000.0	0	10	2023	2	80	2062	104,916.8	0.75	2,564.90	5,082.70	0.00	7,647.60
2013288 /SL GOSL	NTF- Cole D'ivoire, Liberia, Sierra Leone, Guinea (CLSG) Electricity Networks Interconnection Project	SDR	2013	6,670,000.0	0	6	2020	2	40	2039	241,308.7	0.75	2,246.60	1,630.90	333.50	3,544.00
2013298 /CF GOSL	ADF- Rural Water Supply and Sanitation Proj. - USD	USD	2013	653,492.4	2014	10	2023	2	80	2063	13,069.9	0.75	6,886.10	1,367.50	0.00	8,253.60
2014105 /SL GOSL	ADF Ebola Sector Budget Support - Fight Back Programme	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
2014107 /SL GOSL	FSF Ebola Sector Budget Support - Fight Back Programme	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
2016004 /SL GOSL	Mano River Union Rehabilitation of Bo-Bandjuma Road Project - Transition Sup	SDR	2016	3,710,000.0	2018	10	2027	2	60	2056	37,100.0	0.75	1,169.10	772.10	0.00	1,961.20
2016005 /SL GOSL	Mano River Union Rehabilitation of Bo-Bandjuma Road Project - Transition Sup	SDR	2016	3,230,000.0	2018	10	2027	2	60	2056	32,300.0	0.75	1,147.20	943.60	0.00	2,090.80
2019011 /SL GOSL	Rehabilitation and Extension of Bo-Kenema Distribution Systems Project	SDR	2019	4,621,000.0	2019	10	2027	2	60	2056	46,210.0	0.75	706.50	448.90	0.00	1,155.30
2019004 /SL GOSL	FREETOWN WASH AND AQUATICENVIRONMENT REVAMPING PROJECT	SDR	2019	6,270,000.0	2020	10	2030	2	60	2059	250,800.0	0.75	0.00	35.00	0.00	35.00
2001060 /SL GOSL	Arab Bank For Economic Dev. In Africa	USD	2001	4,991,694.0	2002	11	2013	2	68	2047	146,814.0	1	3,964.00	0.00	146.80	3,817.20
2003060 /SL GOSL	Kent-Tokoh Road Project - BADEA	USD	2003	7,200,000.0	2005	12	2020	2	68	2054	211,764.7	0.75	7,200.00	0.00	0.00	7,200.00
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	4,468.90	0.00	141.00	4,327.90
2005040 /SL GOSL	BADEA - Western Area Power Gen.Proj. Ph. 1 Cr.No.503	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
2006020 /SL GOSL	Rehabilitation of Kabala Water Supply Proj. Cr.No.561	USD	2006	4,000,000.0	2010	11	2017	2	40	2037	182,000.0	0	3,791.00	0.00	93.00	3,698.00
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
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
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	0.00	829.70
2013291 /SL GOSL	Rehabilitation and Expansion of Fourah Bay College	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
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	3,566.10	0.00	170.70	3,395.50
2006050 /SL BSL	INTERNATIONAL MONETARY FUND	SDR	2006	51,880,000.0	2006	5	2011	2	10	2015	942,000.0	0.5	1,218.50	0.00	1,218.50	0.00
2010040 /SL BSL	PRGF Three Year Arrangement - IMF	SDR	2010	22,200,000.0	2010	5	2015	2	10	2019	868,000.0	0	5,772.00	0.00	0.00	5,772.00
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	183,993.00	0.00	0.00	183,993.00
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
2018001 /SL GOSL	ECF-Four Year Arrangement	SDR	2018	15,500.0	2018	5	2024	2	10	2028	3,100,000.0	0	31,110.00	15,555.00	0.00	46,665.00
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	0.00	103,700.00	0.00	103,700.00
1978060 /SL GOSL	European Economic Community/ Economic Investment Bank	EURO	1978	462,811.8	1980	10	1989	2	60	2018	28,772.8	1	0.20	0.00	0.00	0.20
1983080 /SL GOSL	Promotion of Small and Med.Scale Ent.	EURO	1983	1,325,228.0	1991	10	1993	2	60	2023	77,260.0	1	404.30	0.00	0.00	404.30
1987020 /SL GOSL	North-West IADP Kambe	EURO	1987	10,900,000.0	1993	10	1998	2	60	2027	251,939.4	0.75	3,156.60	0.00	0.00	3,156.60
1989030 /SL GOSL	Rehabilitation of Telecoms Network Ph.I	EURO	1989	1,421,113.7	1992	11	2000	2	60	2030	5,932.2	0.5	910.60	0.00	0.00	910.60
2012287 /SL GOSL	Rehab. of Telecoms Network Phase II	EURO	2012	75,000,000.0	2017	7	2019	2	40	2039	4,166.7	1.95	67,942.40	5,146.30	3,822.70	69,265.90
1996052 /SL GOSL	CLSG Interconnection Project	SDR	1996	1,003,831.7	2004	10	2006	2	60	2036	20,076.6	0.75	652.40	0.00	39.50	612.90
2001201 /SL GOSL	International Development Association	SDR	2001	637,752.6	2004	10	2011	2	60	2040	6,587.9	0.75	269.30	0.00	6.60	262.70
2002051 /SL GOSL	Transport Sector Project Cr.No.2895 excl MDRI	SDR	2002	9,859,758.5	2004	10	2012	2	60	2041	197,195.2	0.75	8,282.20	0.00	167.20	8,085.00
2003020 /SL GOSL	2nd PSMS Cr.No.3462 - excl MDRI	SDR	2003	24,543,962.7	2004	10	2013	2	60	2043	490,879.3	0.75	21,349.60	0.00	490.80	20,858.80
	HIV/AIDS Response Proj Cr.No.3627 SL xcl MDRI	SDR														118,001,169.40
	National Social Action Project cr.3748 excl MDRI	SDR														304,435,098.70



REVISED DISBURSED OUTSTANDING DEBTS ON A LOAN BY LOAN BASIS TO EXTERNAL  
CREDITORS AS AT JANUARY 2020 AND DECEMBER 2020  
(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, 2018	Disbursements	Principal Repayment	Disbursed Outstanding Debt Including Principal Arrears As At 31 December 2019	
																In Specific Loan Currency	In Leone Equivalent
2003030	ISL GOSL	SDR	2003	11,000,000.0	2003	12	0	2	60	0	0.0	0.75	9,570.00	0.00	220.00	9,350.00	136,463,904.50
2004040	ISL GOSL	SDR	2004	24,200,000.0	2004	10	2014	2	60	2044	484,000.0	0.75	20,172.40	0.00	453.30	19,719.10	287,801,868.50
2005030	ISL GOSL	SDR	2005	2,035,356.1	2005	10	2015	2	60	2044	40,707.0	0.75	1,850.20	0.00	40.70	1,811.50	26,438,525.30
2006060	ISL GOSL	SDR	2006	6,400,000.0	2006	10	2016	2	60	2048	128,000.0	0.75	6,272.00	0.00	128.00	6,144.00	89,672,110.10
2006080	ISL GOSL	SDR	2006	3,700,000.0	2010	10	2018	2	60	2048	37,000.0	0.75	3,103.80	0.00	74.00	3,029.80	44,220,211.20
2009030	ISL GOSL	SDR	2009	6,400,000.0	2009	10	2020	2	60	2049	128,000.0	0.75	6,400.00	0.00	128.00	6,272.00	91,540,279.00
2009040	ISL GOSL	SDR	2009	12,900,000.0	2010	10	2020	2	60	2049	258,000.0	0.75	12,825.00	0.00	256.50	12,568.50	183,437,447.80
2009050	ISL GOSL	SDR	2009	9,700,000.0	2011	10	2020	2	60	2049	194,000.0	0.75	2,389.90	0.00	47.80	2,342.10	34,183,560.90
2010100	ISL GOSL	SDR	2010	4,700,000.0	2010	10	2020	2	60	2049	94,000.0	0.75	4,700.00	0.00	47.00	4,653.00	67,910,860.70
2010200	ISL GOSL	SDR	2010	7,500,000.0	2010	10	2020	2	60	2050	150,000.0	0.75	7,443.10	0.00	74.40	7,368.60	107,545,660.80
2010300	ISL GOSL	SDR	2010	6,400,000.0	2010	10	2021	2	60	2050	128,000.0	0.75	6,400.00	0.00	0.00	6,400.00	93,408,448.00
2011010	ISL GOSL	XDR	2011	19,788,375.2	2011	2	2021	2	64	2050	791,535.0	0.75	19,788.40	0.00	0.00	19,788.40	288,812,721.80
2014104	ISL GOSL	SDR	2014	7,900,000.0	2014	10	2024	2	60	2053	158,000.0	0.75	7,498.40	0.00	0.00	7,498.40	109,439,591.30
2012010	ISL GOSL	SDR	2012	15,500,000.0	2012	10	2022	2	60	2051	310,000.0	0.75	15,500.00	0.00	0.00	15,500.00	226,223,885.00
2012030	ISL GOSL	SDR	2012	11,000,000.0	2013	10	2022	2	60	2051	220,000.0	0.75	9,568.90	0.00	0.00	9,568.90	139,658,971.20
2014110	ISL GOSL	SDR	2014	26,100,000.0	2015	10	2024	2	60	2053	361,000.0	0.75	24,079.30	15.00	0.00	24,064.30	351,657,864.20
2016002	ISL GOSL	USD	2016	28,900,000.0	2016	6	2022	2	60	2051	963,333.3	0.75	14,841.00	5,836.00	0.00	20,677.00	301,781,659.00
2016008	ISL GOSL	XDR	2016	7,100,000.0	2017	6	2022	2	60	2054	221,875.0	0.75	3,248.00	3,603.50	0.00	6,851.50	99,998,717.60
2016009	ISL GOSL	XDR	2016	14,200,000.0	2017	6	2022	2	60	2054	443,750.0	0.75	4,883.60	4,888.40	0.00	9,772.00	143,998,717.60
2017002	ISL GOSL	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	234,980,627.00
2017007	ISL GOSL	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	106,537,938.70
2017006	ISL GOSL	XDR	2017	7,300,000.0	2018	5	2023	2	64	2055	228,125.0	0.75	2,807.80	2,420.00	0.00	5,227.80	76,300,950.40
2018002	ISL GOSL	XDR	2018	14,300,000.0	2019	5	2025	2	64	2055	461,290.3	0.75	285.10	4,126.60	0.00	4,411.70	64,389,775.10
2018003	ISL GOSL	XDR	2018	7,100,000.0	2019	5	2024	2	64	2056	221,875.0	0.75	487.20	1,310.60	0.00	1,797.80	26,238,462.70
2018004	ISL GOSL	USD	2018	59,570,000.0	2019	5	2024	2	64	2054	1,921,612.9	0.75	24,319.20	22,060.80	0.00	46,380.00	474,685,407.60
2019001	ISL GOSL	USD	2019	12,000,000.0	2019	2	2025	2	64	2057	375,000.0	0.75	420.40	0.00	0.00	420.40	4,302,689.30
2019001	ISL GOSL	XDR	2019	36,100,000.0	2020	2	2025	2	64	2057	1,128,125.0	0.75	0.00	10,968.80	0.00	10,968.80	160,090,308.50
International Fund for Agric Development																	
1979060	ISL GOSL	SDR	1979	9,600,000.0	0	10	1992	2	76	2029	140,000.0	1	2,400.00	0.00	240.00	2,160.00	31,525,351.20
1981040	ISL GOSL	SDR	1981	4,900,000.0	0	10	1992	2	80	2031	46,984.0	1	540.40	0.00	47.00	493.40	7,201,074.40
1984040	ISL GOSL	SDR	1984	2,987,214.0	1992	10	1995	2	80	2034	109,044.5	1	1,635.70	0.00	109.00	1,526.60	22,281,324.50
1992090	ISL GOSL	SDR	1992	1,128,940.8	1993	10	2003	2	80	2042	37,631.4	1	865.50	0.00	18.80	846.70	12,367,727.20
1992100	ISL GOSL	SDR	1992	6,600,000.0	1993	10	2003	2	57	2031	165,000.0	1	1,698.70	0.00	165.00	1,533.70	25,302,878.10
2004020	ISL GOSL	SDR	2004	5,900,000.0	2007	10	2014	2	60	2043	196,668.0	0.75	4,719.70	0.00	196.70	4,523.00	66,013,847.00
2011030	ISL GOSL	SDR	2011	7,050,000.0	2011	10	2021	2	60	2050	235,000.0	0.75	7,050.00	0.00	0.00	7,050.00	102,895,132.50
2012060	ISL GOSL	SDR	2012	695,000.0	2013	10	2022	2	60	2052	23,168.0	0.75	596.30	0.00	0.00	596.30	8,702,977.90
2013285	ISL GOSL	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	61,514,926.60
2013286	ISL GOSL	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	107,634,687.60
2018005	ISL GOSL	USD	2018	4,500,000.0	2019	10	2028	2	60	2058	150,000.0	0.75	750.00	1,685.30	0.00	2,435.30	24,924,451.00
2019003	ISL GOSL	USD	2019	5,900,000.0	2019	10	2029	2	60	2058	196,666.7	0.75	750.00	2,048.70	0.00	2,798.70	28,643,405.20
Islamic Development Bank - ID																	
1996020	ISL GOSL	USD	1996	1,500,000.0	1997	10	2006	2	42	2026	67,072.7	2.5	592.40	0.00	37.50	554.90	5,679,034.40
1996040	ISL GOSL	ID	1996	622,000.0	1997	10	2006	2	42	2026	31,100.0	2.5	217.70	0.00	15.50	202.10	2,950,391.60
2000040	ISL GOSL	ID	2000	5,181,164.3	2001	7	2008	2	42	2028	89,766.0	2.5	2,276.70	0.00	277.90	1,998.80	29,173,038.00
2001020	ISL GOSL	ID	2001	1,446,000.0	2004	7	2008	2	40	2027	74,153.9	2.5	794.60	0.00	72.20	722.30	10,542,492.50
2001030	ISL GOSL	ID	2001	3,934,000.00	2004	7	2008	2	48	2031	135,710.27	2.5	1,546.40	0.00	193.50	1,352.90	19,745,631.40
2002200	ISL GOSL	ID	2002	1,632,578.2	2003	7	2009	2	38	2027	15,482.0	2.5	680.20	0.00	45.30	634.90	9,266,287.10
2003040	ISL GOSL	ID	2003	3,100,000.0	2004	10	2013	2	42	2033	103,825.8	2.5	1,401.60	0.00	51.90	1,349.70	19,699,484.50
2003050	ISL GOSL	ID	2003	6,940,000.0	2004	7	2010	2	48	2033	58,500.0	2.5	3,195.70	0.00	189.50	3,006.20	43,875,210.60
2004050	ISL GOSL	ID	2004	6,681,771.5	2005	7	2011	2	48	2034	82,000.0	2.5	3,290.90	0.00	181.00	3,109.90	45,388,742.60
2005020	ISL GOSL	ID	2005	710,000.0	2006	10	2015	2	42	2035	35,500.0	2.5	412.40	0.00	29.40	383.00	5,590,335.30
2006010	ISL GOSL	ID	2006	7,000,000.0	2008	7	2013	2	38	2031	388,888.0	2.5	2,703.40	0.00	388.90	2,314.50	33,780,543.30
2007010	ISL GOSL	ID	2007	5,391,000.0	2007	7	2014	2	36	2031	299,526.0	2.5	3,403.20	0.00	299.50	3,103.70	45,298,910.10



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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, 2018	Disbursements	Principal Repayment	Disbursed Outstanding Debt Including Principal Arrears As At 31 December 2019
													In Specific Loan Currency			In Leone Equivalent
2007020 /SL GOSL	Reinforcement of Medium & Low Voltage Netw 2SL-0065	ID	2007	7,000,000.0	2012	7	2014	2	38	2032	368,888.9	2.5	4,574.70	0.00	388.90	61,092,380.60
2009010 /SL GOSL	Construction of Kenema - Pendembu Road Project - 3SL-0068	ID	2009	7,653,000.0	2010	10	2019	2	40	2038	382,650.0	2.5	7,132.10	0.00	382.60	98,508,404.80
2010010 /SL GOSL	ID.B-S.L. Community Driven Dev't Project Cr.No. 2SL 0070	ID	2010	5,620,000.0	2011	7	2017	2	36	2034	312,222.2	2.5	4,680.40	0.00	312.20	63,753,214.90
2010020 /SL GOSL	I.S.F.D. Resources S.L. Community Driven Dev't Project Cr.No. 7SL 0071	ID	2010	5,620,000.0	2011	7	2017	2	36	2034	312,222.2	2.5	5,132.20	0.00	275.00	65,219,055.40
2010070 /SL GOSL	IDB- Palm Oil Prodn Cap Building Proj. Cr.No.2SL 0074	ID	2010	2,770,000.0	2011	8	2018	2	38	2036	153,888.9	2.5	2,060.00	0.00	153.90	27,819,432.50
2010080 /SL GOSL	I.S.F.D- Palm Oil Production Capacity Building Project Cr.No.SL 0076	ID	2010	1,033,000.0	2016	8	2018	2	38	2036	57,388.9	2.5	1,152.60	0.00	79.20	14,413,307.20
2010090 /SL GOSL	ISTISNA/A- Palm Oil Production Capacity Building Project Cr.No. SL-073	USD	2010	4,680,000.0	2015	10	2020	2	30	2034	312,000.0	2.5	800.30	720.00	312.00	12,366,238.30
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	8,478.70	0.00	513.90	116,247,350.90
2011050 /SL GOSL	IDB- Implem't of National Compo. (ECOWAN) Project 2SL-0077	ID	2011	2,830,000.0	2011	8	2019	2	36	2036	157,222.2	2.5	2,518.40	0.00	157.40	34,459,096.80
2011080 /SL GOSL	ISTISNA/A- Implem't. National Compo. ECOWAN (SALCAB) Cr.No. 2SL-0078	USD	2011	20,350,000.0	2014	5	2016	2	24	2027	1,695,833.3	2.5	15,899.00	0.00	1,589.00	146,458,847.80
2012020 /SL GOSL	Construction of Pendembu - Kallahun Road Project - 3SL-0080	ID	2012	9,530,000.0	2016	7	2019	2	36	2037	529,444.4	2.5	6,159.90	2,569.60	529.40	119,680,118.00
2013010 /SL GOSL	ISTISNA/A- Linking Small Holder Farmers to Market in SIL Cr.No. SL-0081	USD	2013	20,000,000.0	2014	4	2017	2	30	2031	1,333,333.3	2.5	13,563.60	277.30	1,333.30	128,010,636.60
2015003 /SL GOSL	Regarding Health System Strengthening Project 7SL 0087	USD	2015	10,000,000.0	2016	12	2027	2	40	2046	500,000.0	2.5	1,693.80	1,042.70	83.50	27,153,083.00
2015004 /SL GOSL	Sierra Leone Community Development Project II - Istisna 2SL -0084	USD	2015	31,680,000.0	2017	5	2020	2	30	2034	2,112,000.0	2.5	2,013.20	3,000.00	0.00	51,308,036.20
2019005 /SL GOSL	Regarding Regional Value Chain Development Programme	USD	2019	2,000,000.0	-	5	2029	2	40	2049	100,000.0	0.175	0.00	0.00	0.00	0.00
2019006 /SL GOSL	Regional Value Chain Development Programme - Installment Sale	USD	2019	20,000,000.0	2020	5	2024	2	30	2038	866,666.7	1	0.00	500.00	0.00	5,117,345.00
<b>Opec Fund for International Development</b>																
2003100 /SL GOSL	OPEC - Commodity Import Program Cr.No.952G	USD	2003	9,500,000.0	2004	5	2008	2	30	2023	633,320.0	1	2,216.80	0.00	633.30	16,206,631.60
2005050 /SL GOSL	OPEC- Tokoh - Lumley Road Project 1017P	USD	2005	7,000,000.0	2007	5	2010	2	30	2024	466,666.7	2	2,333.40	0.00	466.70	19,105,505.60
2005060 /SL GOSL	OPEC -Hillside Bypass Road Cr.No. 1016P	USD	2005	6,000,000.0	2011	5	2010	2	30	2024	400,000.0	1	918.30	0.00	400.00	5,304,415.80
2006060 /SL GOSL	-OPEC- Bumbuna Hydroelectric Power Project 1088P	USD	2006	10,000,000.0	2008	5	2011	2	30	2026	666,666.7	2	4,295.00	0.00	666.70	37,134,929.70
2007030 /SL GOSL	-OPEC- Kenema - Pendembu Road Project 1160P	USD	2007	12,510,000.0	2010	5	2012	2	30	2027	834,000.0	1	6,630.00	0.00	834.00	59,319,769.60
2007050 /SL GOSL	OPEC- Debt Relief Agreement Cr. No. 1161H	USD	2007	5,400,000.0	2009	5	2012	2	30	2027	360,000.0	1	2,880.00	0.00	360.00	25,791,418.80
2011090 /SL GOSL	-OPEC- Three Towns Water Supply and Sanitation Project Cr.No.1377P	USD	2011	19,000,000.0	2013	5	2016	2	30	2030	1,266,666.0	1	15,166.30	0.00	1,325.40	141,657,163.20
2012040 /SL GOSL	-OPEC- Matoboko - Ynye Road Project Cr.No.1445P	USD	2012	10,000,000.0	2013	5	2017	2	30	2032	666,666.7	2	8,333.30	0.00	666.70	78,466,126.60
2013290 /SL GOSL	-OPEC- Founeh Bay College	USD	2013	13,000,000.0	2017	5	2018	2	30	2032	866,666.7	2	10,434.70	0.00	866.70	97,925,917.20
2016007 /SL GOSL	Rehabilitation of Bo-Bandejuma Road Project	USD	2016	20,000,000.0	2018	5	2021	2	30	2050	1,333,333.3	2	7,109.30	5,839.20	0.00	132,523,173.50
2017003 /SL GOSL	Three Towns Water Supply and Sanitation Project(Additional Loan)	USD	2017	13,150,000.0	2018	5	2022	2	30	2036	876,666.7	2	11,721.30	745.00	0.00	127,588,297.50
<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	2,175.80	0.00	241.80	28,226,675.10
2009020 /SL GOSL	SIERRATEL-Modernization & Expansion of Network & Telecom. Infra.	USD	2009	29,452,856.0	2012	6	2015	2	30	2029	1,963,523.7	2.75	24,741.10	0.00	1,963.50	233,121,163.30
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	18,555.10	0.00	1,333.30	176,259,039.30
<b>Total (Multilateral and Bilateral) - (A)</b>																<b>18,302,527,789.50</b>
<b>External Commercial - (B) See list of breakdown as attached</b>																<b>183,121,515.45</b>
<b>Grand Total (Disbursed Outstanding Debt) - (A) + (B)</b>																<b>20,176,721,563.68</b>

Prepared by PMMD

Note:

1/ Exchange rates used : USD = Le10,234.7; SDRID = 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 ON THE INVESTMENTS IN STATE OWNED ENTERPRISES (SOEs)**
**As at 31st December 2020**

No.	NAME	LEGAL STATUS	GOVERNMENT PARTICIPATION (In %)
<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 – PUBLIC ENTERPRISES, COMMISSIONS AND DONOR FUNDED PROJECTS

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## **MAIN POINTS**

### **What we Examined**

These are audits of the annual financial statements of state-owned Public Enterprises and Commissions. The audit includes a formalised risk-based audit planning process, a review of internal control systems and procedures, physical examination of assets, substantive verification of samples of transactions, to supporting documentation and such other tests as may be necessary in the circumstances. The focus is on conducting an in-depth examination of the financial statements and to determine whether they present a true and fair view of the financial position and operations for the accounting period under review. In determining what is true and fair, the criteria used are the set of accountancy principles and financial disclosure requirements used to create the financial statements. These are laid down in the professional requirements and guidance of recognised accounting standard bodies and to some extent, in appropriate legislation. Generally, public enterprises and commissions, each have distinct enabling legislation with which they must comply. Our audit examination includes a review for compliance with such legislation.

Auditors examined the underlying accounting records, ‘the books’, 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. The examination is done in accordance with well-codified and accepted professional auditing standards and ethical requirements recognised by the public and private sectors auditing profession around the world. At the end of the examination, the auditors issue to shareholders, a short-form report called an Opinion.

### **Why it is Important**

There is a public financial management principle embodied in the phrase ‘whole-of-government’ which strongly supports that for financial reporting purposes, as well as transparency and accountability, the government accounting entity should include all bodies falling within its ambit of control.

Public Enterprises and Commissions are within the GoSL’s ambit of control. They are established for various legitimate reasons by governments everywhere. Their functions tend to be discrete activities of a commercial, semi-commercial or social policy nature or a combination of all of these. By their legal nature, they are more at arms-length 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 all the more important.

In Sierra Leone, Public Enterprises and Commissions carry out a broad range of functions. They permeate critical areas of social life, like water and power supply, road construction, tertiary level education, narcotics control, banking, ferries and shipping, telecommunications and mineral resources, to name but a few. As such, they represent a significant amount of economic activity in Sierra Leone and have a major impact on infrastructural development as well.

For all of these reasons, the audit of Public Enterprises and Commissions are of considerable importance.

## What we Found

In general and across virtually all Public Enterprises and Commissions, the significant matters identified in the audit examinations fall into the following areas:

- Tax Irregularities
- Inventory/Stores Irregularities
- Unsupported Payments
- Cash Irregularities
- Unretired Expenditure

The overall financial impact of the weaknesses and irregularities identified amounted to **Le37,913,255,904.33** (Le160,965,000; Le10,003,311,475; Le13,155,496,668; Le 8,144,259,549.32 and Le6,449,223,212.01 in 2016, 2017, 2018, 2019 and 2020 respectively).

The analysis of the irregularities per institution is provided in Table 2.1.

<b>Table 2.1</b>						
<b>Estimated Cash Loss</b>						
<b>Nature of Loss</b>	<b>Total Amount Le</b>	<b>Amount Le 2016</b>	<b>Amount Le 2017</b>	<b>Amount Le 2018</b>	<b>Amount Le 2019</b>	<b>Amount Le 2020</b>
Tax Irregularities	9,004,842,715.46	160,965,000.00	216,194,942.00	2,467,358,911.62	3,769,317,991.00	2,391,007,871.00
Inventory/Stores Irregularities	559,898,640.57	-	-	-	210,080,000.00	324,867,640.57
Unsupported Payments	22,524,014,678.38	-	9,577,366,533.00	7,541,674,352.38	2,815,100,465.00	2,589,873,328.00
Cash Irregularities	5,461,798,844.92	-	209,750,000.00	3,146,463,404.00	1,197,389,593.00	908,195,847.92
Unretired Expenditure	362,701,025.00	-	-	-	152,373,500.00	210,327,525.00
<b>Total</b>	<b>37,913,255,904.33</b>	<b>160,965,000.00</b>	<b>10,003,311,475.00</b>	<b>13,155,496,668.00</b>	<b>8,144,259,549.32</b>	<b>6,449,223,212.01</b>

There are also instances of inadequate personnel records, payroll and internal audit issues. These observations are expanded upon in greater detail in the paragraphs to follow. Overall, they suggest a need for improved financial management with a clear focus on basic principles of internal control.

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:

## Detailed Findings and Recommendations

### Non-Submitted Accounts

As at 31st March 2021, the following Public Enterprises and Commissions did not submit their accounts for the 2020 financial year.

Table 2.2 - Non-Submitted Accounts		
No.	Institution	Financial Year
1	Sierra Leone Stock Exchange	2020
2	National Protected Area Authority and Conservation Trust Fund	2020
3	National Insurance Company	2020
4	University of Sierra Leone	2020
5	Sierra Leone Housing Corporation	2020
6	Sierra Leone State Lottery	2020
7	Sierra Leone Telecommunications Company	2020
8	Sierra Leone Maritime Administration	2020
9	Produce Monitoring Board	2020
10	Sierra Leone Postal Services Limited	2019 - 2020
11	Sierra Leone Producing Marketing Company	2018 - 2020
12	Nuclear Safety Radiation Protection Authority	2018-2020
13	Western Area Hospital Board	Since Formation
14	National Drugs Control Agency	Since Formation
15	National Assets Commission	Since Formation
16	National Pharmaceutical and Procurement Unit	Since Formation

### Late Submission of Accounts

The following Public Enterprises and Commissions did not submit their accounts after the stipulated deadline date of 31st March, 2021.

Table 2.3-Late Submission of Accounts		
No.	Institution	Date Received
1	Sierra Leone Investment and Export Promotion Agency - 2020	6/4/2021
2	Corporate Affairs Commission – 2020	12/4/2021
3	Guma Valley Water Company – 2020	17/4/2021
4	Sierra Leone Library Board – 2020	19/4/2021
5	National Commission for Privatisation - 2020	20/4/2021
6	Sierra Block Concrete Product Limited - 2020	21/4/2021
7	National Authorising Office – 2020	29/4/2021
8	Electricity Distribution and Supply Authority - 2020	30/4/2021
9	Council of Legal Education Sierra Leone Law School – 2020	30/4/2021
10	Sierra Leone Airport Authority – 2020	31/4/2021
11	Sierra Leone Road Safety Authority – 2020	5/5/2021
12	Sierra Leone Cable Limited – 2020	7/5/2021
13	Sierra Leone Agricultural Research Institute - 2020	7/5/2021
14	National Minerals Agency – 2020	11/5/2021
15	Bank of Sierra Leone – 2020	11/5/2021
16	Teaching Service Commission – 2020	17/5/2021
17	National Commission for Persons with Disability - 2015 - 2020	20/5/2021
18	National Electoral Commission – 2020	24/5/2021



Table 2.3-Late Submission of Accounts		
No.	Institution	Date Received
19	Office of the National Commission for Children - 2020	27/5/2021
20	Medical and Dental Council – 2020	4/6/2021
21	Office of National Security – 2020	4/6/2021
22	Central Intelligence and Security Unit - 2020	4/6/2021
23	National Sports Authority – 2020	9/6/2021
24	University of Sierra Leone - 2019	9/6/2021
25	Sierra Leone Water Company – 2020	14/6/2021
26	Golden Tulip Essential Kimbima Hotel - 2019 - 2020	21/6/2021
27	Legal Aid Board – 2020	2/7/2021
28	National Youth Commission – 2020	2/7/2021
29	National Protected Area Authority and Conservation Trust Fund - 2016 – 2019	14/7/2021
30	Sierra Leone Roads Authority – 2020	15/7/2021
31	Independent Media Commission – 2020	24/7/2021
32	Sierra Leone Civil Aviation Authority – 2020	29/7/2021
33	National Tourist Board – 2020	29/7/2021
34	Right to Access Information Commission - 2020	2/8/2021
35	Independent Procurement Review Panel - 2020	6/8/2021
36	National Medical Supplies Agency – 2020	27/9/2021
37	National Youth Service – 2020	28/9/2021
38	Universal Access Development Fund – 2020	18/11/2021

## **2.1. NATIONAL REVENUE AUTHORITY: 2017 – 2018**

### **2.1.1. Accounting Manual Not Approved**

The accounting manual used by Management regarding financial matters is yet to be approved by the Board. In collaboration with the Finance Director, the Commissioner General should ensure that the draft manual is submitted to the Board for approval, and upon approval, disseminated to all staff within the finance function for implementation.

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

*The Commissioner General in his response said: "The Authority's revised accounting manual is due for adoption by senior management, after which, it would be sent to the Board for approval at the next meeting, which will include all our new Terms and Conditions of Service (TACO). Evidence of such is available for inspection."*

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

Evidence of the Finance and Budget Department Policies and Procedures Manual submitted to the Board of Directors was seen and verified. It is however yet to be approved. Though this issue remains unresolved, it will be followed up in future audits.

### **2.1.2. Expenditure without Supporting Document**

A review of the administrative expenses revealed the following:

- Payment vouchers and supporting documents for Le2,394,116,910 and Le1,947,000,000 in respect of the 2017 and 2018 financial years respectively, were not available for audit inspection.
- Bank payment instructions totalling Le2,760,750,000 and Le204,628,000 for 2017 and 2018 were without documents such as requests, receipts, invoices, delivery notes etc., for the year ended 31st December 2017 and 2018 respectively.
- Food items worth Le865,000,000 were allegedly donated to amputees at Grafton and Lungi in 2017. These disbursements were not supported with appropriate documentation. We could also not ascertain the basis upon which these payments were made, as they did not fall within the normal operations of the Authority.
- We identified differences between the amount authorised for disbursement, i.e., the amount indicated on the bank payment instructions and the amounts detailed on the payment requests. The actual differences were Le209,750,000 and Le78,000,000 for 2017 and 2018 respectively.

The Commissioner General in collaboration with the Finance Director, should ensure the following:

- All transactions should be supported by bank payment instructions and other relevant documentation that must be retained for audit and reference purposes.
- The bank payment instruction and supporting documents for funds disbursed totalling Le2,394,116,910 and Le1,947,000,000 for 2017 and 2018 are submitted to the Audit Service for verification; otherwise, the responsible officers shall be asked to refund these funds.
- Forward the relevant supporting documentation regarding the Le2,760,750,000 and Le204,628,000 for 2017 and 2018 to the ASSL.
- Management should investigate these transactions to verify whether they were genuine. If these were not genuine transactions, the responsible officer should refund these funds.

- The differences totalling Le209,750,000 and Le78,000,000 for 2017 and 2018 respectively should be refunded by the officials responsible.

### **Official's Response**

*The Commissioner General in his response said: "These issues were initiated and reported by a special assignment commissioned by our Internal Control and Audit Department (ICA). The findings were forwarded by management to the Anti-Corruption Commission (ACC) for investigation, of which various parties were charged. Please find the formal press release, a response and evidence from the ACC for your audit inspection."*

### **Auditor's Comment**

The following were noted during the verification conducted:

- Total funds disbursed amounted to Le2,394,116,910. Supporting relevant documents like bank payment instructions were only submitted for Le378,629,125, leaving a balance of Le2,015,487,785 not supported.
- Recoveries of amounts from parties involved; a formal request from the NRA sent to the Anti-Corruption Commission (ACC) and a response from the ACC were submitted for verification. Upon review, it was revealed that a payment plan of Le5,000,000,000 was made between the ACC and parties charged, and recoveries of Le2,815,000,000 had been received as at the time of writing this report. Included in these recoveries is Le1,947,000,000.
- Additional documents were not submitted for verification to support the amount spent as per bank payment instructions totalling Le2,760,750,000 and Le204,628,000 for 2017 and 2018 respectively.
- No response was received regarding our finding on the donation of food items to amputees at Grafton and Lungi in 2017 worth Le865,000, 000.
- Differences between the amounts authorised for disbursement i.e., the amount indicated on the bank payment instructions and the amounts detailed on the payment requests was not responded to. The issues therefore remain unresolved.

### **2.1.3. Suspicious Fraudulent Transactions/Supporting Documentation**

Good and Service Tax receipts attached to the bank payment instructions totalling Le1,959,500,000 for administrative expenses for 2017 were observed to have been issued from one series of receipt instead of different series. We recommended that management should conduct an investigation and disciplinary action taken against the staff who may have fraudulently attached these GST receipts to these payments.

### **Official's Response**

*The Commissioner General in his response said: "We have instituted preliminary investigations on the genuineness of these transactions and have formally contacted the staff in question with a view of instituting disciplinary proceedings based on our findings. Evidence of such is available for audit inspections."*

### **Auditor's Comment**

A copy of the letter on preliminary investigation instituted on these suspicious fraudulent transactions/ supporting documents was submitted and reviewed. The response is noted and will be followed up during the next audit to determine the outcome of this investigation.

#### **2.1.4. Overspending of Some Expenditure Heads**

Comparison between budget and actual expenditure revealed that the Authority's budget for the FYs 2017 and 2018 was overspent by amounts totalling Le9,116,021,319 and Le10,501,671,770 respectively. Approval from the Board authorising these extra-budgetary expenditures was not submitted for audit inspection.

The Commissioner General in collaboration with the Finance Director and senior management, should ensure the following:

- The budget prepared must be realistic, considering the prevailing economic situation, physical and financial parameters.
- Monitoring of actual expenditure must be done regularly and a comparison made against budget to identify variances to aid decision making.
- The Board should approve all future extra-budgetary activities.

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

*The Commissioner General in his response said: "For 2017, the issue was reported by our Internal Audit and forwarded to the Anti-Corruption Commission for investigation. Please find attached evidence for audit inspection. The Authority did not overspend in 2018 upon assumption of office as the Commissioner General in July 2018. The Board approved a supplementary budget for 2018. See the evidence for audit inspections. We take the auditors' recommendation in respect of future transactions."*

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

Evidence of a supplementary budget for 2018 was submitted for verification. The supplementary budget was however not signed by the Commissioner General, and there was no evidence of approval by the Board. The issue of actual expenditures exceeding budget will be followed up in the next audit to determine whether such practice still continues.

#### **2.1.5. Inadequate Control over the Management and Security of Assets**

Assets register was not updated as details of some of the assets physically verified by the audit team were not recorded. In addition, some assets classified as non-current assets included in the assets register were below the capitalisation threshold of Le1,000,000 and Le2,500,000. Furthermore, the location and identification codes of some assets were also not included in the assets register, making it difficult to verify. The majority of the Authority's furniture, computers and office equipment were not labelled with unique identification codes.

The Commissioner General in collaboration with the Finance Director and management should ensure the following:

- The assets register is updated with relevant details, including location and identification codes of all assets owned and controlled by the Authority.
- Those assets below the capitalisation limit are identified, deleted from the assets register and the necessary adjustments made in the general ledger, and a revised assets register and general ledger submitted to the ASSL for verification.
- All assets owned and controlled by the Authority must be marked with unique identification codes and details appropriately recorded on the assets register.

### **Official's Response**

*The Commissioner General in his response said the following:*

- *"We note your comments, and the Authority is currently updating its assets register, taking into consideration these recommendations.*
- *The Authority's furniture, computers and other office equipment are presently being labelled with unique identification code, and samples of this are available for audit inspection."*

### **Auditor's Comment**

Evidence to justify the updated assets register was submitted and verified. The physical inspection was done on a sample of assets at head office, and there was evidence of unique identification coding done. The verification was only done for assets at head office, with assets at the NRA branch offices not verified. This issue will be kept in view and followed up in subsequent audits to determine the extent to which our recommendations were implemented.

#### **2.1.6. Contract not Signed**

A senior official of the Authority did not sign a contract worth Le800,000,000 awarded to Zizab Enterprises for the supply of seasonal and promotional items in 2017. Total payments of Le273,504,824 was made to the contractor even though the contract was not signed. The contract was not in the approved procurement plan, and this was in violation of Section 27(1) of the Public Procurement Regulations of 2006. The Commissioner General in collaboration with the Head of Procurement should ensure the following:

- The amended/updated procurement plan supported with appropriate justification for the deviation is submitted to the ASSL for verification.
- Appropriate justification should be forwarded to the ASSL as reason for the payment, even though the contract was not signed.
- Going forward, all contracts must be signed by a senior officer in the Authority, and payment should be made upon submission of a signed contract.

### **Official's Response**

*The Commissioner General in his response said the following:*

- *"We have looked at the relevant files and cannot find a signed contract by the former Commissioner General, although notifications of award of the contract to Zizab was issued by the Procurement Committee, acting on the authority of the Commissioner General.*
- *A copy of the contract, award notification, delivery note, and sample items produced are available for inspection.*
- *The activity was included under 'Adverts and Promotion' in the procurement plan."*

### **Auditor's Comment**

Our recommendations were not implemented. The issues therefore remain unresolved.

#### **2.1.7. Procurement of Laundry and Cleaning Services**

For the procurement of laundry and cleaning services, the Authority in 2017 paid Le7,793,281,250 to Lyncs Investment for the fumigation of its various offices. A signed contract and standard bidding documents were not made available. In addition, the bank payment instructions submitted for review regarding these payments were without requests and certificates of work completion. An amount of Le412,365,852 was stated in the Authority's Procurement Plan for 2017. The actual amount spent on

laundry and cleaning services was Le8,376,202,224, resulting in a variance of Le7,963,836,372. Management did not amend the procurement plan to support this variance in the procurement value as required by law.

The Commissioner General in collaboration with the Head of Procurement should ensure that the following documents are submitted for audit review:

- Signed contract
- Bidding documents
- Work completion certificates

These documents should be submitted to the ASSL. Otherwise, the responsible officers should refund the amounts disbursed on fumigation.

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

*The Commissioner General in his response said: "This issue was initially reported by a special assignment commissioned by the Internal Control and Audit Department (ICA) and forwarded to the Anti-Corruption for investigation. A payment plan was agreed by the various parties, the ACC was to recover these said amounts and the recovery process has started. Please find attached evidence for audit inspection."*

### **Auditor's Comment**

Signed contract, bidding documents, work completion certificates and amended procurement plan were not submitted for verification.

Regarding recoveries of amounts from parties involved, a formal request from the NRA was sent to the Anti-Corruption Commission (ACC), and the response from the ACC was submitted for verification. A review revealed that a payment plan of Le5,000,000,000 was made between the ACC and parties charged, and recoveries amounting to Le2,815,000,000 were received at the time of writing this report.

We noted that the amount as per the payment plan was Le5,000,000,000, whilst total payment made to Lyncs Investment was Le7,793,281,250 resulting in an over-payment of Le2,793,281,250. The basis upon which this plan was made could not be ascertained. This has resulted in a possible loss of public monies. This issue will be kept in view and followed-up in subsequent audits to determine the extent to which our recommendation was implemented.

#### **2.1.8. Contract not Advertised**

A contract worth Le505,000,000 for the delivery of generator servicing materials was awarded to Ibex Global Enterprise. Management did not submit to the audit team, documentary evidence in the form of newspaper, gazette etc., indicating that the contract was publicly announced in accordance with Sections 37(1) of the Public Procurement Act of 2016 and 52(1) of the Public Procurement Regulations of 2006. We recommended that the Commissioner General should ensure that the procurement head submit evidence justifying that this contract was publicly announced as required by Section 37(1) of the Public Procurement Act of 2016 and Section 52(1) of the Public Procurement Regulations of 2006.

### **Official's Response**

*The Commissioner General in his response said: "The contract for the delivery of generator servicing materials was advertised. Evidence of newspaper advert made in the Exclusive Newspaper on Monday 12th October, 2015 is available for audit inspection."*

### **Auditor's Comment**

Our recommendations were not implemented. This issue is therefore unresolved.

#### **2.1.9. Non-executive Board Members Receiving Monthly Salaries**

Non-executive Board Members were paid monthly salaries which amounted to Le1,697,113,081 and Le1,264,769,241 for 2017 and 2018 respectively. Minutes of meetings/letters justifying consultation done with the Minister of Finance for the payment of such salaries were also not submitted for review. Included in the amounts stated above were salaries totalling Le425,382,308 and Le414,423,080 for 2017 and 2018 financial years paid to institutional non-executive directors even though they were receiving salaries from their respective institutions.

The Commissioner General should ensure the following:

- The Director of Human Resources submit the terms of reference/appointment letters and minutes of meetings/letters in support of monthly salaries paid to Board members to the ASSL; otherwise, amounts paid totalling Le1,697,113,081 and Le1,264,769,241 are refunded by Board members to the Consolidated Fund and evidence retained for reference purpose.
- That total salaries of Le425,382,308 and Le414,423,080 paid to the institutional non-executive directors are refunded to the Consolidated Fund and evidence submitted to the ASSL. Going forward, institutional non-executive directors should be paid sitting fees and not benefit from any salaries paid.

### **Official's Response**

*The Commissioner General in his response said: "Subject to Section 25 (a) of the NRA Act of 2002, the funds of the Authority shall be applied in meeting the following expenditure:*

- *The remuneration, fees and allowances of the members of the Board.*
- *Regarding the determination of such fees, remuneration and allowances which are subject to the consultation with the Minister and determinations of the Board therein pursuant to Section 6(3) of the National Revenue Act of 2002 states: "Members of the Board, other than the Commissioner General shall be entitled to such remuneration, fees and allowances as the Board may after consulting the Minister determine."*

*Please find attached for audit inspection, a formal letter from the then Minister approving these remunerations and allowances."*

### **Auditor's Comment**

A copy of the Minister's approval for Board remuneration and some Board members' appointment letters were submitted and verified. We continue to advise that salaries are not paid to institutional Non-executive Directors. The issue is partially resolved.

## **2.2. SIERRA LEONE COMMERCIAL BANK – 2019**

### **2.2.1. Additional Loan Impairment Provisioning**

Going through the provisions for bad and doubtful debt as at 31st December 2019, we observed that adequate provision had not been made for 15 accounts. The bank therefore made an additional loan loss provision of Le12 billion. We recommend that the bank should adhere to the prudential guidelines issued by the central bank in respect of loan provision.

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

*The Managing Director in his response said: "additional loan loss of Le12 billion noted".*

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

Our recommendation was not implemented. Therefore, the issue remains unresolved.

### **2.2.2. Facilities with no/inadequate collateral**

Clause four of the enhanced supervision directives issued by the Bank of Sierra Leone requires all collateral for loans/renewals of existing credit facilities should cover at least 125% of related exposures. We however observed that some of the facilities granted with total exposure amount of Le8,397,077,190 and total value of collateral amount of Le66,000,000 were not adequately secured according to the enhanced supervision directives in order to protect the bank's exposure.

We recommend that the credit risk department should ensure adequate and tangible security (perfected legal title) is obtained to cover exposures. All non-secured facilities should be pursued and regularised going forward to minimize the exposure of the Bank. The Bank should also comply with the enhanced supervision directives issued by the Bank of Sierra Leone in order to avoid any penalties or fines.

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

*The Managing Director in his response said: "we confirm that we hold properties as collateral security for the customers in question and properties duly valued. In future, we shall take into consideration the enhanced supervision directives of Bank of Sierra Leone to cover at least 125% to cover exposures. We reiterate that we will take into consideration the directives of Bank of Sierra Leone to cover at least 125% to cover exposures going forward".*

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

No evidence of verification and valuation reports were tendered to the auditors. The issue remains outstanding.

### **2.2.3. Expired Credit Reference Report**

We observed that loans were issued to 19 customers for which credit reference reports obtained from the Bank of Sierra Leone had expired in contravention of the bank lending policies. We recommend that management should ensure current credit reference reports were obtained from the Bank of Sierra Leone prior to approving customer's facilities and that customers with no credit reference report should go through the pre-approval process before they are allowed access to any credit facility.

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

*The Managing Director in his response said: "these facilities are approved by the Board. There is a time difference between the origination of the facility and the time the Board sits for approval. We note your comment and in future if any delay is envisaged for the Board to sit, a new CRB report will be provided".*



### **Auditor's Comment**

Management's response on the issue of time difference between the facility date and time for board's meeting sitting approval was noted. A new CRB report however should have been provided. The matter is therefore unresolved.

#### **2.2.4. Non-compliance with the Bank Risk Acceptance Criteria**

The Bank has laid down guidelines which should be adhered to with regard to lending practices and procedures. These lending policies state among others the minimum requirements for a decision on whether to enter into a credit relationship with a customer or not. These policies include:

- Approved facility letter with terms and conditions which must be communicated in writing to the customer and copy of such acknowledgment be given to the customer
- Proposals which should be supported by financial statements for at least three years and supported by board resolution for cooperate bodies among others.

We observed that 16 facilities granted clearance for credit relationship totaling Le37,124,963,240 were without the required documentation prior to approval of the facility. We recommend that management should strictly follow applicable preapproval documentation, as minimum standards, in the lending process.

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

*The Managing Director in his responses said: "we confirm that we hold audited financial report and Credit reference reports for the above customers. Copies are maintained in customers file for verification. We note that before credit facilities go through the normal procedures the aforementioned documents are requested from the customers. It should be noted that a checklist is in place to ensure that all documents mentioned above are in place before a credit risk analysis is done. All copies of documents are maintained in the customer's file".*

### **Auditor's Comment**

Records relating to customers were still not verified. The matter is therefore unresolved.

#### **2.2.5. Approval and enhancement of new loans to politically exposed persons (PEPs)**

New credit facilities to the tune of Le4,956,014,474 were granted to PEPs. This infringed on the directives of the Bank of Sierra Leone's clause one (1) of the enhanced supervision. The clause prohibits the bank from undertaking among others, lending to politically exposed persons, government related persons/entities and government backed facilities.

We recommend that management should ensure all directions and or sanctions imposed on the bank are followed.

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

*The Managing Director in his responses said: "these facilities are granted to the current sitting members of parliament whose salaries and allowances are paid directly into their bank accounts. We also hold Employers Guarantee signed by the Accountant-General's Dept. We also wish to note that Kalleone Group is not a PEP related account. Management will ensure compliance with the BSL directives or obtain clearance for any future credit to PEP".*

### **Auditor's Comment**

Our recommendation was not implemented. The matter is therefore unresolved.

#### **2.2.6. Unauthorised overdrawn overdraft**

We observed that eight customers with a total approved limits of Le8,090,000,000 were allowed to operate above their limits and had total outstanding loan balance to the tune of Le14,744,987,518. We recommended that the bank should design, implement and monitor controls in place to ensure customers operate within their approved limits.

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

*The Managing Director in his response said: "Sierra Mineral Holdings Limited – Account now in credit. Customers are now enjoying new facility/limit S.V. Electricals are enjoying an overdraft facility of Le1.7 billion. Account within its limits. TIWAI MEMORY MASTERS SL –Account is now in credit. Secon (SL) Ltd. –Account is within limit after receiving payment from the Government of Sierra Leone. Sierra Leone Premier League Board - Account now in credit. St. Mary's Supermarket – Plan in place for daily payment into the account. Rosvenor Investment Holdings – Account restructured to accommodate new payment plans. We note auditors comments. Going forward, the bank will ensure that items above approved limit will be secured by adequate collateral".*

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

We verified that, there was an error concerning the approved limits of Sierra Mineral holding Ltd. and S.V. electrical for which their available limits was Le4 billion and Le1.7 billion respectively.

In the case of Secon (SL) Ltd. there was double reversal on 20th September 2019 with cheque Nos. 283731 and 283732 of Le2.7bn, which led to the overdraft exceeding the approved limits.

For others, we verified that it was interest on overdraft that piled up, hence the reason for exceeding their approved limit. Management are yet to increase their limit to regularise the issue or encourage the customers to pay up and reduce their balances.

The matter has been partially resolved.

#### **2.2.7. Facility given to non-creditworthy customer**

A loan of Le8.3 billion was issued to a customer (Pavi Fort). The customer was seriously indebted to the banking industry of Sierra Leone to the sum of Le40 billion from four other commercial banks. The sum of Le3.7 billion had been written off according to review of the credit reference report obtained from the Bank of Sierra Leone. We recommended that management should ensure proper credit evaluation of potential borrowers, and lending funds should be allocated to prime (creditworthy) customers and must comply with provisions of the New Banking Act of 2019 and the prudential guidelines.

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

There was neither a response from management, nor an action taken to implement the recommendation. The issue therefore remains unresolved.

#### **2.2.8. Insurance Cover**

The bank kept money in its vault above its insurance limit during the year under review. We recommend that the bank should maintain its cash level within the maximum insured limit and should establish procedures to monitor its cash level within the maximum insured limit.

### **Official's Response**

*The Managing Director in his response said: "due to the cash collection mobilisation strategy in the Bank, we received huge deposit from our customers in which the excesses are fully insured in order to protect our bank from financial loss and increase insurance limit for branches that exceeded their cash target".*

### **Auditor's Comment**

No excess insurance certificate was given for verification. This issue is yet to be resolved.

#### **2.2.9. No ATM cash count sheet for Roy Beach Bar**

We observed that, no year-end cash count process was done on the ATMs at the Roy Beach Bar for the period under review, which shows a general ledger balance of Le8,230,000. We recommend that management should ensure that cash count was done for all balances at ATMs to ascertain the existence and accuracy of the balances at year-end.

### **Official's Response**

*The Managing Director in his response said: "there was technical problem and challenges in the handing over process since that ATM was newly deployed, the combination lock was having problem in which our vendor was contacted to resolve, however, cash was verified and confirm correct, we will ensure full compliance in next year's cash count".*

### **Auditor's Comment**

Even though management had vowed to ensure compliance going forward, there was no evidence of subsequent year cash-count sheet for this location. This issue is not yet resolved.

#### **2.2.10. Long Outstanding Items on the Bank Reconciliation**

We noted that the underlisted bank reconciliation items were still not cleared from the reconciliation by the compliance department of the bank and no supporting documents made available for the existence of these transactions.

Date	Description	Amount	Bank
10th July 2019	ELC /0252/18-1	€ 229,556.30	Crown Agent Bank (€)
28th Jan. 2019	Treasury Liquidation	US\$ 1,000,000	Crown Agent Bank (US\$)
30th Apr. 2019	Investment Premature Liquidation	US\$ 1,572,000	Crown Agent Bank (US\$)

We recommend that management should be able to recognise and resolve long outstanding items as they emerge. Management should also actively investigate these reconciling items to ascertain whether they are 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 year end.

### **Official's Response**

*The Managing Director in his response said: "we have cleared most of the outstanding items .... except three transactions which relate to letter of credit transaction awaiting expiring date and Visa card transactions in which we are waiting for the necessary confirmation from Visa to pass corresponding entries....".*

### **Auditor's Comment**

The issue is still in work in progress and not fully resolved.

### 2.2.11. Personnel Expenses

We noted that, both management and non-management staff payroll were not reconciled with the general ledger. We noticed inconsistency on both the management and non-management staff monthly basic salaries of the payroll paid to the bank's employees with the amount disclosed as basic salary on the trial balance. See analysis below:

Management Staff Basic Salary	Amount (Le)
Amount as per client payroll report	5,330,963,741.73
Amount as per client trial balance	5,398,634,634.08
Difference	(67,670,892.35)

Non-management Staff Basic Salary	Amount (Le)
Amount as per payroll report	11,520,498,899.63
Amount as per client Trial Balance	11,562,987,468.98
Difference	(42,488,569.35)

We recommend that, both the system-generated management and non-management staff payrolls are reconciled with the general ledger balances on a monthly basis and approval obtained for all reconciling, and any reconciling differences/payment outside the payroll.

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

*The Managing Director in his response said: "the variance depicts non-payroll items that were incorporated during the audit. This non-payroll item includes local per diem, local travel and staff honorarium. These items will be included in the reconciliation going forward".*

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

We verified that the differences were due to non-payroll items which management promised to include in the payroll going forward. The issue was yet to be done in the subsequent year of 2020 and therefore remained unresolved.

### 2.2.12. Non-performing Loans to Total Loans

The bank breached Section 4.9 of the Bank of Sierra Leone Prudential Guidelines 2012 for the period under review, which required that the tolerable limit of the ratio of non-performing loans to gross loans (NPL ratio) should be 10%. We observed for the period under review, that the bank was in contravention of Section 4.9 of the Guidelines.

Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.
23%	21%	20%	20%	19%	20%	20%	13%	21%	25%	25%	26%

We recommend that the bank should comply with the central bank requirements and put more effort to recover none performing loans from their customers.

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

*The Managing Director in his response said: "NPL ratio has improved in 2020 after receiving full payments from National Hajj Coordinating Committee, Road Maintenance Fund, First Tricon, etc. NPL ratio is now 12% in September 2020".*

### **Auditor's Comment**

According to management, they are aware of the breach and will ensure compliance henceforth. The bank is however still in breach in the subsequent year for the months of January – October 2020 and December 2020. This issue is yet to be resolved.

#### **2.2.13. Qualified/Validated personnel**

As part of our audit, we reviewed staff files in the Technology Department we noted that a security clearance check was conducted for 10 of the staff, the security clearance in their files. We however did not see any security clearance for seven key staff in the following units: System Administrator; Core Banking Application Support; Database and Helpdesk. Furthermore, we also noted that 14 staff in the following units did not have a job description: System Administrator; Core Banking Application Support; Database; Networking and Helpdesk. We recommend that management should ensure that timely security clearances are conducted for all staff recruited by the bank, especially for those in the Technology Department. We also recommend that management implement a formal and clearly defined job description for all staff in the ICT Department.

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

*The Managing Director in his response said the following:*

- *'TCT Staff Names have been forwarded for security clearance checks*
- *ICT Job Descriptions have been reviewed*
- *Three Staff have already submitted their security clearance, remaining two others".*

### **Auditor's Comment**

During our verification, we noted that some of the staff identified above were yet to have an up-to-date job description. This was also the case even for two of the staff that were promoted, for whom we expected their job functions and requirements should change. This issue is still unresolved.

#### **2.2.14. Saving interest expense re-computation**

We recomputed the savings interest expenses on all savings account products including; GENERAL SAVINGS - 220, JUBILEE SAVINGS - 222, MI YONE SAVINGS PERSONAL - 223, and MI YONE STUDENT SAVINGS – 224 and noted the following:

## GENERAL SAVINGS INTEREST RE-COMPUTATION

Month	BTSL interest	SLCB interest	Difference
	A	B	C = A - B
January	178,624,498.98	177,504,612.73	1,119,886.25
February	162,873,711.67	162,133,327.64	740,384.03
March	185,316,207.64	175,039,288.08	10,276,919.56
April	175,840,855.94	181,010,332.18	(5,169,476.24)
May	182,964,938.40	178,614,508.11	4,350,430.29
June	178,587,522.10	169,538,411.71	9,049,110.39
July	193,627,210.45	196,988,743.89	(3,361,533.44)
August	196,649,663.28	194,829,650.07	1,820,013.21
September	184,567,067.98	182,463,625.71	2,103,442.27
October	190,352,506.06	187,930,684.09	2,421,821.97
November	185,153,710.18	182,245,280.89	2,908,429.29
December	195,117,015.52	191,090,254.01	4,026,761.51
<b>Total</b>	<b>2,209,674,908.20</b>	<b>2,179,388,719.11</b>	

Our analysis of the interest paid on general savings account above indicated that there are significant differences in March, April, May, June, July and December. We noted that the Savings Interests for April and July were overpaid by Le5,169,476.24 and Le3,361,533.44, respectively, totalling Le8,531,009.68; whilst the savings interests for March, May, June, and December were underpaid by Le10,276,919.56, Le4,350,430.29, Le9,049,110.39 and Le4,026,761.51 respectively.

- Further analysis of the above indicated that March and June significantly affected customers accounts. This was evident as customers were underpaid savings interest in both months, therefore resulting in subsequent reversals in April and July.
- We also noted that for all the months we re-computed, none of the General Savings Interest was correctly computed by the X100+ application, as the savings re-computation we did was slightly higher than what X100+ computed. This was also the case even for customers who did not perform any transaction within the month, for which our computation must be exactly the same with X100+ calculation.
- It's the bank's policy not to pay any savings interests after four withdrawals in a month. We however noted that throughout the period of January – December 2019, some customers with more than four withdrawals were paid interest. Even though the amount was not significant, such configuration issue may compound over the years and cause significant material loss:

Month	SLCB interest
January	907,156.23
February	939,026.53
March	107,827.78
April	811,281.97
May	861,576.67
June	75,318.05

Month	SLCB interest
July	502,201.76
August	942,923.36
September	627,021.97
October	178,318.70
November	54,680.10
December	205,423.42

- Among the list illustrated above, the following customers performed more than four withdrawals in a month but they were still paid interest:

Month	Account number	Account name	Total withdrawals	Interest paid
January	002429	Njala University Application Forms Account	15	805,749.18
February	109701	Fourah Bay College General INC -Fees Collection Account	5	910,298.42
	296260	Mohamed Adams Gassama	16	4,271.52
April	913146	University of Sierra Leone	6	777,846.00
	007651	Hassan Foday Koroma	12	944.94
May	913146	University of Sierra Leone	6	778,663.14
July	002429	Njala University Application Forms Account	21	461,018.56
August	109701	Fourah Bay College General Inc -Fees Collection Account	5	145,985.74
	002429	Njala University Application Forms Account	6	735,003.28
September	024531	Embassy of Lebanon in Sierra Leone-Consular income	13	387,689.23
	105767	College of Medicine Allied	6	141,368.52
December	105767	College of Medicine Allied	6	117,162.21

- Jubilee Savings interest re-computation

Month	BTSL interest	SLCB interest	Difference
	A	B	C = A - B
January	1,422,876.62	1,542,450.74	(119,574.12)
February	1,137,014.19	1,357,047.40	(220,033.21)
March	1,259,288.04	1,565,202.71	(305,914.67)
April	1,268,757.09	1,476,752.37	(207,995.28)
May	1,304,201.89	1,415,001.27	(110,799.38)
June	1,205,354.82	1,265,655.15	(60,300.33)
July	1,116,848.14	1,281,612.96	(164,764.82)

Month	BTSL interest	SLCB interest	Difference
	A	B	C = A - B
August	1,219,482.03	1,537,039.24	(317,557.21)
September	1,245,032.10	1,559,643.29	(314,611.19)
October	1,394,768.84	1,490,782.29	(96,013.45)
November	1,171,971.63	1,358,090.72	(186,119.09)
December	1,451,146.94	1,561,267.08	(110,120.14)
<b>Total</b>	<b>15,196,742.33</b>	<b>17,410,545.22</b>	<b>(2,213,802.89)</b>

- Furthermore, we recomputed for JUBILEE Savings as illustrated above and noted differences throughout the period under review. Significant differences were identified in March (20%), August (21%) and September (20%) difference.
- MI YONE personal savings interest re-computation

Month	BTSL interest	SLCB interest	Difference
	A	B	C = A - B
January	2,757,254.19	12.28	2,757,241.91
February	3,216,222.57	13,319,333.72	(10,103,111.15)
March	4,057,720.40	3,942,822.68	114,897.72
April	4,689,835.00	4,817,410.01	(127,575.01)
May	5,731,907.82	5,768,363.23	(36,455.41)
June	6,238,060.95	5,994,836.23	243,224.72
July	7,023,695.55	7,241,299.80	(217,604.25)
August	7,467,639.34	8,064,250.24	(596,610.90)
September	7,461,620.41	8,233,352.62	(771,732.21)
October	8,813,403.48	8,828,915.77	(15,512.29)
November	9,638,672.00	9,727,858.28	(89,186.28)
December	10,521,269.63	10,582,257.02	(60,987.39)
<b>Total</b>	<b>77,617,301.34</b>	<b>86,520,711.88</b>	<b>(8,903,410.54)</b>

- Our analysis of the Interest paid on MI YONE Personal Savings illustrated above indicated that there were differences in all the months, but significantly so in January, February, August and September.
- Further analysis of the differences indicated that no Savings Interest was paid in January; instead it was accumulated with the February Savings Interest and Paid in February, contributing to the Le10,103,111.15 difference in February as a result of accrued Savings Interest for January. A total difference of Le8,144,965.39 however remained outstanding after knocking off the January Interest Payable. Differences also existed for June, July, August and September using the opening balances and transaction history and the interest rate of 0.75%.
- Total current difference is Le8,903,410.54, more than what we recomputed. Taking into consideration the accumulated interest paid in February the difference will be Le8,144,965.39.



This indicates significant system configuration errors with the X100+ application for the MI YONE PERSONAL Savings product.

- We also recomputed for the MI YONE Student Savings account, even though we were informed that no savings interest was computed for this product due to wrong date set up in the X100+ application. The total interest we recomputed for this product was Le2,602,167.67; although no interest was paid throughout the period of January to December as indicated below:

#### MI YONE Student Saving Re-Computation

Month	BTSL interest	SLCB interest	Difference
	A	B	C = A - B
January	126,891.75	-	126,891.75
February	165,232.55	-	165,232.55
March	210,287.98	-	210,287.98
April	218,836.90	-	218,836.90
May	223,744.71	-	223,744.71
June	216,786.31	-	216,786.31
July	225,178.94	-	225,178.94
August	220,433.99	-	220,433.99
September	220,853.23	-	220,853.23
October	239,749.84	-	239,749.84
November	253,432.15	-	253,432.15
December	280,739.32	-	280,739.32
<b>TOTAL</b>	<b>2,602,167.67</b>	<b>-</b>	<b>2,602,167.67</b>

We strongly recommend that management engage the developers of the core banking application to look into the current configuration and parameters used in the Savings Interest Computation, especially the General Savings product, in order to ensure that all inconsistencies are identified and rectified speedily. We also recommend that management should ensure the correction of the wrong date configuration preventing the MI YONE Student Savings Interest computation.

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

*The Managing Director in his response said: "ICT and the system developers are working together to correct this abnormality and ensure that data is corrected and reported adequately going forward".*

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

This issue is yet to be resolved.

### **2.3. ROKEL COMMERCIAL BANK (SIERRA LEONE) LIMITED – 2020**

#### **2.3.1. Insufficient supporting documents for transactions**

Sufficient supporting documents were not provided for transactions to the tune of Le191,516,308. It was recommended that all documents should be made by vouchers supported by suitable documents and approved by authorized persons. In addition, all transactions relating to O.E travelling must have

an attached document indicating the name, amount, date and signature of the recipients of such money and it must be approved.

***Official's Response***

*The Managing Director in his response said: "we note your comments and advise that your recommendations proffer will be captured in the new core banking software."*

**Auditor's Comment**

This will be followed up in subsequent audit to determine if our recommendation was implemented. This issue remains unresolved.

**2.3.2. Incomplete account opening requirements**

We observed that the bank did not follow all account opening procedures. It also did not comply with the 'Know your Customer' rule; relevant as the bank will verify the identity of their customers and access future transaction benefits. It was recommended that all account opening procedures including identification documents should be completed and reviewed adequately.

***Official's Response***

*The Managing Director in his response said: "the aforementioned anomalies have been corrected. In the future mandatory filled will be included in the new core banking software that ensures all account opening procedures are completed and regularly reviewed."*

**Auditor's Comment**

Though this is said to have been corrected, no evidence was however not made available to the auditor as an indication that the issue had been corrected. Our recommendation was not implemented. This issue remains unresolved.

**2.3.3. Transactions being processed in closed accounts**

We observed that seven accounts were classified as closed by the bank, whereas transactions continued to be processed in those accounts up to 31<sup>st</sup> December 2020. We recommended that regular review of all classes of accounts and activities, to identify inactive and active accounts, should be carried out and turned over to the Bank of Sierra Leone.

***Official's Response***

*The Managing Director in his response said: "we regret the lapse and advise that the new core banking software would take account of all these anomalies."*

**Auditor's Comment**

The issue will be followed up in subsequent audit to determine if our recommendation was implemented. This issue remains unresolved.

**2.3.4. Unauthorised customer withdrawal**

During the review of call-over documents, a customer's account was debited with Le340,000 on the 21st January 2020 without the mandate for customer. In addition, supporting documents for the withdrawal of two transactions performed on the 25th November 2020 were not traced to teller call over listing. It was recommended that withdrawals from a customer account should be made, supported with tangible evidence of the customer's authority to withdraw.

### **Official's Response**

*The Managing Director in his response said: "The above matter is under investigation."*

### **Auditor's Comment**

The issue will be followed up in subsequent audit, since it is under investigation, to determine if our recommendation was implemented. This issue remains unresolved.

#### **2.3.5. Review of customers' loans**

The lending policy of the bank stated that all non-personal borrowing customers will be required to submit audited accounts for facilities in excess of Le200 million. Five customers were however issued loans without obtaining recent audited financial statements to determine whether the customers had a good financial standing. Instead the bank was issued unaudited financial statements.

We therefore recommended that management should ensure due process and all the relevant requirements such as audited financial statements are obtained and are available for all corporate customers before issuing loans to them. This is to safeguard the bank from bad loans which in turn will results in financial loss to the bank.

### **Official's Response**

*The Managing Director in his response said:*

*"College – Our review of customer's capacity was based on the account operations and the financial statement submitted for the group.*

*Grace - This was a newly registered business established less than a year prior to the granting of the facility. Our review of customer's credit capability was based on the account operations, customer's level of stake in the business and it's cashflow.*

*Taxi - This was a newly registered business established less than a year prior to the granting of the facility. Our review of customer's credit capability was based on customer's level of stake in the business and it's cashflow.*

*Print & Publishing – We shall chase for submission of the customer's recent audited financial statement.*

*Business Agency – customer's overdraft was last renewed in 2015."*

### **Auditor's Comment**

The issue will be followed up in subsequent audit to determine if our recommendation was implemented. This issue remains unresolved.

#### **2.3.6. Unapproved Credit facilities**

During our review of loans and advances, we noted the following overdraft customers with unapproved credit facilities without approved limit, approved date and expiration date. The loans issued to the customers were without adequate audit trail and indication of lack of proper management monitoring.

We recommended that management should ensure that due process and all the relevant requirements are met before issuing facilities to customers in order to safeguard the bank from bad loans which in turn will results in loss.

### **Official's Response**

*The Managing Director in his response said: "We note the comments. We have been writing Branch Managers advising them to desist from granting credit facilities without ensuring that due process and all relevant requirements are met. We shall continue to monitor the portfolio....."*

### **Auditor's Comment**

Though these accounts are now in credit, they will be followed up in subsequent audit to determine if Branch Managers are still granting facilities without ensuring due process. The issue remains unresolved.

#### **2.3.7. Monitoring Lapses**

The banking application automatically generates an audit trail of user activities on the system. We obtained and reviewed audit trail report for 2nd June, 17th December and 22nd January. Our review revealed some inconsistencies in the audit trail report with regards log-in and log-off dates (some showing the login date coming after the log off date).

We recommended that there must be an audit trail design (embedded in the system) that should be reviewed and modified to ensure that accurate and complete information is captured. In addition, the contents should be modified to capture more details to make management decision making easier and reliable.

### **Official's Response**

*The Managing Director in his response said: "the audit trail was one key reason that management decided to ask for an upgrade. The log-in and log-off time inconsistencies, has still not been addressed, one reason management decide for a complete change."*

### **Auditor's Comment**

The monitoring weakness is yet to be acted on. This issue remains unresolved.

Although a number of ICT issues were also 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.

## **2.4. NATIONAL SOCIAL SECURITY AND INSURANCE TRUST – 2019**

### **2.4.1. Investment Income**

We observed an understatement of NASSIT's interest income of Le309 million in the Financial Statements. This resulted from Bank of Sierra Leone failing to apply the interest rate of 19.46% agreed on the investment made in marketable bonds by the Trust. In collaboration with the Director of Finance, the Director General should contact the Bank Governor for the reduced interest to be recouped, funds transferred into the Trust's account and evidence of transfer submitted to the Audit Service for verification.

### **Official's Response**

*The Director General in his response said: "Management notes the observations of the auditors in respect of the interest income on government bonds. The difference is as a result of treatment in interest rate. The Trust used the agreed historic*

6-monthly average inflation (i.e.  $17.77\% + 2\% = 19.77\%$  October 2018 – March 2019) plus 200 basis points in its interest calculations whilst the Central Bank used the average monthly inflation for the period May 2019 to October 2019 ( $15.16\% + 2\% = 17.16\%$ ). The full interest of Le4,002,139,950.00 was actually credited into the Trust's account as per the terms stated in the correspondence. Days later, the Trust's account was debited with Le528,692,741.67, thereby reducing the interest due to the Trust. The Trust has contacted the Central Bank and the Ministry of Finance to ensure that the issue is resolved and the actual interest due to the Trust is recovered. Attached are the relevant correspondences for audit review”.

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

Evidence of correspondence sent to the Bank of Sierra Leone requesting the Bank to refund the Le309 million was submitted and verified. There was however no evidence indicating that the Bank of Sierra Leone had accepted and will refund the said amount to the Trust. Therefore, the issue is still unresolved.

#### **2.4.2. Fixed Assets Policy**

The Board did not approve the Trust's Fixed Assets Policy. The policy failed to indicate whether depreciation of assets should be done annually or prorated monthly. The Director General in collaboration with the Director of Finance should ensure that the policy is reviewed to include an objective basis for the computation of depreciation, submitted to the Board for approval and upon being approved disseminated to all staff with finance function.

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

*The Director General in his response said: “Management notes the observation of the auditors and the associated risk as stated in the report. A comprehensive review of the fixed assets policy will be done to reflect the recommendations as contained in the Management Letter and forwarded to the Board for approval.”*

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

A fixed asset policy was presented for verification. The policy was however not updated and approved by the Board. Therefore, this issue remains unresolved.

#### **2.4.3. Payments without Justification**

A total of Le465,310,000 was identified as donation payments made 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 Trust's normal operations. The Director General in collaboration with the Director of Finance should ensure that appropriate explanations with supporting evidence must be provided to justify donations made; otherwise, the amount expended should be refunded by the Director General.

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

*The Director General in his response said: “Management notes the observations of the auditor in respect of the donations made to various institutions, organisations and individuals. These donations are in line with the Trust's Corporate Social Responsibility Policy. The requests were vetted by management on a needs-basis and acted upon accordingly. They are in areas of health, education, sports, media engagement and community development”.*

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

Management's comment is noted. A CSR policy justifying the fact that donations made were in line with the Trust's CSR Policy was submitted. The policy was however not approved by the Trust's Board

of Directors. In addition, the areas of support as detailed in the Policy were so general and can be open to manipulation. This can result in duplication as thematic areas identified have institutions established by the Government for the provision of these services for which finances and operational support are available. Our recommendation was not implemented. The issue remains unresolved.

#### **2.4.4. Vehicle Loan to Staff**

The Trust disbursed loan to staff for the purchase of vehicles. A review however revealed the ineffective management of these loans as the loan policy was not adhered to, thereby resulting in the following:

- Vehicles purchased were not within the five years age period as outlined in Section B1 of the Policy.
- Vehicles were not comprehensively insured and jointly registered in the name of the staff and the Trust as stipulated in Section 4 (a) of the Policy.
- Evidence such as receipts and other relevant documents to confirm the cost of vehicles were not submitted for audit.
- The Director General in collaboration with senior management should ensure the following:
  - Vehicles purchased are in line with the five-year age limit as stipulated in Section B1 of the Policy.
- All vehicles acquired are insured comprehensively and jointly registered in the name of the staff and the Trust.
- Receipts and other relevant documents to confirm the cost of vehicles acquired should be submitted to the ASSL for verification.
- Failure to comply with the Loan Policy should result in staff refunding the loan disbursed.

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

*The Director General in his response said: "Management notes the concerns of the auditors and is fully seized with the fact that vehicles purchased by some staff are not within the five-year age limit. It is worth noting that the Policy has always been adhered to until recent years when the acquisition cost and clearing of vehicles at Customs was increased geometrically. This has made it difficult to get a vehicle that is within the financial bracket allocation. Nonetheless, Management is working assiduously to review the Policy and ensure its full implementation. With respect to the dual registration, it is also worth noting that, of late, the SLRSA has not been registering dual names. To reduce the risk on the part of the Trust, life cards of all loan vehicles are under the custody of the Admin Department. The two staff in question had problem with their vehicle life cards, and they have been asked to rectify the problem and forward same to the Trust. Since the inception of the Trust in 2002, the Scheme was operating on a Comprehensive Insurance Policy on its motor vehicles and motorbikes until 2010/2011. Analysis carried out by the Admin Department showed that the Trust is making minimal claim from insurers and also concluded that the risk of accident seems to be low in relation to vehicles and bikes. Hence, the NASSIT case for Self – Insurance Policy was substantiated and a Self-Insurance Fund was created, which is invested to provide cover against any future loss. This change from Comprehensive Insurance to Self-Insurance will be reflected in the Car Loan Policy. Attached is the Self-Insurance Policy."*

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

The following were verification comments:

- The revised loan policy was not provided for verification.
- Life-cards were still in the name of staff and not jointly registered.

- Evidence to confirm that the Trust approached the Sierra Leone Roads Authority to enquire about dual registration was not submitted.
- Receipts and other relevant documents to confirm the cost of vehicles purchased were not submitted.
- Recommendation was not implemented regarding the registration of vehicles under a comprehensive insurance scheme.
- The issues therefore remain unresolved.

#### **2.4.5. Recruitment and Staff Expenses**

The terms and conditions of service were not updated after every three years as required in the approved 2009 Conditions of Service. The Director of Human Resources, in collaboration with Management, should ensure that the terms and conditions of service are updated to reflect current trends in employee management.

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

*The Director General in his response said: "Management notes the concerns of the auditors and the importance of reviewing the Trust's Terms and Conditions of Service. The Terms and Conditions of Service and other policies have been reviewed. The said documents have been presented and discussed at Management Committee meetings. Steps have also been taken to present them to the Board of Trustees for approval."*

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

The Terms and Conditions of Service have been updated but were not approved by the Board of Trustees. Therefore, the issue remains unresolved.

Although a number of ICT issues were also 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.

### **2.5. SIERRA LEONE ROADS AUTHORITY: 2016 - 2018**

#### **2.5.1. Inadequate Payroll Management**

The following issues were noted:

- The terms and conditions of services of the Authority did not mention staff appraisals.
- There was no training and development plan.
- A difference of Le50,650,000 for end-of-service benefit expense was identified between the general ledger and Financial Statements for the 2016 financial year.
- Allowances given to Board members were not taxed as stated in Section 23(1) of the Income Tax Act of 2000 and Section 9 of the Finance Act of 2014 for the period under review. PAYE tax of Le160,965,000 was not deducted and paid to the NRA in 2016.
- End-of-service benefits totalling Le4,748,954,016 and Le16,967,938,548 were not paid to staff who left the Authority in 2017 and 2018 financial years respectively. Taxes of Le 216,194,942 and Le 805,567,838 were also not accrued and paid to the NRA.

- Total differences of Le 2,756,209,021 and Le 2,643,684,874 for the 2017 and 2018 financial years respectively, were identified between leave allowance paid by the Authority and amount calculated by the audit team based on the terms and conditions of service.

The Director General should ensure the following:

- The Authority's terms and conditions of service is revised to include the appraisal of staff, submitted to the Board for approval, and this must serve as the basis for the appraising staff in the future.
- The Human Resource Director at the start of the year should conduct training needs assessment that must fit into a training and development plan. This plan will serve as the basis for the roll-out of any staff training in the Authority.
- Going-forward, allowances paid to Board members should be taxed in accordance with Section 23(1) of the Income Tax Act of 2000 and in compliance with subsequent Finance Act enacted.
- The end-of-service benefits should be paid to staff no longer in the employment of the Authority and evidence of payments made submitted to the Audit Service as and when payments are made.

### **Official's Response**

*The Director General in his response said the following:*

- *We appreciate your observation, but staff's appraisal forms were part of the Resource Manual document that was submitted to the audit team at the time of the exit conference. During the audit, we were not notified to submit the appraisal form. The forms are however still available for verification.*
- *As an engineering institution, there are different methods used to assess the performance of staff, including appraisals. These are done from time to time as the need arises. Examples are attached.*
- *This is a genuine concern but the request was not communicated to the Director of Administration by the audit team. Every year, Staff Training and Development Plan is prepared and approved by Management covering the following:*
  - *In-House Training*
  - *Local Training (Short / Medium / Long Term.*
  - *Overseas Training / Short / Medium / Long / Team*
  - *Workshops / Seminars & Conferences.*

*We are prepared to provide evidence for verification.*

- *Management has taken note of the findings and recommendations, and will comply with the Finance Act of 2014 by applying the tax rules on sitting fees and allowances paid to Board members.*
- *Management agrees with the findings that the end-of-service benefit to staff who left the Authority in 2017 and 2018 have still not been paid. The reason is that the SLRA does not have full control over payment of such. All salary and benefits are paid directly by the MoF / AGD. Besides, there is disagreement between the management of SLRA and the Ministry of Finance on the calculation of end-of-service benefit. The SLRA has used its conditions of service to calculate the end-of-service benefit, whilst the MoF has insisted that a one-month gross salary payment should be made for every completed year. Even though the SLRA Board and management have written letters and made representations, the issue remains unresolved, due to the MoF's position. Moreover, the retirees are refusing to accept the one-month gross pay proposed by MoF/AGD. The documents contested are the 2019 Finance Act vs the SLRA's conditions of service. The management's and*



*staff's (current & ex) position is that the law came into effect in 2019 and should not be retrospective, whilst MoF is insisting that the rule should apply retrospectively. Furthermore, existing staff and those that have not been paid their end-of-service benefit strongly believe that the conditions of service should be consistently and fairly applied to all staff. The point is that some staff who served the Authority alongside the existing staff and who left just before the Finance Act of 2019 were paid end-of-service benefit based on what the SLRA conditions of service prescribe. It will therefore be unfair to apply the Finance Act of 2019 retrospectively as it was no crime to have stayed in employment prior to the Act. The management is requesting that the SLRA's conditions of service be applied up to December 2018, and apply the Act thereafter/going forward.*

- *The difference arising on the leave allowances paid to staff, and the leave allowance calculated by the audit team is as a result of the MoF/AGD using a one-month gross salary as leave allowance rather than applying the provisions contained in the SLRA conditions of service.*

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

- The recommendation relating to staff appraisals were not implemented.
- The issue regarding the training needs assessment and the training and development plan will be followed-up in a subsequent audit.
- Approved journal and revised general ledger justifying that the difference identified, totalling Le50,650,000 for end-of-service benefit has been corrected, were not provided for verification.
- The issue of Board members' allowances being taxed in accordance with Section 23(1) of the Income Tax Act of 2000 will be followed up during the audit of the 2021 financial statements.
- Management's comment was noted regarding the non-payment of end-of-service benefit and taxes accrued on such benefits. As of the time of the verification, the issue had not been rewarded.
- Management's comment was noted on the difference highlighted in the payment of leave allowance. They should however ensure that the conditions stated in the Authority's terms and conditions of service are adhered to, and appropriate consultation made with the Ministry of Finance for policies approved by the Board to be adhered to.

#### **2.5.2. Differences identified in the Accounting for home**

In the 2016, 2017 and 2018 Financial Statements, funds received from the CRSG and the FIMET as support for compensation payments totalled Le630,000,609, Le2,831,003,218 and Le2,324,347,339 respectively. These were classified as loans in the Financial Statements. We were not provided with a loan agreement detailing the nature of the loan, payment terms and other conditions.

The Director General should ensure that the loan agreement in support of the compensation payments classified as loans in the Financial Statements is submitted to the ASSL for verification.

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

*The Director General, in his response said: "The funds received from the CRSG and the FIMET in 2016, 2017 and 2018 were obtained for the payment of compensation to PAPs on the Wellington to Masiaka Road, and the Jomo Kenyatta Road. The funds are classified as loan because the SLRA applied to the contractor to provide the funds in anticipation of making a refund when the Government, through the MoF, provides the counterpart fund for compensation on the projects. The request letters are available, and the MoF and other key players were copied for each request letter."*

### **Auditor's Comment**

The loan agreement detailing the nature of the loan, payment terms and other conditions for funds received from the CRSG and the FIMET in 2016, 2017 and 2018 (relating to payment of compensation to PAPs on the Wellington to Masiaka Road and Jomo Kenyatta Road) were not provided for verification. Correspondence approving the loan were however provided and verified.

Our recommendation was partially implemented.

### **2.5.3. Inadequate Controls over the Disbursement of Funds**

Payment without adequate supporting documents such as receipts, recipients' signatures and back-to-office reports amounted to Le340,542,750, Le302,928,000 and Le170,417,305 for expenditures incurred in the 2016, 2017 and 2018 financial years respectively. The Finance Director should ensure that the relevant supporting documents regarding the amounts stated above are forwarded to the ASSL for verification.

### **Official's Response**

*The Director General, in his response said: "The supporting documents have been located."*

### **Auditor's Comment**

Documents in the form of receipts, recipients' signature, back-to-office reports, attendance registers etc., were submitted for payments totalling Le269,982,750, Le295,567,900 and Le126,458,455 for 2016, 2017 and 2018 financial years respectively, leaving a balance of Le70,560,000, Le7,816,200 and Le43,958,850 respectively. Our recommendations were therefore partially implemented.

### **2.5.4. Management of Non-current Assets**

A review of the management of the non-current assets of the Authority revealed the following:

- Additional assets procured in 2016 valued at Le134,250,000, were not affixed with durable and unique identification codes.
- Building, plant and machinery with a net book value of Le2,837,510,616 were not insured, as evidence to justify this fact was not submitted for audit.
- The cost/value of the main administrative building used has not been recorded in the general ledger for the non-current assets. It was neither recognised nor disclosed in the 2016 Financial Statements submitted for audit. In addition, it has not been included in the non-current assets register.

The Director of Finance should ensure the following:

- The non-current assets added in 2016 and subsequent years are affixed with durable and unique identification code, this must be updated in the non-current assets register and evidence submitted to the ASSL for verification.

Going forward, all buildings, plants and machinery owned and controlled by the Authority must be adequately insured, and insurance certificates and cover notes maintained for reference purposes.

### **Official's Response**

*The Director General in his response said the following:*

- *Management takes note and will ensure that the audit recommendation to code each furniture (asset) is made within the earliest time possible.*

- *Management admits that the buildings queried are not insured but however, wish to provide an explanation for the reason. This is in no way trying to justify the failure for not insuring. The main reason is the cost, to be honest. Since the Authority came into existence in 1993, there had been no fire incidence because measures to prevent fire are well communicated and cascaded right across the organisation, and the awareness is well seated. All appliances are switched off when leaving the office, and the security personnel also do rounds to ensure that electrical items are switched off, and offices are closed.*
- *The administrative building is not included because the building was still under construction by the EU and was at that time not handed over to the SLRA. The building was only put into use by the SLRA in 2018. So in 2016, the Authority had no control over the use of the building. Control is paramount as defined by LAS-16."*

### **Auditor's Comment**

Evidence justifying that assets acquired in 2016 had been coded were not submitted for verification.

Insurance certificates for building, plant and machinery with a total net book value of Le2,837,510,616 owned and controlled by the Authority were not submitted for verification.

Management's comments regarding the cost of the administrative building was noted. This issue is kept in view for subsequent audit.

### **2.5.5. Ineffective Management of Cash and Bank Transactions**

The following issues were noted:

- A request was made for the list of all bank accounts closed during the period under review which was duly provided by management. Bank confirmations justifying these closures for the period under review were however not received. Moreover, bank reconciliation statements, bank statements and cashbooks for these accounts were not provided.
- A request was made to submit bank reconciliation statements and bank statements for all active bank accounts operated by the Authority for the period under review. These documents were not provided for 12, 11 and 4 bank accounts in 2016, 2017 and 2018 respectively. We could therefore not determine the completeness and accuracy of cash and bank balances reported in the financial statement for these accounts.

The Finance Director should ensure that a follow-up is done with the banks regarding unconfirmed balances and confirmations sent to the ASSL for verification. In addition, bank reconciliation statements, bank statements and cashbooks for these accounts are submitted to the ASSL for verification.

### **Official's Response**

*The Director-General, in his response, said the following:*

- *"It is very accurate that bank statements relating to accounts for which the bank was instructed to close were not presented during the audit. To give a background to the banks in question, these are bank accounts that were operated just after the war under EU programmes. The NAO and the SLRA jointly signed as signatories to the account. After the project, the balance remained in the account and have remained the same for many years. No charge was made on the balance as we are made to understand that there was a clause to prevent charges on the balances. Bank accounts were obtained from the banks twice a year (i.e., for June and December*

of each year). Previous audits up to 2014 or 2015 also verified the balances. The problem began when a decision was reached with the Accountant General to reduce some of the bank accounts that were dormant (ref. TOGAS report). The SLRA wrote a letter to the AGD and the AGD in turn wrote to the bank to close the accounts (letters are available to confirm). One of the accounts was closed and the evidence was made available. For the other accounts there was no evidence for closure so we had to keep them like that owing to the fact that they do not attract charges. Several attempts have been made since then to confirm the closure through the AGD, but to no avail. Management will make the effort again to have a feedback from the bank.

- Bank reconciliation was not provided on the banks because of the following:
  - No. 12 in appendix 6B. The overdraft was crystallised into a loan and direct debit of Le141 billion, and was made on our imprest account on quarterly basis which you can verify as evidence.
  - No. 11 in appendix 6B. The balance was a system error which we could have written off prior to the audit.  
*A journal to correct the error has been passed and the FS restated to reflect the true position.*
  - No. 4 in appendix 6B. The account has been dormant since 2013, and was among the banks the Authority recommended in 2017 for closure.”

### **Auditor’s Comment**

Evidence of follow-ups made with the banks for balances to be confirmed was not made available for verification. Correspondence from the Authority and the Accountant General’s Department, were not submitted for verification. In addition, the bank accounts, reconciliation statements, bank statements and cashbooks were not provided for verification. These issues therefore remain unresolved.

- Bank reconciliation statement, bank statement and cashbook for the 12, 11, and 4 bank accounts were not provided for verification. Evidence justifying crystallisation of overdraft balance into a loan, system error and dormant account as purported in the management’s response was not provided for verification. Therefore, this issue remains unresolved.

### **2.5.6. Ineffective Internal Audit Unit**

The following undermentioned documents were not submitted for inspection:

- Internal Audit Plans for 2016 and 2018.
- Internal audit reports for eight quarters.
- Working papers detailing how conclusions were arrived at.

The Head of the Internal Audit Unit must ensure the following:

- The requested documents are submitted to ASSL for verification.
- All future audits must be done as per approved audit plans.
- All work carried out in future, should be appropriately documented, and working papers filed and kept for future reference.

### **Official’s Response**

The Director General in his response said the following:

- “We respect your opinion but we do not accept your view about the Internal Audit Unit. The staff of the Unit are suitably capable, experienced and qualified to serve in various capacities so they can’t be ineffective. We do

*not only have the 2017 audit plan, but also all the audit plans for the period under review. They are available for verification.*

- *Management accepts and will ensure that the recommendation will be implemented.*
- *We have always worked with our plan and audit programme. We have seen that some of the opinions expressed in the management letter are similar to some of our views expressed in the quarterly report. This corroborates the fact that critical areas of the Authority system were audited by the Internal Audit. We presented report on critical areas such as assets, contracts, personnel and challenges faced by management which also form part of the management letter.*

*We therefore appreciate that the audit report complements our effort.”*

### **Auditor's Comment**

Internal audit plans for 2016 and 2018, though submitted for verification, were not approved by the Board of Directors. In addition, working paper files detailing how the audit conclusions were arrived at were not submitted for verification. The issues therefore remain unresolved.

### **2.5.7. Other Important Issues Identified**

The following issues were noted:

#### **Mile-91**

- Inventory details of all assets controlled by the Station was not provided to the audit team for verification.
- Funds to facilitate daily operational activities have not been provided for over a year.
- Eleven contract staff have been in the Station for more than 10 years without regularising their stay in the Authority.
- A private school has encroached on the Authority's SS Camp land situated at Mile-91 and no action has been taken to remedy the situation.
- A private individual occupied the SS Camp's building. Evidence of tenancy agreement justifying the authorisation of the occupancy was however not submitted for audit.

#### **Bo Station**

- There was no photocopier, work station and a printer for staff to ensure effective execution of assigned tasks. Further investigation revealed that staff were using their personal computers to do official work of the Authority.
- Twelve contract staff have been in the station for more than two years without regularising their stay in the Authority. The investigation further revealed that some of these personnel have worked for the Authority for more than 15 years.
- Blocks A, B and G at the Bo-Kenema Highway Camp were occupied by First Tricon (T-Mark) as their official and residential building. Evidence of tenancy agreement justifying the authorisation of that occupancy was not submitted for audit.
- Private individuals have encroached on the Authority's Bo-Kenema Highway Camp land situated in Bo, and no action has been taken to remedy the situation.
- The Camp situated along the Bo-Kenema highway was without electricity, as the fact that the 125 KVA generator was faulty.

### **Kenema Station**

- Six contract staff have been in the station for more than four years without regularising their stay in the Authority. Investigations further revealed that some of these personnel have worked for the Authority for more than 18 years.
- The Accountant, Engineer and Administrative Manager were without workstations. Further investigation revealed that staff were using their personal computers to execute officially assigned tasks.
- The Station was without a working photocopier and printer.
- There were no air conditioners in the office of the Secretary to the Engineer, Accountant and Admin. Manager.
- The Station was without good toilet facility.
- A private individual operated the canteen, but evidence of rental agreement/payment was not provided to the audit team.
- The office generator was faulty.
- The staff quarters at the Kenema Reservation were not secured. They were without perimeter fence and security personnel. The interior of the kitchen and the water tank were in a deplorable condition.
- Two of the eight buildings at the Engineers' Campsite along the Kenema-Pendembu Road were used by First Tricon (T-Mark), and evidence of tenancy agreement justifying that occupancy was not submitted for audit.
- The Engineers' Campsite at the Kenema-Pendembu Road was without security personnel.
- The generator plant at the campsite was faulty.

### **Makeni Station**

- Approximately one acre of the Authority's land situated at Magburaka Road was not within the perimeter fence.
- The 3000 litres water tank was not in a good condition.
- 100KVA generator was not working.
- Seven contract staff have been in the station for more three years without regularising their stay in the Authority. Further investigations revealed that some have worked for more than 10 years.
- Funds for daily operational activities have not been disbursed to the station for over a year and this has led to significant increases in water rate and electricity bill.
- The station was without a utility vehicle.
- All official computers assigned to staff were faulty. Further investigations revealed that staff were using their personal computer to execute official duties.
- The station was without a working photocopier as the two photocopiers were faulty.

### **Port Loko Station**

- Assets listing was not provided to the audit team.
- The Station was without workstation, printer and air conditioner.
- The store key was in the possession of an individual who was not a staff of the Authority.
- Contract staff have been at the station for more than six years without regularising their stay in the Authority.

- The National Commission for Social Action (NaCSA) occupied two of the three buildings at the Mange Camp site, whilst one was occupied by the Sierra Leone Police. Evidence of tenancy agreements justifying these occupancies were however not submitted for audit.

The Director General in consultation with management and the Board should design a mechanism to ensure that resources (physical and human) are provided to the provincial offices in the immediate future to aid efficient service delivery.

### **Official's Response**

*The Director General in his response said the following:*

#### **Mile-91**

- *"Your concern about the non-existence of assets listing is in place, but we have a list of all assets in the regions. There is evidence of detailed assets listing at the SLRA headquarters which can be provided for verification.*
- *Funds were previously transferred to the regional bank accounts. But because the operational cost is grossly underfunded, all expenditures and payments to run the operations of the Authority were centralised; meaning that, expenditures incurred at the regions were paid for at head office.*
- *We also share your concern, but presently management cannot recruit any staff without the approval of the Ministry of Finance. Management has reviewed their status and awaiting approval from the Ministry of Finance for permanent appointments.*
- *Management visited the site, and the Authority's legal retainer will be consulted again for action to be taken against the said encroachers.*
- *Your observation is noted. An investigation will be carried out by management for appropriate action.*

#### **Bo**

- *Management is aware of your findings, and has also taken note. In order to provide the necessary tools, a team comprising senior management went around the whole country to assess the needs of all the regions and have made provisions in the 2021 budget.*
- *We also share your concern, but presently management cannot recruit any staff without the approval of the Ministry of Finance. Management has reviewed their status and awaiting approval from the Ministry of Finance for permanent appointments.*
- *We are aware of their occupancy; management will review their tenancy and appropriate action will be taken as soon as possible.*
- *Management is aware of their occupancy, there is a lease agreement between CARITAS and the SLRA, and the agreement is available for verification.*
- *The Authority has recently conducted a tour in all the regions and has taken stock of all challenges. The generator plant has been faulty; however, management intends to service the generator as soon as funds are available.*

#### **Kenema**

- *We appreciate this concern, but presently management cannot recruit any staff without the approval of the Ministry of Finance. Management has reviewed their status and awaiting approval from the Ministry of Finance for permanent appointments.*
- *Management is aware of your findings and has also taken note. In order to provide the necessary tools, a team comprising senior management staff went round the whole country to assess the needs of all the regions and have however made provisions in the 2021 budget.*

- *These issues had been discussed during our regional tour and management plans to address them.*
- *Management has the plan to furnish all the offices, but this is contingent upon the receipt of adequate funds from the 2021 budget.*
- *We do not agree with this observation because the office has toilet facilities for all the staff in the regions. The Estate Division will visit the regions for reassessment of the facility.*
- *Some regional offices have canteen facility, and any rental arrangements are done at the regional level. At any rate, the administration will review the management of the entire canteen.*
- *The Generator will be repaired.*
- *Management has taken note. Funds for the construction of a fence around the administrative building will be budgeted for in the 2022 budget.*
- *Management has knowledge about the occupancy of First Tricon*
- *Security is deployed at the camp. The District Engineer resides at the camp. We therefore disagree with the findings.*
- *The Generator will be repaired.”*

***Makeni***

*“No response”*

***Port Loko***

*“No response”*

**Auditor’s Comment**

Management’s response regarding issues noted in Mile-91, Bo and Kenema were noted. Therefore, these issues will be looked into during future audit.

Although a number of ICT issues were also 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.

**2.6. SIERRA LEONE ROADS AUTHORITY: – 2019 - 2020**

**2.6.1. Human Resources Management**

A sample of four months’ attendance register was selected for 2019 and 2020. A review revealed that some staff in the Admin Department failed to sign the register. In addition, evidence of monthly attendance returns from departmental heads to the Director of Admin was not seen/submitted for audit.

It was recommended that the Director General, in collaboration with the Director of Admin & Human Resources, should ensure the following:

- That staff sign the attendance register daily, and a senior staff effectively monitor the register.
- Heads of Department or Division submit monthly attendance returns indicating reasons for any absence.



### **Official's Response**

*In his response, the Director General said the following:*

- **“Signing of staff attendance registers** - It is mandatory for all Junior and intermediate staff to sign the attendance register, and the majority of staff did so except for those on special assignments out of Freetown. However, the concerns are noted, and Management will work out modalities to address such situations in the future.
- **Monthly Attendance from Departmental Heads** - The Authority operates a centralized attendance register; however, Management notes the concerns and would endeavour to decentralize the system by asking all Directors to maintain and upkeep their own attendance registers, which would be submitted to the Administration Department with comments at the end of every month”.

### **Auditor's Comment**

There was no evidence to confirm that the Authority had started putting measures to ensure that staff attendance was monitored by supervising staff. In addition, evidence of departmental report on staff attendance was not submitted for verification, meaning that the Authority has not started performing this recommended practice. The issues therefore remain unresolved.

#### **2.6.2. Mismanagement of Income**

The following issues were noted:

- There was no evidence that the Authority invoiced clients for sundry income totalling Le245,309,153 in 2019. In addition, contract agreements in support of sundry income were not seen/submitted.
- An amount of Le93,594,734 was credited as payment made by customers as reported in Sundry Income. However, evidence of duplicate receipts issued to customers was not provided/submitted for audit inspection.

We recommended that the Director General, in collaboration with the Director of Finance, should ensure the following:

- That invoice and agreements supporting sundry income totalling Le245,309,153 are submitted to the Audit Service upon receipt of this report.
- The duplicate receipts issued to customers for Le93,594,734 are submitted to the Audit Service upon receipt of this report. If such documents are not available; going forward, invoices are prepared based on contracts and sent to customers for prompt payments.

### **Official's Response**

*The Director General in his response said “the unit was faced with challenges with regard to personnel size and capacity. As a result, Management has restricted the unit and have upgraded it into a department. Recently, the department has written a letter inviting the advertisers regarding the erecting of billboards. Statistics is also being conducted for the Right of the Way Lease and illegal encroachment. This action is geared towards reconciling the amounts owed and bringing total sanity into the system”.*

### **Auditor's Comment**

Our recommendations were not implemented. The issues therefore remain unresolved.

### **2.6.3. Inadequate Controls over the Disbursement of Funds**

Payment without adequate supporting documents such as receipts, recipient signatures and back-to-office reports amounted to Le405,616,074 for 2019. It was recommended that the relevant supporting documents in respect of the amounts stated above are forwarded to the Audit Service upon the receipt of the report.

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

*The Director General in his response said: "management has taken note of your recommendations pointed out. The SLRA has and will always ensure that all Public Funds are properly, and appropriately accounted for. The Management apologizes for not submitting all the documents during the audit. However, SLRA confirmed during the exit meeting that most of the documents have 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 Comments**

Supporting documents such as receipts, recipient signatures and back-to-office reports supporting payments made in 2019, totalling Le367,116,074 were provided during the verification exercise. The outstanding amount not supported amounted to Le38,500,000.

### **2.6.4. Management of Non-current Assets**

Identification codes and registration numbers of motorcycles and vehicles valued at Le1,526,799,000 were not recorded in the Asset Register submitted for audit. We recommended that the Director General should ensure that the Director of Finance records details, including identification codes and registration numbers of motorcycles and vehicles in the Asset Register and evidence submitted to the Audit Service upon receipt of this report.

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

*The Director General in his response said: "presently all Motor vehicles and Motor Bikes owned by the Authority are registered and insured. We do concede that not all of the assets were coded, but revaluation, coding and building up of the asset register will be done simultaneously. Management had already requested proposals from Audit firms who are prepared to carry out the exercise. We will definitely provide a comprehensive asset register after the exercise".*

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

Our recommendation was not implemented as evidence to confirm that the asset register was updated was not submitted for verification.

### **2.6.5. Ineffective Internal Audit Unit**

The following were observed:

- There was no evidence that the Authority's Management responded to queries raised in the Internal Audit report.
- The Compliance Manual was not submitted to the team for review.
- Working paper file in support of procedures performed and issues noted in the Internal Audit Report was not submitted for review.

The following was recommended:

- That issues noted in the internal audit report must be responded to within a reasonable time to ensure that recommendations are implemented.
- That the Compliance Manual is submitted to the Audit Service upon receipt of this report. In the event that this document is not available, one is prepared, submitted to the Board for approval to serve as the direction for internal audit work.
- Working paper files in support of procedures performed and issues noted is submitted to the Audit Service upon receipt of this report. In the future, audit work carried out must be adequately documented and working paper file maintained for reference purpose.

### **Official's Response**

*The Director General in his response said the following:*

- *"We respect your opinion that management responses to Internal Audit queries were not documented. However, the board had called the Departments involved to a meeting for discussion and appropriate actions taken. This approach enforces the implementation of audit findings and has prevented the reoccurrence of some of these issues.*
- *We have been submitting the Compliance Manual to the audit team in previous audits. The Manuals are available and will be provided for verification at any time you request them.*
- *We have various files in support of procedures performed to write our report. We have also used Departmental reports as the basis of our report. In future audits, a detailed working paper will be provided".*

### **Auditor's Comment**

Our recommendations were not implemented. The issues therefore remain unresolved.

## **2.7. SIERRA LEONE ROAD SAFETY AUTHORITY: – 2019 - 2020**

### **2.7.1. Inadequate supporting documents**

Payments totalling Le1,312,665,171.44 and Le2,189,261,893.71 in 2019 and 2020, respectively, made to suppliers and contractors for goods and services, lacked salient supporting documents like delivery notes, back-to-office reports, invoices, receipts etc. These supporting documents were not attached to the payment vouchers submitted for audit.

We recommended that through the support of the Director of Finance, the Executive Director should ensure that documentary evidence justifying utilisation are submitted to the Audit Service.

### **Official's Response**

*The Director General in his response said: "the documents highlighted above are ready for audit inspection, although some back-to-office reports are yet to be provided. The individuals in question have agreed to make them available before the end of the verification exercise."*

### **Auditor's Comment**

Relevant supporting documents were provided and verified for the 2019 and 2020 financial years amounting to Le604,831,349.19 and Le1,269,750,793.71 respectively, leaving a total of

Le707,833,822.26 and Le919,511,100 not provided for the 2019 and 2020 financial years. Therefore, this issue remains partly resolved.

### **2.7.2. Disbursements in respect of CSR without business rationale**

A total of Le152,373,500 and Le130,327,525 were disbursed in 2019 and 2020, respectively, on corporate social responsibility. The audit team could however not understand the basis upon which those payments were made, as they did not fall within the normal operations of the Authority. The Executive Director, in consultation with the Finance Director, should ensure that appropriate explanations/rationale are provided to justify the CSR expenditure; otherwise, parties involved will be requested to refund amounts expended.

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

*The Director General in his response said: "it has been the normal routine of the Authority in performing its Cooperate Social Responsibility. The Authority, in most cases, help the deaf and blind, Accidents victims, bike riders and commercial drivers in terms of sensitisation and the popularisation of key products of the Authority. Management has, however, decided to come up with a policy binding the Cooperate Social Responsibility."*

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

With regard to 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 audit recommendations were not implemented.

### **2.7.3. Payments to Board and non-board members who were already on regular payrolls**

The following issues were noted:

- (i) We noted that Board members were paid Le1,780,602,159.72 and Le1,812,913,763.80 in 2019 and 2020 respectively. We were however not provided with the basis used to pay these amounts. The terms and conditions of service or the resolution of the Board indicating the entitlement of Board members were also not submitted for audit review.
- (ii) Further review of schedules in support of the above total payments revealed the following:
  - Le698,851,572 and Le698,851,572 (Tax inclusive) were paid as monthly salaries, in 2019 and 2020, to institutional Board members on the payroll of other ministries, departments and agencies.
  - Of utmost concern was that the former Executive Director and the current Executive and Deputy Executive Directors were paid Board allowances when they were only entitled to sitting fees based on attended meetings.
  - Le39,603,564 was paid to the management staff of the Authority as sitting fee for Board meetings attended even though they were not entitled to such payments. In addition, it was noted that the Board Secretary, responsible for providing corporate service to the Board, received sitting fees totalling Le67,891,824 and Le53,747,694 in 2019 and 2020 respectively, even though monthly salaries were paid to him.

We recommended that the Executive Director, in collaboration with the Director of Finance and senior management, should ensure the following:

- (i) The terms and conditions of the Board's service or the Board resolution to justify the legitimacy of such payments made is submitted to the Audit Service.
- (ii) Salaries (excluding sitting fees) paid to institutional Board members, the former and current Executive Directors are recouped, deposited into the Consolidated Fund and evidence submitted to the Audit Service upon receipt of this report. Failure will result in the Anti-Corruption being informed for appropriate actions to be taken.
- (iii) The amounts paid as sitting fees to management staff and the Board Secretary are recouped, deposited into the Consolidated Fund and evidence submitted to the Audit Service. Failure will result in the Anti-Corruption being informed for appropriate actions to be taken.
- (iv) Henceforth, the payment of salaries to institutional Board members, the Executive Directors, and sitting fees to management staff including the Board Secretary should be stopped.

### **Official's Response**

*The Director General in his response said: "payments of sitting fees and monthly allowance to executive directors and other management staff was a resolution taken by Board in which a refund of sitting fees agreed by Board was refunded to the Former Executive director- Mr. Panda Noah. Evidence of board extract will be provided for audit inspection. However, the Authority has noted your comments which will be forwarded for Board's attention."*

### **Auditor's Comment**

- (i) The terms and conditions of the Board's service or the Board resolution to justify the legitimacy of such payments made were not submitted for verification.
- (ii) Evidence justifying recouping of salaries paid to institutional Board members and the former and current Executive Directors was not provided for verification.
- (iii) Evidence justifying recouping of sitting fees paid to management staff and the Board Secretary was not provided for verification. Our recommendations were not implemented. Therefore, the issues remain unresolved.

#### **2.7.4. Payments without supporting documents**

A sample of payments totalling Le635,429,999 selected from the general ledger for expenditures was without supporting documents (payment vouchers, invoice, receipts etc.). Therefore, the team could not confirm the completeness and accuracy of the disbursements made.

The Finance Director should exercise adequate supervision over the preparation and documentation of the Authority's transactions, and through the Accountant should ensure the following:

- (i) All public funds are appropriately accounted for according to Section 100(1) of the Public Financial Management Regulations of 2018.
- (ii) The relevant supporting documents regarding funds amounting to Le635,429,999 are forwarded to the Audit Service upon receipt of this report.

### **Official's Response**

*The Director General in his response said: "Explanation and supporting documents of Payments totalling Le635,429,999.44 are provided for audit inspection."*

### **Auditor's Comment**

Supporting documents were provided and reviewed in respect of transactions amounting to Le511,770,066, leaving an amount of Le123,659,932 not supported. The issue remains partly resolved.

#### **2.7.5. Non-compliance with the GST Act, 2009**

We reviewed a sample of payment vouchers with aggregate invoice value of Le2,015,266,350 and Le1,711,085,000. These payments included Goods and Services Tax (GST) of Le271,927,350 and Le223,185,000 for the 2019 and 2020 financial years, respectively. The audit team was not provided with GST invoices to confirm that these suppliers' Goods and Services Tax (GST) will be paid to the National Revenue Authority (NRA). In addition, for these payments made, service level agreement, security allocation schedule, terms of reference, contract and attendance register in respect of payments made to consultants were not provided.

We recommended that the Executive Director, in collaboration with the Finance Director, should ensure the following:

- (i) The suppliers are contacted to submit to the Audit Service receipts justifying payments of GST to the National Revenue Authority totalling Le271,927,350 and Le223,185,000 upon receipt of this report. Failure will result in the National Revenue Authority being duly informed for appropriate action to be taken.
- (ii) In future, the Authority should only honour GST payments from GST registered suppliers upon receiving a GST invoice in compliance with section 31(1) of the GST Act of 2009.
- (iii) The service level agreement, security allocation schedule, terms of reference, contract and attendance register regarding payments made to consultants are submitted to the Audit Service upon receipt of this report.

### **Official's Response**

*The Director General in his response said: "suppliers have been contacted using a written memo, and some have consented to furnish the office with GST Invoice, and it will be made available for audit inspection. Management has, however, noted your comments and going forward, the Authority will ensure that invoices are available before disbursement. The dedicated security has also been contracted to provide security allocation schedule for audit inspection."*

### **Auditor's Comment**

Receipts from suppliers justifying payments of GST to the NRA totalling Le126,568,125 and Le131,730,000 were submitted and verified, leaving amounts totalling Le145,359,225 and Le91,455,000 for which receipts were not obtained and submitted. Supporting documents such as service level agreements, terms of reference, contracts etc., were not provided for verification. Our recommendation was partly implemented. The issue remains partly resolved.

#### **2.7.6. Three RFQs and LPOs not submitted**

In the procurement of goods and services in 2019 and 2020 totalling Le243,500,000 and Le322,259,715 the RFQ method was used. The three RFQs and LPO to justify that items were procured using this

method were however not submitted for review. In addition, it was noted that the individual cost for items procured in 2019 totalling Le243,500,000 was above the RFQ threshold.

We recommended that the Executive Director should ensure that the Procurement Manager submit the three requests for quotation and local purchase orders to the Audit Service. In addition, an appropriate explanation /justification is provided why thresholds, as stipulated in the Public Procurement Act of 2016 as amended in the 2019 Finance Act, were not adhered to.

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

Eventhough responses were not submitted, three RFQs and LPO were provided and reviewed for the sum of Le322,259,715 relating to 2020 transactions, leaving the amount of Le243,500,000 not supported. In addition, an appropriate explanation /justification as to why thresholds, as stipulated in the Public Procurement Act of 2016 as amended in the 2019 Finance Act, were not adhered to was not provided for verification. The issue remains partly resolved.

#### **2.7.7. Contracts, adverts and bidding documents not submitted**

The team reviewed a sample of the procurement activities of the Authority that were undertaken through the National Competitive Bidding (NCB) method. A total of Le1,368,000,000 was used to procure motorbikes in 2019. Bidding documents, a record of bid opening, bid security, bid evaluation reports, contract, adverts etc., to justify that the procurement process was open, transparent and competitive were not provided for review.

We recommended that the Executive Director should ensure that the Procurement Manager submit documents with respect to procurement undertaken to the Audit Service.

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

*The Executive Director in his response said: "the documents such as adverts, contracts, bidding documents leading to the procurement of forty motorbikes will be provided for audit inspection."*

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

Evidence in the form of record of bid opening, bid security, bid evaluation reports, contract, adverts etc., were provided and verified. The bids were however not provided for review. This issue therefore remains partly resolved.

#### **2.7.8. Ineffective Contract Management**

The management and operations of the Authority's garage were outsourced in 2020 to a company called APF. The outsourcing agreement was in the form of a partnership, and Le1,809,185,760, representing 60% of the contract value, was disbursed to the APF to purchase tools to operate the garage. A review revealed the following:

- (i) Supporting documents in the form of invoices, receipts etc., to justify tools purchased were not submitted/provided for audit, we could not confirm whether the 60% of the contract value paid to the management of the APF was used to purchase tools as per the contract.
- (ii) Further review of the contract revealed the following clauses with concern:

- "The employer shall have 35% of the marginal profit from the sales of the vehicle spares parts". The contract failed to define a marginal profit, and the Authority did not determine allowable and non-allowable expenses arriving at the "marginal profit".
- "The contractor shall manage or operate the workshop on behalf of the employer". The nature of a partnership requires representation from both parties to the contract. There was neither a clause of the Authority's representation, nor how it could access the partnership's affairs/financial records.
- The Executive Director should ensure the following:
  - (i) The Procurement Manager, submits the supporting documents for tools procured to the Audit Service; otherwise, the Anti-Corruption will be informed for appropriate actions to be taken.
  - (ii) The contract is reviewed with critical terms clearly defined to avoid ambiguities. In addition, the Authority's representation in the management of the garage should be included in the contract. Once reviewed, it must be signed by both parties. Evidence of actions taken must be submitted to the Audit Service.

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

*The Executive Director in his response said: "APF has been contacted in providing invoices, receipts list of tools purchase which will be available for audit inspections. However, the contract leading to the partnership of APF will be available for your inspection. Also, the contract clearly spelt out functions and responsibilities of SLRSA and APF."*

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

Our recommendations were not implemented. The issues remain unresolved.

#### **2.7.9. Contract modification**

The team reviewed a contract worth Le1,105,821,000 to construct a perimeter fence at the Authority's leased property at Milton Margai, Goderich. The following issues were noted:

- (i) Physical verification revealed that a particular portion of the fence was completed using iron bars instead of bricks as stated in the original contract.
- (ii) Evidence supporting the contract modification and approval by the chairman of the procurement committee justifying additional cost incurred amounting to Le62,289,000 were not provided for review.

We recommended that the Executive Director should ensure the following:

- (i) Appropriate explanation/justification for the contract modification and the use of iron bars in place of bricks is provided by the Procurement Manager to the Audit Service.
- (ii) The modified contract and the approval from the chairman of the procurement committee are submitted to the Audit Service; otherwise, the additional cost of Le62,289,000 should be charged against the personal emoluments of the Procurement Manager.

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

*The Executive Director in his response said: "the Estate department and procurement unit has been duly informed, and they have consented to make the above available during the verification."*



### **Auditor's Comment**

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

#### **2.7.10. Payments to consultants without evidence of procurement documents**

Payments made to consultants amounted to Le1,811,736,021 and Le1,967,544,360 in the 2019 and 2020 financial years, respectively. The team could not, however, confirm how the procurement of those consultancy services was done. The Authority failed to submit procurement documents such as request for proposal, expression of interest, technical and financial proposals, technical and financial evaluations, and contract to justify the procurement being carried out openly and transparently.

We recommended that the Executive Director should ensure that the Procurement Manager submits documents with respect to procurement undertaken to the Audit Service.

### **Official's Response**

*The Executive Director in his response said: "the said amounts for both periods were paid to dedicated security that has been with the Authority for years, and there was a service level agreement between both parties. Also, Loise kawa, Horalse Dundas, Lamin Koroma, Ibrahim Sanganya were hired to perform specialised skills in the Authority and were paid on a monthly basis. The HR/Admin department has provided files for audit inspection with the exception of dedicated securities."*

### **Auditor's Comment**

Management comment is noted. The service level agreement for the security was however not submitted. Similarly, the other documents that management purported are available to justify the payments made to consultants to provide specialist skills were not submitted for verification. Our recommendation was not implemented. Therefore, the issue remains unresolved.

#### **2.7.11. Difference between Cashbook and financial statements**

A difference of Le230,076,329.02 and Le229,918,279.63 was identified between closing balances as per the general ledger/cashbook and amounts as per the financial statements for the financial year 2019 and 2020, respectively. We recommended that in collaboration with the Finance Director, the Executive Director should ensure that differences noted are investigated, changes effected in the Authority's general ledger, and accounting records and revised ledger and financial statements submitted to the Audit Service.

### **Official's Response**

*The Executive Director in his response said: "the necessary adjustments have been done and effected in the Authority's Financial Statement, ready for audit inspection."*

### **Auditor's Comment**

General ledger and bank reconciliation statements establishing the fact that differences noted were investigated and records made in Authority accounting records were submitted and verified. Further review of the general ledger revealed that the sum of US\$12,518.2, which is the equivalent of Le105,827,583.66 in support of an account held at Union Trust Bank, was closed. Moreover, supporting evidence justifying that this balance was transferred to the Treasury Single Account was not submitted for verification. Hence this issue remains partly resolved.

#### **2.7.12. The difference in depreciation computation**

The team noted differences of Le 79,173,000 and Le118,088,762.29 in 2019 and 2020 respectively, between the depreciation charge per ASSL re-computation and the depreciation charge reported in the draft financial statements. It was recommended that the Executive Director in collaboration with the Finance Director should ensure that the differences relating to depreciation charges are investigated, accounting records adjusted, and a revised general ledger and financial statements submitted to the Audit Service.

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

*The Executive Director in his response said: "necessary corrections have been done and are ready for audit inspection."*

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

Evidence justifying that the differences noted were investigated, accounting records adjusted, and revised financial statements and general ledger prepared was not submitted for verification. The issues therefore remain unresolved.

#### **2.7.13. Differences noted in accumulated depreciation**

Opening balances of accumulated depreciation were not brought forward in the asset register. This resulted in differences of Le25,343,700,276 and Le31,890,066,000 between totals as per the asset register and the general ledger. We recommended that in collaboration with the Finance Director, the Executive Director should ensure that opening balances in accumulated depreciation are recorded in the asset register and the revised register submitted to the Audit Service.

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

*The Executive Director in his response said: "the opening balances and accumulated depreciation in the Financial Statements are recorded and correct, which will be provided for your perusal."*

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

Evidence that the opening balances relating to accumulated depreciation are recorded in the Authority's asset register was not submitted for verification. The issue therefore remains unresolved.

#### **2.7.14. Fixed assets not coded and insured**

The following issues were noted:

- (i) Some assets were not coded, and details of assets locations were not recorded in the register, making it difficult for the audit team to verify the existence and completeness of assets disclosed in the financial statements for 2019 and 2020.
- (ii) With the exception of motor vehicles, the Authority's office buildings with net book value totalling Le4 billion and Le4,6 billion for 2019 and 2020 financial years were not insured.

We recommended that the Executive Director, in collaboration with the Finance Director, should ensure the following:

- (i) Assets are coded, and details of assets codes and locations are recorded in the asset register. Evidence of action taken is submitted to the Audit Service.
- (ii) In the future, all buildings owned and controlled by the Authority are insured to compensate against loss resulting from damage and disasters.

### **Official's Response**

*The Executive Director in his response said: "the revised asset register with respect to their codes, colour, location etc., are available for audit inspection. However, with respect to insurance, the Authority will take a decision at management."*

### **Auditor's Comment**

Our recommendations were not implemented. The issues therefore remain unresolved.

#### **2.7.15. No tenancy occupancy list and tenancy agreement provided**

The Authority accommodated some tenants at its Kissy Road Office, for which it failed to provide tenancy agreement, occupancy list and updated contract agreements to the audit team. In addition, there was no evidence that the Authority had invoiced these tenants or had accrued rental amount on its financial statements for 2019 and 2020.

We recommended that the Executive Director, in collaboration with the Finance Director and Estate Officer should ensure that:

- (i) The tenancy agreements/contracts and occupancy list are submitted to the Audit Service. If they are not available, such agreement should be prepared, submitted to tenants for signature and copies retained for reference purposes.
- (ii) In the future, tenants should be invoiced based on the agreement and appropriate records made in the Authority's financial statements.

### **Official's Response**

*The Executive Director in his response said: "the Human Resource Manager has been duly informed during our usual management meeting. Agreement for number plate companies will be provided for your perusal."*

### **Auditor's Comment**

Our recommendations were not implemented. The issues remain unresolved.

#### **2.7.16. Difference between revenue recorded and amounts reported**

Comparison between revenue recorded in the general ledger and amounts reported as per the Management Information System (MIS) database for the different stations showed a difference of Le1,947,827,823 and Le443,766,480 for 2019 and 2020 financial years, respectively. We recommended that in consultation with the Finance Director, the Executive Director should ensure that the differences noted are investigated and changes effected in the Authority's general ledger and accounting records. The revised ledgers and financial statements should be submitted to the Audit Service.

### **Official's Response**

*The Executive Director in his response said: "The MIS Analyst has been given a memo to furnish the department with revenue reports for the financial years ending 31st December 2019 and 2019."*

### **Auditor's Comment**

Evidence justifying that the differences noted were investigated, accounting records adjusted, and revised financial statements and general ledger prepared was not submitted for verification. The issues there fore remain unresolved.

#### **2.7.17. Unpaid fines for the periods under review not disclosed in the financial statements**

The following issues were noted:

- From the schedules submitted by the Management Information System division, unpaid fines amounting to Le75,960,000 and Le414,167,959 for 2019 and 2020 respectively, were noted. A review revealed that these amounts were not reported in the draft financial statements, neither were they captured in the trial balance and general ledgers presented for audit, thus leading to a gross understatement of the receivable balance in the draft financial statements.
- The schedule of unpaid fines submitted for audit lacked payments made by defaulters during the periods. The team was therefore unable to verify the accuracy and completeness of overdue penalties because of the incompleteness of the schedule.
- Monthly or quarterly reconciliations between paid and unpaid fines were not done.

We recommended that the Executive Director, in collaboration with the Finance Director should ensure the following:

- Unpaid fines totalling Le75,960,000 and Le414,167,959 are reported in the Authority's accounting records and a revised general ledger and financial statements submitted to the Audit Service.
- The schedule of unpaid fines is revised to include payments made by defaulters, which must be reconciled regularly for appropriate decision making. Evidence of action taken must be submitted to the Audit Service.

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

*The Executive Director in his response said: "The above point is noted, and the necessary adjustments will be done and ledgers printed for audit inspection."*

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

- Evidence in support of unpaid fines totalling Le75,960,000 and Le414,167,959 reported in the Authority's accounting records and a revised general ledger and financial statements prepared were not submitted for verification. The issue remains unresolved.
- Evidence of actions taken in ensuring that the schedule of unpaid fines is updated was not submitted for verification. The issue will be follow-up in subsequent audits to determine whether our recommendations will be implemented.

#### **2.7.18. Difference in the opening balances**

A difference of Le85,798,042.23 was noted in the receivable balance brought forward in the general ledger for the 2019 financial year. We recommended that in consultation with the Finance Director, the Executive Director should ensure that the difference noted is investigated, changes effected in the Authority's general ledger and accounting records. The revised ledger and financial statements should be submitted to the Audit Service.

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

*In his response, the Executive Director said: "schedule relating to receivable balance will be provided for your perusal."*

### **Auditor's Comment**

Evidence justifying that the difference noted was investigated, accounting records adjusted, and the revised financial statements and general ledger prepared was not submitted for verification. The issue remains unresolved.

#### **2.7.19. Terminal Benefit not effectively managed**

The following issues were noted:

- A difference of Le1,796,583,747.60 was noted in the terminal benefit balance brought forward in the general ledger for the 2019 financial year.
- The Authority did not make provision for terminal benefit in respect of the financial year 2019.

We recommended that the Executive Director should ensure the following:

- (i) The Finance Director investigates difference noted and changes effected in the Authority's general ledger.
- (ii) Accounting records, revised ledger and financial statements should be submitted to the Audit Service.
- (iii) Provision for terminal benefit should be computed, records made in the Authority's accounting records and a revised general ledger and financial statements submitted to Audit Service.

### **Official's Response**

*The Executive Director in his response said: "Various provisions for terminal benefit has been effected and forwarded for your inspection."*

### **Auditor's Comment**

- (i) Evidence justifying that the difference noted was investigated. Adjusted accounting records, the revised financial statements and general ledger prepared were however not submitted for verification.
- (ii) There was no evidence submitted in support of the provision for the terminal benefit being computed and records made in the Authority's accounting records. The issues therefore remain unresolved.

#### **2.7.20. Unsupported increase in payroll cost**

Trend analysis in gross payroll cost revealed an aggregate increase/difference of Le435,944,529.74, for which appropriate justification/support for this increase/difference was not provided for audit. The monthly trend showed the base gross salary in July of Le1,063,330,002.25, increasing to Le1,213,965,805.53 in August and Le1,499,274,531.99 in September 2019.

We recommended that in collaboration with the Finance Director and the Human Resources Manager, the Executive Director should ensure that justification/support for increase/differences noted is submitted to the Audit Service.

### **Official's Response**

*The Executive Director in his response said: "justification with respect to the above will be provided for audit inspection."*

### **Auditor's Comment**

There was no evidence to justify the fluctuations noted. The issue therefore remains unresolved.

## **2.8. SIERRA LEONE AIRPORTS AUTHORITY – 2019**

### **2.8.1. No Approval from the Ministry of Finance for Loan**

A loan of Le4,071,900,000 was obtained from the Zenith Bank. Approval from the Ministry of Finance as required by Sections 19 & 20 of the Public Debts Management Act of 2011, authorising the Authority to enter into such contractual relationship was however not submitted for audit inspection.

The General Manager, in collaboration with the Financial Controller, should ensure the following:

- The required approval is submitted to the ASSL for verification.
- In future, Sections 19 & 20 of the Public Debts Management Act of 2011 should be adhered to when loan is sourced from financial institutions.

### **Official's Response**

*The General Manager in his response said: "Approval was granted to us by our Board of Directors, the National Commission for Privatisation and the Ministry of Transportation and Aviation for concurrent. See attached minutes of meeting. Going forward, we will consult or seek the necessary approval from the Ministry of Finance."*

### **Auditor's Comment**

The required approval authorising the loan of Le4,071,900,000 was not submitted for verification. Therefore, the issue remains unresolved.

### **2.8.2. Inadequate Payables Management**

Upon review of the management of payables, the following issues were noted:

- Negative (debit) balances totalling Le1,684,268,271 were identified in the payable schedule submitted for audit indicating that suppliers were indebted to the Authority.
- An aged analysis of creditors was not submitted, making it difficult to determine the age of these creditors' balances.
- There was no evidence of periodic reconciliation carried out by the Finance Department on payable balances. As a result, it was difficult to substantiate the negative balances recorded. The General Manager should ensure the following:
  - The Financial Controller investigate negative balances, and in the event that these creditors are indebted to the company, measures instituted for repayment should be made.
  - Going forward, an aged analysis should be maintained, and reconciliation should be regularly carried out between the payable schedule and the creditors' ledger.

### **Official's Response**

*The General Manager in his response said the following:*

- *"All invoices and GRN which have not been posted in the creditors schedule have now been taken on-board.*
- *The relevant supporting documents are ready for your inspection.*
- *There is always an aged analysis of creditors' ledger, maintained. The schedule is available for your inspection."*

### **Auditor's Comment**

Evidence in the form of invoices and goods received notes totalling Le1,684,268,271 supporting the Authority's claim were not submitted for verification. In addition, general ledger and creditors' schedules indicating appropriate postings made with negative balances were not submitted and verified. Furthermore, there was no evidence submitted to confirm that the Authority has instituted the practice of ageing its creditors and performing reconciliation between payable schedules and creditors' ledger during the 2020 financial year. The issues therefore remain unresolved.

### **2.8.3. Inadequate Human Resources Management**

A review of the Authority's Human Resources Management revealed the following:

- There was no evidence of annual training plans, nor any needs assessment submitted during the audit period.
- Ninety-three personnel were recruited during the period under review. Documents such as job advertisements, application letters, invitation letters, interview score sheets, amongst others and in accordance with Article 8 of the Authority's Terms and Conditions of Service were however not provided for inspection.

We recommended that the General Manager, in collaboration with the Head of the Human Resources, should ensure that:

- At the start of the year, they conduct a training needs assessment, that must fit into a training plan. This plan will serve as the basis for the roll-out of any staff training within the Authority.
- Adverts for recruitment, application letters, invitations to attend interviews, interview score sheets, and references etc. for successfully recruited staff are submitted to the ASSL for verification.
- In future, the Authority should ensure that all records relating to recruitment and selection of successful applicants should be retained for audit or reference purposes.

### **Official's Response**

*The General Manager in his response said the following:*

- *"Before the end of every year, the Human Resources Manager sends request to all Divisional Heads to identify training needs for their staff.*
- *The Human Resources Manager compiles all training needs sent by various divisions and forward it to the Head of Finance to feed it into the work plan and budget for each year. These trainings will then be rolled-out as and when the needs arise.*
- *Documents such as job advertisements, application letters, invitation letters to attend interviews, interview score sheets and reference letters to confirm that the recruitment process was open, fair and credible are available for inspection. Going forward, we will ensure that all records relating to recruitment and selection of successful applicants are well filled".*

### **Auditor's Comment**

Management's comments were noted. There was however no documented evidence submitted to support that training needs were identified and factored into the work plan. Records relating to recruitment and selection of successful applicants were not submitted during the audit verification. Therefore, the issues remain unresolved.

#### 2.8.4. Expired Rental Agreement

Rental agreements between the Authority and its clients valued at US\$51,484 had expired, even though their businesses were in operation. In addition, a difference of US\$10,838 was noted between the amounts as per the contract documents and amounts invoiced to customers. The contract amount was US\$51,484, whilst the amount invoiced was US\$40,646.

The General Manager, in consultation with the Financial Controller should ensure the following:

- The rental agreements between the Authority and its clients are prepared, signed by all parties involved, and retained for reference purpose.
- Invoices are sent to clients for the differences noted and appropriate records made in the Authority's financial records with a revised general ledger and financial statements submitted to the ASSL for verification.

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

*The General Manager in his response said: "At the start of every year, agreements are drafted and distributed to all tenants including those ones highlighted in Appendix 5 of the 2019 Management Letter. With the exception of the customers below, agreements for all other customers had been sent to tenants for signing. Copies of these contracts are available for inspection.*

- **UNITED BANK OF AFRICA** - *This bank is no longer operating at the Airport and bill for 2019 has been settled.*
- **IMMIGRATION AND PHYTOSANITARY** - *Refused to sign the contract. As the law mandates them to operate at the Airport."*

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

The draft rental agreements were provided for the clients, except Sea and Land Services which was not signed. There was no evidence submitted to justify that the difference of US\$10,838 invoiced was investigated neither were appropriate records done in the Authority's financial records. The issues therefore remain unresolved.

#### 2.8.5. Long Outstanding Balances and Foreign Exchange Balances

Bank balances held at the Standard Chartered Bank, London, which amounted to US\$5,698 and £4,916 were disclosed as receivable. These amounts had been long outstanding and evidence of actions taken by the Authority to recover these amounts had not been submitted for audit inspection. The General Manager in collaboration with Financial Controller should ensure that appropriate contacts are made with the foreign bank for possible recovery of funds held.

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

*The General Manager in his response said: "We have made several communications to the bank on this issue, but we had not been receiving responses from them. We had asked for the Board's approval to have this amount written off but we were not successful. Efforts to recover this amount will continue."*

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

Management's comment is noted. Our recommendation was however not implemented. Therefore, the issue remains unresolved.



### **2.8.6. Verification of Airfields and Administrative Buildings**

The audit team conducted a verification exercise that included the visit to the Hastings Airfield, the Lungi Airport and administrative buildings. The following issues were identified during the verification exercise:

#### **Hastings Airfield**

- The ceiling and the roof of the administrative building were damaged and needed serious rehabilitation.
- There was the need for office furniture such as tables and chairs befitting the Authority.
- The storage facility was inadequate as it lacked ventilation and cooling system.
- There were no bin cards and store issue vouchers.
- Evidence of massive encroachment of the Authority's land was seen.
- The Airfield and its surrounding land were covered in scrubs, and this exposed these facilities to potential land grabbers.

#### **Lungi Airport**

- The ticket and entry barrier at the toll gate was faulty and required urgent repairs.
- Vehicle number plates were not captured and recorded by the ticketing system during entry through the toll gate.
- Massive land encroachment was observed.

The General Manager in collaboration with senior management and the Board of Directors should ensure the following:

- The Head of Operations should evaluate the physical characteristics/conditions of facilities at Hastings and Lungi, and proffer appropriate recommendations that will enhance them to meet the standards of Part 14 MOAS.
- The store is provided with shelves for proper packing of store items and bin cards and store issue vouchers prepared for the appropriate recording of receipts and issues of items. In addition, it must be properly ventilated for the effective performance of duties by staff.
- The measure is instituted to clear scrubs, and perimeter fence constructed to deter encroachment from land grabbers.
- The toll gate and ticket barrier be repaired to protect unauthorised entry.
- The Authority should upgrade the ticketing system to ensure that vehicle number plates are captured and recorded for audit and security checks.

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

*The General Manager in his response said: "Government is in the process of giving concession for the Hastings Airfield and associated facilities to Aquilla Company Limited. The contract is now with the Law Officers' Department for final review and to be subsequently signed by MTA, NCP and SLAA. Aquilla Company SL Limited will have the responsibility to fully rehabilitate the Hastings Airfield and commence domestic flight operations."*

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

Management's response is noted. We will however keep these issues in view and follow up on them in subsequent audit.

## 2.9. SIERRA LEONE PORTS AUTHORITY- 2019

### 2.9.1. Poor Controls over the Disbursement of Funds

Payments which totalled Le538,759,809 were made without adequate supporting documents to justify the disbursement of the said funds. Missing documents included service level agreements, receipts, back-to-office reports, GST invoices, etc. A total amount of Le531,300,000 was identified as corporate social responsibility (CSR) payments made 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.

The Financial Controller should exercise adequate supervision over the preparation and documentation of the Authority's transactions and through the Chief Accountant should ensure the following:

- (i) All public funds are properly accounted for in accordance with Section 100(1) of the Public Financial Management Regulations of 2018.
- (ii) All transactions are supported by the relevant documentation and these must be numbered and cross-referenced, so that they can be easily traced when they go missing.
- (iii) Appropriate explanations with supporting evidence must be provided to justify the CSR expenditure; otherwise, the parties involved will be requested to refund the amount expended.
- (iv) That the relevant supporting documents in respect of the sums of Le538,759,809 and Le531,300,000 are forwarded to the ASSL.

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

*The General Management in his response said: "Management strives to maintain adequate internal controls relating to the disbursement of funds.*

- (i) The necessary supporting documents are available for audit review.*
- (ii) It is our 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 CSR budget spending involves a range of activities such as working in partnership with local communities, conduct socially sensitive investment, develop relationships with employees, invest in national development projects and activities for environmental conservation and sustainability. Furthermore, the Authority has engaged the services of a consultant for the provision of a wide range of Human Resource Consulting, Training and Development Services, to include Corporate Social Responsibility (CSR) policy. This policy document would address the basis upon which projects are selected, and disbursements are made. The necessary supporting documents are available for audit reviews".*

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

Missing documents such as receipts, invoices, back-to-office reports, GST invoices, etc. were submitted for payments totalling Le446,360,000 for 2019 leaving an outstanding balance of Le92,399,809 without adequate supporting documents. The issue remains partially implemented.

On the issue of CSR, management's comment is noted, and this issue will be kept in view for subsequent audit.

### **2.9.2. Staff Recruitment and Retirement Process not Effectively Managed**

Ninety-nine personnel were recruited during the period under review. Documents such as job advertisements, application letters, invitation letters to attend interviews, interview score sheets, police clearance reports, medical reports, and reference letters to confirm that the recruitment process was open, fair and credible, and in accordance with Section 5.3 of the Authority's Terms and Conditions of Service were not provided.

The General Manager, in collaboration with the Human Resource Director, should ensure that the adverts for recruitment, application letters, invitations to attend interviews, interview score sheets, and references etc., for successfully recruited staff are submitted to the Audit Service for verification. In future, the Authority should ensure that all records relating to recruitment and selection of successful applicants should be retained for audit or reference purposes.

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

*The General Manager in his response said: "The SLPA is a public enterprise governed by the National Commission for Privatization Act of 2002. Accordingly, Section 13(1) a(i) reads: "As from the commencement of this Act... –*

- (a) The appointment of persons:*
- (i) As members of a public enterprise shall be made by the Commission. Therefore, paragraph (i) above provides for the appointment of members to Public Enterprise by the Commission. In the instance therefore, the said appointments were made by the Commission in reliance on those mentioned above. For ease of reference, Schedule 1 of the above-mentioned Act lists The Sierra Leone Ports Authority as a Public Enterprise. Furthermore, a legal opinion on the subject matter is available for audit inspection."*

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

We note management's comment. As auditors, we expect Management to ensure that the Authority's recruitment policies are always adhered to, irrespective of the recruiting body. Therefore, the recruiting body, in this case, the National Commission for Privatisation, should have followed due process in recruiting these staff. Allowing staff to be recruited without going through due recruitment processes exposes the Authority in recruiting staff without the required job knowledge and experience, and prohibits competition. Our recommendation was not implemented. The issue therefore remains unresolved.

### **2.9.3. Demolition of the Authority's Building**

One of the Authority's buildings situated at the Kissy Ferry Terminal with a net book value of Le171,728,250 was demolished. The Board's resolution granting approval for the demolition of the building was neither seen, nor submitted for audit review.

The General Manager should submit the Board's approval authorising the demolition of the building to the Audit Service for verification.

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

*The General Manager in his response said: "Management strives to maintain adequate internal controls in the management of its non-current assets. Board's approval sanctioning the use of the site for the development of the Kissy Ferry Terminal are available for audit review. Furthermore, development lease agreement, final assessment of the Kissy Terminal Development projects and physical site containing new structures are available for audit review."*

### **Auditor's Comment**

The Board's resolution granting approval for the demolition of the building was not submitted during the verification exercise. Our recommendation was not implemented. The issue therefore remains unresolved.

#### **2.9.4. Circularisation and long outstanding receivables**

Review of the Authority's management of receivables revealed the following:

- (i) Debtors circularisation letters were sent to 12 debtors to confirm balances totalling US\$1,125,305 (Le10,951,145,911) in the books of the Authority. The confirmations received totalled US\$275,342 (Le2,675,414,784).
- (ii) A difference of Le95,807,041 was noted between amount reported in the receivable register and the amount confirmed by five debtors.
- (iii) It was observed that US\$434,197 in respect of monies owed by customers to the Authority for 2019 were disclosed as short term receivable in the Financial Statement. Some of these amounts have been outstanding for more than two years. No evidence was submitted for the recoverability of these amounts.

The Financial Controller through the Chief Accountant should ensure the following:

- (i) Management follow-up with the debtors on unconfirmed balances so that the confirmations are sent to the ASSL for verification.
- (ii) Management investigate the difference noted, records reconciled and a revised general ledger and Financial Statements submitted to the ASSL for verification.
- (iii) Evidence justifying the recoverability of this amount should be submitted to the ASSL upon receipt of the report; otherwise, Management should advise the Board on this issue for appropriate action to be taken.

### **Official's Response**

*The General Manager in his response said the following:*

- (i) *"The necessary circularisation and supporting documents confirming payments are available for audit review.*
- (ii) *Regarding differences as confirmed by Destiny Shipping, Maersk SL, Mediterranean Shipping, Alsalam and Freetown Terminal Ltd. respectively, invoices raised and confirmation of payments are available for audit review as proof of our claims.*
- (iii) *For receivable balances with no evidence of recoverability, Management via directives from the Board continues to explore possibilities of recoverability, though futile. Management will provide the necessary advice for provision/write-off of specific debts where applicable. Necessary documentation seeking recoverability are available for audit inspection."*

### **Auditor's Comment**

Circularisation responses were not submitted to the audit team for verification. Except for Afrimarine, a review of the Authority's cashbooks and receivable ledger as at the current date revealed that debtors had settled the above amounts. No evidence of recoverability was received for the long outstanding amount of US\$413,198. The issues therefore remain partly resolved.

### 2.9.5. Procurement Procedures not Followed

The following were observed:

- (i) Request for quotations (RFQ) and local purchase orders (LPO), etc., were not produced to substantiate procurement worth Le506,693,293 relating to goods and services procured in 2019.
- (ii) Delivery notes to justify receipts for milk, sugar etc., and sanitary items procured at a cost of Le102,840,000 was not submitted for audit inspection.
- (iii) Bid register was not submitted for audit inspection for the procurement of goods and services during the period under review. This contravened Section 62 (3) of the Public Procurement Regulations of 2006. There was also no evidence that either the Authority issued receipts to these bidders for bid forms, or income received were recorded by the Authority in the 2019 Financial Statements.

The General Manager should ensure the following:

- (i) The Procurement Manager submit the three requests for quotations and local purchase orders to the Audit Service for verification.
- (ii) The Procurement Manager submit the delivery note to confirm that the items were received in good order in line with the specifications contained in the request for quotation.
- (iii) The Head of Procurement design and implement a bid register in the appropriate format with immediate effect.
- (iv) The Authority provide journal and adjust the Financial Statement for the exact monies received for all bid documents.

### **Official's Response**

*The General Manager in his response said: 'Management strives to ensure that internal controls and procurement laws are adhered to.*

- (i) *The necessary supporting documents, Request for Quotation (RFQ) and Local Purchase Order (LPO) are available for audit inspection. We however note that for some procurement activities, cheque payment authorisations were issued based on the nature of activities and not LPOs issued.*
- (ii) *Delivery notes are available for audit inspection.*
- (iii) *Management notes your comment on the availability of a bid register. The Authority now maintains a bid register and monitors bid forms and receipts of same. Evidence of receipts for bid forms sold are available for audit review.*

### **Auditor's Comment**

- (i) Request for Quotations and local purchase order were submitted for procurement totalling Le30,130,000. The remainder of Le476,563,293 was not supported with requests for quotations and local purchase orders.
- (ii) Delivery note to justify the receipt of sanitary items, milk, etc., was not submitted during the verification exercise. Our recommendation was not implemented. Therefore, the issue remains unresolved. The issues therefore remain unresolved.

## **2.10. SIERRA LEONE PORTS AUTHORITY - 2020**

### **2.10.1. 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.
- (ii) The Authority made payments in respect of corporate social responsibility (CSR) 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 audit inspection.

The Financial Controller, through the Chief Accountant should exercise adequate supervision over the preparation and documentation of the Authority's transactions, and should ensure that appropriate explanations with supporting evidence should be provided to justify the CSR expenditure; otherwise, parties involved will be requested to refund the amount expended. He should also ensure that relevant supporting documents, in respect of Le310,245,000 and Le384,000,000, are forwarded to the ASSL for audit verification.

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

*The General Manager in his response said: "Management strives to maintain adequate internal controls relating to effective management of disbursement.*

- (i.) The necessary supporting documents are available for audit review.*
- (ii.) 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 Le245,245,000, leaving a balance of Le65,000,000 not supported. Supporting documents for CSR activities totalling Le304,000,000 were provided and verified, leaving a balance of Le80,000,000 not supported. With regard to the 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. Our audit recommendations were therefore not implemented.

### **2.10.2. Staff without NASSIT Social Security Numbers**

The following issues were observed:

- (i) A review of payroll documents revealed that NASSIT contributions were deducted and paid to the Trust for 38 employees of the Authority. We however observed that these employees

did not have social security numbers and NASSIT identity cards. In addition, there was no evidence submitted to confirm that the Authority has registered these staff in compliance with Section 30 (1a & b) of the NASSIT Act of 2016 (as amended).

- (ii) NASSIT contribution was not deducted and paid for casual workers. In addition, an interview with the HR and the casual workers revealed that casual staff do not have social security numbers and NASSIT identity cards, in violation of Article 50B of the Sierra Leone Gazette.

The General Manager should ensure the following:

- (i) That permanent employee and casual staff not registered with the Trust be registered, and contributions regularised in their accounts. Evidence of registration of these staff must be submitted to the Audit Service upon receipt of this report. Failure will result in the Trust being notified for appropriate actions to be taken.
- (ii) In the future, Section 30 (1) (a & b) of the NASSIT Act and Article 50B of the Sierra Leone Gazette must be adhered to.

### **Official's Response**

*The General Manager in his response said the following:*

- (i) *“Management notes the comment on the complete registration of 38 employees. These 38 employees are now fully registered with social security numbers. Deductions and contributions relating to these 38 employees have however been paid monthly and within the stipulated timelines.*
- (ii) *Management notes the comments on NASSIT registration of casual staff. Management shall give a clear indication of employment status to non-permanent staff. Those meeting full employment status shall be registered and contributions made to the NASSIT scheme.”*

### **Auditors' Comment**

Evidence in the form of registration letters indicating social security numbers for 25 employees was submitted and verified. Proof of registration was not presented for the remaining 13 employees. Our recommendation was partly implemented; therefore, this issue is unresolved.

The registration issue of casual workers will be followed up in subsequent audits to determine the extent to which our recommendation was implemented.

### **2.10.3. Breach of Loan Policy**

During our review of staff loans, we observed that the Authority granted loans to 32 staff members totalling Le1,218,000,000. We however noted that these staff had only served below the three years stipulated period. The amount disbursed exceeded their estimated terminal benefit entitlements, in violation of principles stated in Section 8.2&3 of the Sierra Leone Ports Authority's Staff Handbook.

### **Official's Response**

*The General Manager in his response said: “management notes the comment and will ensure full compliance with loan policy as per the staff handbook. Special executive loans were however accorded to Managers following board approval”.*

### **Auditor's Comment**

Management's comment is noted. This will be followed up in subsequent audits to determine the extent to which our recommendations were implemented. This matter however remains unresolved since it is a breach of the loan policy.

#### **2.10.4. Performance Appraisal Not Done**

A review of personal staff files revealed that no annual performance appraisals were prepared in 2020, as stated in the staff handbook. In addition, an examination of the staff attendance register revealed that staff were not regularly signing the register; and there was no evidence that the register was reviewed by the Human Resources Manager.

The General Manager, in collaboration with the Human Resources Manager should ensure the following:

- (i) In future, annual staff appraisals are done for all staff in the Authority, which must serve as a basis for identifying staff for training and promotion.
- (ii) Staff sign the attendance register on a daily basis, and a senior staff effectively monitor the register.

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

*The General Manager in his response said: "Management notes the comment. Going forward, the performance appraisal form will be revised and implemented as per the staff handbook. Regarding the staff attendance register, implementing the Government of Sierra Leone's emergency response restriction to the Covid-19 pandemic limits strict supervision and monitoring. The Authority is now planning on procuring a Biometric Access Control System, which will improve supervision and monitoring of staff attendance".*

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

Management's comments are noted. The issue of staff appraisal will be kept in view for subsequent audits to determine if our recommendation was implemented.

Evidence justifying the signing of the daily attendance register was not submitted for audit. Our recommendation was not implemented. The issue therefore remains unresolved.

#### **2.10.5. Staff Recruitment Process Not Effectively Managed**

A review of the Authority's Management of the recruitment of personnel revealed that 13 personnel were recruited during the period under review. Documents such as job advertisements, application letters, invitation letters to attend interviews, interview score sheets, police clearance reports, medical reports, and reference letters to confirm that the recruitment process was open, fair and credible, and in accordance with Section 5.3 of the Authority's Terms and Conditions of Service were however not provided for audit inspection.

In collaboration with the Human Resources Director, the General Manager should ensure that adverts for recruitment, application letters, invitations to attend interviews, interview score sheets, and references etc., for successfully recruited staff are submitted to the ASSL upon receipt of the report. In future, the Authority should ensure that all records relating to recruitment and selection of successful applicants should be retained for audit or reference purposes.

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

*The General Manager in his response said: "The SLP A is a public enterprise governed by the National Commission for Privatisation Act of 2002. Accordingly, Section 13(1) a (i.) reads, "As from the commencement of this Act.....*

- (a) *The appointment of persons:*



- (i) *As members of a public enterprise shall be made by the commission. Therefore, paragraph (i.) above provides for the appointment of members to Public Enterprise by the commission. In the instance, therefore, the said appointments were made by the commission in reliance on those mentioned above. For ease of reference, the schedule of the above-mentioned Act lists The Sierra Leone Ports Authority as a Public Enterprise. Furthermore, a legal opinion on the subject matter is available for audit inspection”.*

### **Auditor's Comment**

Management's comment is well noted. As auditors, we expect management to ensure that the Authority's recruitment policies are always adhered to, irrespective of the recruiting body. Therefore, the recruiting body, in this case, the National Commission for Privatisation, should have followed due process in recruiting these staff. For staff to be recruited without going through the due recruitment processes, and without the required job knowledge and experience exposes the Authority's recruitment process and prohibits fair competition. Our recommendation was not implemented; therefore, the issue remains unresolved.

### **2.10.6. Ineffective Management of Non-Current Asset**

The following issues were identified:

- (i) Assets owned and controlled by the Authority valued at Le361,980,000 were not seen during physical verification, thereby restricting us from verifying the existence of these assets and the completeness and accuracy of the non-current asset register submitted for audit.
- (ii) Newly acquired assets were affixed with stickers designed by the Authority that could be easily removed as they were not durable. In addition, the stickers could not hold on furniture made of fabric, leather, etc.
- (iii) The list of assets in specific locations was not displayed conspicuously for ease of identification and traceability.

The General Manager, in collaboration with the Financial Controller and Estate Officer should ensure the following:

- (i) Assets, valued at Le361,980,000, are produced for verification, otherwise, the cost of these assets will be charged on the personal emoluments of the General Manager.
- (ii) Newly acquired assets are labelled with a unique and durable identification mark that could not be easily removed, preferably with indelible ink. Evidence of actions taken must be submitted to the ASSL.
- (iii) That lists of assets are displayed conspicuously in different locations/offices in which assets are placed. Evidence of actions taken must be submitted to the ASSL upon receipt of this report.

### **Official's Response**

*The General Manager in his response said: “management strives to maintain adequate internal controls in Management of non-current assets. The assets mentioned have been identified and are now available for audit review.*

*The current stickers are improved versions of previous stickers used. The Authority going forward will however use unique and durable identification marks to label assets”.*

### **Auditor's Comment**

- (i) We physically verified assets valued at Le99,450,000, leaving assets with a total value of Le262,530,000 not verified as they were not physically available.  
Our recommendation was partly implemented. Therefore, this issue is unresolved.
- (ii) Evidence of action taken regarding improved stickers affixed on the Authority's assets was seen and verified. The issue of coded assets with durable identification codes, preferably with indelible ink, will be followed up during subsequent audit. Our recommendation was partly implemented. The issue is unresolved.
- (iii) Management's response was not provided for this issue. In our observation, there was no evidence to suggest that Management has implemented our audit recommendations. Therefore, this issue remains unresolved.

### **2.10.7. Receivables Confirmation**

A difference of Le544,695,083 was noted between the receivables register and the amount confirmed.

The General Manager, in collaboration with the Financial Controller should ensure that difference noted is investigated, records reconciled, and a revised general ledger and financial statements submitted to the ASSL.

### **Official's Response**

*The General Manager in his response said the following:*

- (i) *"The necessary circularisation and supporting documents confirming payments are available for audit review.*
- (ii) *The Authority maintains that the SLNSC owes US\$920,256 as at 31 December, 2020. The general ledger and customer monthly reconciliations are available for audit review".*

### **Auditor's Comment**

Our recommendations were not implemented. This issues therefore remain unresolved.

### **2.10.8. Poor Receivables Management**

In our review of the Authority's receivables, the audit team noted that Le1,058,459 in the account receivables had exceeded three months. Management of the Authority did not show any evidence of penalty/interest charged and suspension of services to such defaulting customers. This is in direct contravention of the SLPA's Receivables Policy.

The General Manager, in collaboration with the Financial Controller, should ensure the following:

Interest is charged on debts totalling Le1,058,459 that have exceeded three months and notice of payment of amounts owed and interest charged is submitted to debtors upon receipt of this report and evidence forwarded to the ASSL. In future, the receivable policy is strictly adhered to.

### **Official's Response**

*The General Manager in his response said: "management notes the comment. Notice of payments of the amount owed and interest charged is available for audit review."*

### **Auditor's Comment**

There was no evidence submitted in support of interest charged on these overdue debts and notice of payment sent to debtors as per our recommendations. The issue therefore remains unresolved.

#### **2.10.9. Ineffective Management of the Internal Audit Department**

There was no evidence that the Authority's Management responded to the Internal Auditor's queries as detailed in the Internal Audit Report, establishing that audit recommendations were not implemented.

The General Manager, in collaboration with management should ensure that responses to issues noted in the internal audit report must be responded to within a reasonable time to ensure that recommendations are implemented.

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

*The General Manager in his response said the following:*

- (i) *“Management strives to ensure that the independence of the Internal Audit function is enhanced through governance, systems and control.*
- (ii) *Management treats the Internal Audit with the seriousness it deserves.*
- (iii) *Management meetings and discussions are fundamental towards implementing and addressing issues raised by the Internal Auditor. Going forward, written responses will be provided.”*

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

There was no evidence to confirm that management responded to internal audit queries. The issue therefore remains unresolved.

#### **2.10.10. Poor Safety Conditions in the Authority's Operating Environment**

Inspection of sea face vehicles revealed the following:

- (i) A good number of vehicles moving containers in and out of the Ports were without seals.
- (ii) Iron chains and ropes were used to clamp containers on vehicles.
- (iii) Most vehicles were without number plates and roadworthy tyres.

The General Manager, in collaboration with senior management and the Head of Environmental Health and Maritime Safety (HEHMS) should ensure the following:

- (i) All vehicles entering and exiting the Ports must have appropriate seals, clamps affixed with number plates, and road worthy tyres. This must be regularly inspected, and penalties/ fines levied on defaulters.
- (ii) Evidence of actions taken/implemented should be submitted to the ASSL.

##### ***Official's response***

*The General Manager in his response said: “The Authority encourages vehicles moving containers in and out of the quay to use lash/ twist locks. Where lash/ twist locks are unavailable, guaranteed iron chains and ropes are however allowed. The Authority notes the recommendations and will continue to improve on standards.”*

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

Evidence in the form of a report to support checks being carried was not submitted for verification. In addition, vehicles transporting containers in and out of the Ports were observed to lack appropriate seals, number plates and tyres that are not roadworthy. There was also no evidence submitted to indicate Management's intention of implementing our recommendations. Therefore, these issues remain unresolved.

### 2.10.11. Poor Working Environment

During a physical inspection of the Authority's premises, we observed that there was lack of cabinets and shelves, which resulted in documents being placed on the floor. In addition, documents submitted for inspection were wet, torn and unreadable

The General Manager, in consultation with senior management and the Board should ensure the following:

- (i) Cabinets and shelves are acquired for the proper filing of documents.
- (ii) Evidence of actions taken/implemented should be submitted to the ASSL.

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

*The General Manager in his response said: "management notes the comment on the roof of the administrative building. A maintenance plan would be designed to give effect to rehabilitation. On another note, Management intends to construct an administrative building. An Expression of Interest has been sent to the NPPA for approval to re-advertise for the construction on a build operate and transfer. Management notes the comment and will institute the action."*

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

The issue of lack of cabinets and shelves, to ensure that documents are not placed on the floor, is yet to be addressed by the Authority. The issue remains unresolved.

## 2.11. NATIONAL PUBLIC PROCUREMENT AUTHORITY 2017 – 2019

### 2.11.1. Questioned Transactions

We observed that the below mentioned transactions have been outstanding since 2016 and are yet to be cleared by the bank.

Date	Details	Amount (Le)	Age
	Duplication of Salary	1,032,000	14 months
11th Feb. 2017	Duplication of EDSA Payment	1,412,000	11 months
3rd Nov.2017	Reversal Posted Twice	1,386,000	2 months
		<b>3,830,000</b>	

We recommended that management should engage senior officers of the bank in order to resolve these issues as soon as possible.

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

*The Chief Executive Officer in his response stated: "The authority has sent letters to the Sierra Leone Commercial Bank to rectify these issues and steps have been taken to reverse them and correct all outstanding reconciliations, and any subsequent audit will certainly meet these issues fully resolved".*

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

No documentary evidence regarding engagement done with the bank was provided. Our recommendation was not implemented. The issue is therefore unresolved.

### 2.11.2. Staff Advance Policy

We observed that policies and procedures were not in place to address staff advance issues with regards to the amount that should be repaid and the duration of the advance. It was recommended that policies and procedures should be put in place to address the above mentioned issues.

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

*The Chief Executive Officer in his response stated: "The Authority has reviewed its terms and conditions and this is adequately guided on the terms and conditions governing staff advances; the amount to be repaid and the duration as well".*

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

No documentary evidence provided to justify that policies were developed. Our recommendation was not implemented. The issue is therefore unresolved.

### 2.11.3. Questioned Transactions

Below are transactions we have questioned because of the reasons stated thereunder.

Date	Details	Questioned Amount (Le)	Comments
18th April 2019	Donation to Parliamentary Oversight Committee on Political Affairs and Defence; (Tickets)	1,500,000	Government of Sierra Leone funds cannot be donated unless it is part of the Authority's 2019 approved budget.
19th July 2019	Payment for Civil Society Facilitation to Bo	3,500,000	Is it not clear what sort of facilitation Child Welfare Society SL provided for the launching of the Authority's Bo office
7th October 2019	Payment for Advocacy Support for the FY 2020 Budget Support for NPPA	5,000,000	It is unclear why the Authority paid the Sierra Leone Civil Rights Coalition to advocate for budgetary support.
	Brima Bangura & Joseph B. Dauda – Monthly CPD Allowance 2017 – 2019	61,500,000	Documentation were not provided to support the payment of this allowance.
<b>Total</b>		<b>71,500,000</b>	

We recommended that the Authority provide the relevant information and documents to clear the issues mentioned above.

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

- *The Chief Executive Officer in his response stated: "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 it 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 sensitising public procurement and the opening of an NPPA office in Bo to speed up procurement processes and procedures in the south and eastern provinces of the country. The wrong classification was done at the transaction posting stage but has been duly corrected.*

- *This payment was wrongly classified as donation and has been duly reclassified under the appropriate expense heading.*
- *These were payments made to the former Chief Executive and the Head of Finance (both of whom were Chartered Accountants), as professional allowance per month. The current Chief Executive had to put a stop on the said payment after assuming office, and since then that has been a thing of the past”.*

#### **Auditor’s Comment**

Our recommendations were not implemented. The issues therefore remain unresolved.

#### **2.11.4. Payment of Withholding Tax**

We observed that withholding taxes 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**

*The Chief Executive Officer in his response stated: “The payment of withholding taxes is often done on an accrual basis as the returns are sent to the NRA at the end of the month following which payments are made. The amount referred to relates to December 2019 and was duly paid in 2020, receipts of which are available for verification”.*

#### **Auditor’s Comment**

The NRA receipt dated 28th April 2020, with a face value of Le34,927,511 was made available for verification, leaving an outstanding of Le6,227,315. The issue is partly resolved.

### **2.12. PETROLEUM DIRECTORATE – 2019**

#### **2.12.1. Procurement Procedures Not Followed**

The Directorate procured services worth Le727 million in 2019 without procurement procedures, stated in Section 37(1) of the Public Procurement Act of 2016.

This Section mandated the Directorate to undertake procurement employing advertised open bid processes, to which equal access shall be provided to all eligible and qualified bidders without discrimination, subject only to the exceptions provided in Sections 38, 39, 40 and 41. The following were the services procured:

- Consultancy services from Global Energy Consultant worth Le436 million - A report to justify work done by the consultant was not submitted for audit. In addition, evidence was not submitted to suggest that either party had terminated or rescinded the contract without recourse to future litigation.
- Security services from Trust Security Services Ltd. worth Le114,760,000.
- Cleaning services worth Le56,000,000 and internet services worth Le120,578,661 from Janneh Cleaning and Onlime SL Ltd.

The Director General should ensure the following:

- In future, procurement of goods, works and services should be done in compliance with the provisions mentioned in Section 37(1) of the Public Procurement Act of 2016.

- The report justifying evidence of work done by the consultant is submitted to the ASSL for verification upon receipt of this report; otherwise, the amounts paid totalling Le436,069,965 should be refunded by the consultant.
- The evidence justifying termination or rescinding of the contract should be submitted to the ASSL for verification upon receipt of this report. In the event that such steps are not taken, the Directorate's Legal Counsel should be contacted.
- The evidence justifying the procurement method used in sourcing cleaning and security services should be submitted to the ASSL for verification.

### **Official's Response**

*The Director General in his response said: "We note your observation and beg to differ that the Public Procurement Act of 2016 was not followed. Please note that the named consultant was known through recommendation within the Oil and Gas Industry as being very successful in helping other countries in their licensing rounds with positive results. Upon contact with this consultant, work was initially done on a pro bono basis to do some preliminary work for the Directorate. Since this kind of expertise in oil and gas is not available in-country, a contract was however entered into for continued work for the successful conclusion of our Fourth Licensing Round. Please note that payment to the consultant was made upon the submission of deliverables to the Directorate. The number of payments made as per your findings correctly relates to the number of deliverables submitted during the period under review and so, there was no issue of termination of contract."*

### **Auditor's Comment**

- Management's comment is noted regarding the sourcing of the Global Energy Consultant. We however want to draw the attention of Management that the Public Procurement Act of 2016 makes provision for such engagement, but this was not followed. Therefore, this issue is unresolved.
- Report justifying evidence of work done by the consultant was not submitted for verification, neither was evidence submitted to support the recouping of funds totalling Le436,069,965 which was paid to the consultant. Therefore, the issue is unresolved.
- Evidence justifying termination or rescinding of the contract with the consultant was not submitted for verification. Therefore, the issue is unresolved.
- Evidence justifying the procurement method used in sourcing cleaning and security services was also not submitted for verification. Therefore, the issue is unresolved.

### **2.12.2. Unauthorised Approval of Local Purchase Orders**

We reviewed procurement transactions which used the RfQ method and observed that the Head of Procurement and Logistics signed the local purchase orders for goods and services worth Le715,921,200. This was above his limit of approval, and was without any evidence of authority from the Director General (DG) to do so. This is a violation of Section 57(4) of the Public Procurement Act of 2016 and Section 118(1) of the Public Procurement Regulations.

The Director General should ensure the following:

- The Head of Procurement and Logistics should submit the relevant authority permitting him to sign LPOs that were above his limit of approval; failing which, the matter will be communicated to the appropriate authorities for necessary action.

- In the future, all contracts must be signed by the DG or a designated senior official of the Directorate in line with the limits as set out in Section 118(1) of the First Schedule of the Public Procurement Regulations of 2006.

### **Official's Response**

*The Director-General in his response said: "We note your observation, and going forward, the DG will have to sign on every Local Purchase Order."*

### **Auditor's Comment**

Management's comment is noted. The relevant authority permitting the Head of Procurement and Logistics to sign LPOs that were above his limit of approval was however not submitted for verification. Therefore, the issue is unresolved.

### **2.12.3. Recruitment and Promotion**

Despite several requests for recruitment documents and evidence justifying the consultation with the Public Service Commission (PSC), these documents were not submitted for audit inspection. Additionally, a staff was promoted in 2019 by the Director General to a senior management cadre, but evidence of actions taken to identify and promote this staff was not submitted for audit inspection.

The Director General should ensure the following:

- The Senior Administrative Manager should submit adverts, application letters, interview scoresheets, selection report and evidence of consultation with the Public Service Commission on the appointment of these staff, and their personal files to the ASSL for verification.
- The evidence of action taken to identify and promote this staff and concurrence sought by the Director General from the Office of the President are submitted to the Audit Service upon receipt of this report.

### **Official's Response**

*The Director General in his response said; "We note your observation. Please be informed that Section 9 (1) of the Petroleum Exploration and Production Act of 2011 gives the President of the Republic the right to appoint staff of the Directorate. These aforementioned staff were directly appointed by the President which makes redundant the issue of normal recruitment process such as CV, application letter, medical report or police clearance. We note your observation and wish to inform you that the relevant promotion letter and other related documentation are available for your inspection."*

### **Auditor's Comment**

- Management's comment is noted. Section 9(1) of the Petroleum Exploration and Production Act of 2011 states that: "other staff shall be appointed by the President on the advice of the Public Service Commission (PSC) which does not make open and competitive recruitment redundant". Evidence of advice provided by the PSC was not submitted for audit inspection. Therefore, this issue remains unresolved.
- Evidence of action taken to identify and promote the said staff and concurrence sought by the Director General from the Office of the President were not submitted for verification. Therefore, the issue is unresolved.



#### **2.12.4. Non-adherence to Section 1401(5) of the Terms and Conditions of Service**

Since 1401(5) of the Petroleum Directorate Terms and Conditions of Services states: “All employees receiving training at the expense of the Directorate shall be bonded and continue to serve in the employ of the Directorate for at least three years from the date of the last course”.

In 2019, the Directorate made part-payment of tuition fees, living allowances, visa and travelling expenses for a staff of the Directorate to pursue a postgraduate degree course in Oil and Gas Accounting. The bond signed by this staff with the Directorate was not submitted for audit inspection. Additionally, we observed that this staff had left the Directorate without completing the period for which he was bonded and no certificate was in file to verify that he completed the course. The total cost borne by the Directorate in 2019 for the staff to pursue this course amounted to Le211,857,671 (tuition fee, cost of living allowances, visa and travelling expenses totalling Le162,754,555 and four months’ salaries of Le49,103,116).

The Director-General should ensure the following:

- The Senior Administrative Manager should submit to the ASSL for verification, the signed bond agreement to justify adherence to Section of 1401(5).
- That certificate justifying successful completion of the course is obtained from the staff and submitted to the ASSL for verification.
- The Le211,857,671 spent by the Directorate should be recouped from this staff for failing to comply with Section 1401(5), deposited into the Consolidated Fund and evidence submitted to the ASSL for verification. Failure will result in the Director General and Senior Administrative Officer being instructed to refund the amount involved.
- In future, staff of the Directorate must comply with this provision of the Terms and Conditions of Service when trainings are provided at the expense of the Directorate, and that signed bond agreement should be retained for audit and reference purposes.

#### ***Official’s Response***

*The Director General in his response said the following:*

- *“We note your observation and agree with the figures quoted on the payment of tuition fee for the said staff in respect of the M.Sc. programme at the Robert Gordon University. Please note that there was however, a bond signed between the Directorate and the staff. The bond is available for inspection.*
- *We note your finding and agree with the figures quoted. These said expenses incurred in favour of the staff are in line with the Directorate’s Terms and Conditions of Service.*
- *We note your finding and wish to acknowledge that the said staff did not serve the Directorate for the three-year term captured in the signed bond. This is due to the fact that upon completion of his MSc. programme, His Excellency the President in his wisdom thought it fit to appoint the staff to serve the nation in another capacity”.*

#### **Auditor’s Comment**

A bond signed between the staff and the Directorate on 28th August, 2019 was submitted and duly verified. Management’s comment was noted on the staff’s appointment to another capacity; but a breach of the Terms and Conditions of Service relating to the bond agreement had occurred, resulting in monetary loss to the Directorate. Management partly implemented our recommendation by

producing the signed bond. The issue of implementing the bond condition has not been implemented; therefore, Management is urged to recover from the staff, the amount spent on his academic pursuit.

#### **2.12.5. PAYE not Deducted from Domestic Staff Allowances**

The Directorate made monthly payments of domestic staff allowance to senior staff of the Directorate in addition to their salaries without deducting PAYE tax, which was contrary to Section 116(1a) of the Consolidated Income Tax Act of 2008. In 2019, domestic staff allowances paid totalled Le255 million, and PAYE tax of Le76.5 million was not deducted.

The Director General should ensure that the taxes due on domestic allowance should be deducted/recouped from staff involved, payment made to the NRA and evidence submitted to the ASSL for verification; otherwise, the NRA will be informed to take appropriate action.

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

*The Director-General in his response said: "We note your observation and wish to inform you that the rationale behind the non-payment of PAYE on the DSA to senior staff is the fact that such allowance is meant to pay directly to domestic staff maintained by these senior staff who will be responsible for the maintenance of social security and other statutory obligations for the domestic staff."*

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

Evidence of payment of tax to the NRA was not submitted for audit inspection. Therefore, the issue remains unresolved.

#### **2.12.6. Annual Appraisal Not Done and Staff Files not Updated**

We noted that annual staff appraisals for 2019 were not done and filed. This was contrary to Section 506 of the Terms and Conditions and Service. Additionally, staff files had not been updated with personal records such as academic certificates, curriculum vitae, police clearance, medical reports, etc. The Director General should ensure that the Senior Administrative Manager should update personnel files with the missing documentation and submit to ASSL for audit inspection.

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

*The Director General in his response said: "We note this observation and appropriate steps will be taken to address the issue."*

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

Evidence of personal files updated with records such as academic certificates, curriculum vitae, police clearance, medical reports, etc. were not provided for review. Therefore, this issue remains unresolved.

#### **2.12.7. Withholding Taxes Not Deducted**

From the review of payment records, we observed that 10.5% withholding taxes totalling Le29,469,770 were not deducted from payments regarding consultancy services provided by Global Energy Consultants, in contravention of Section 117(4) of the Consolidated Income Tax Act of 2008 (as amended).

The Director General should ensure that the Finance Director recoup this amount and evidence of payment made to the NRA submitted to the ASSL for verification.

### **Official's Response**

*The Director General in his response said: "We note your finding and necessary steps will be taken to pay the withholding tax to the National Revenue Authority."*

### **Auditor's Comment**

Evidence of payment of this tax to the National Revenue Authority was not submitted for audit inspection. Our recommendation was not implemented. Therefore, the issue is unresolved.

### **2.12.8. Lapses in the Management of Fuel**

The Directorate spent Le24,951,000 on fuel for contingencies. Evidence justifying the utilisation of the fuel was however not submitted for audit inspection. An additional Le25,885,000 was spent on fuel for generator. Logbook documenting the running hours of the generator, maintenance details, fuel usage, etc. was however not submitted for audit inspection.

The Director General should ensure the following:

- The evidence of utilisation for the contingencies fuel issued and utilised is submitted to the ASSL for verification; otherwise, the Le24,951,000 should be refunded by the Head of Procurement and Logistics.
- Going forward, a logbook should be maintained for appropriate fuel and generator management.

### **Official's Response**

*The Director General in his response said the following:*

- *"We note your finding and please note that justifications for usage of contingency fuel are available for inspection.*
- *We note the finding on the need to maintain a logbook for generator relating to running hours and maintenance. Going forward, we will implement the use of such logbook."*

### **Auditor's Comment**

The evidence submitted for utilising contingency fuel issued was not sufficient and appropriate. It was noted that an Office Assistant prepared the distribution list with signatures of recipients with no request and approval from a third party senior official seen/submitted. Therefore, this issue remains unresolved.

### **2.12.9. Unverified and Uncoded Assets**

Assets at the Directorate, with a carrying value of Le77,945,927 were verified but not affixed on them. The Director General should ensure that assets worth Le77,945,927 are affixed with unique identification codes and details recorded in the inventory of assets.

### **Official's Response**

*The Director General in his response said: "We note this finding and corrective measure will be taken to address this issue."*

### **Auditor's Comment**

During the verification, we observed that assets worth Le63,797,927 were not affixed with durable identification codes. Therefore, the issue remains unresolved.

## **2.13. NATIONAL COMMISSION FOR SOCIAL ACTION – 2020**

### **2.13.1. Title Deed of Building Not Provided**

No title deed was submitted to us for inspection for the purported Commission's building. We recommend that management make available the title deed of the building and engage officials of the Ministry of Works to value the land and building, and the value shown in the financial statements.

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

*The Commissioner said: "Title deed not available".*

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

Management's response in relation to ownership of the building is noted. The issue remains unresolved.

## **2.14. SIERRA LEONE ELECTRICITY AND WATER REGULATORY COMMISSION – 2019**

### **2.14.1. Creditors: Amount Falling Due More Than One Year – Provision for Staff End of Service Benefits**

The Accountant General's Department (AGD) is now paying the Commission's staff remuneration and as a result, we believe that they will be responsible for the settlement of staff's end-of-service benefits. We noted that the Commission has provided over Le458 million for this liability which in our opinion is unnecessary because the obligation will be met by the AGD as and when they become due. In our opinion, this liability is overstated in the financial statements by over Le458 million. We recommend that this liability be written off the books of the Commission except for members of staff who are not paid by the AGD because the obligation is now with the AGD.

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

*The Director General in his response said: "As a regulatory agency, the Commission is looking forward to gaining its financial independence in the foreseeable future, and also aspiring to go off government's payroll, considering the fact that the Commission is currently paying its end-of-service benefits. We found it prudent to keep the provision, so there will be no need to raise the provision, once we go off subvention".*

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

Our audit opinion is qualified in this regard. Our recommendation was not implemented. This issue is therefore unresolved.

### 2.14.2. Questioned Transactions

Below are transactions we have questioned because of the reasons stated there under:

Date	Details	Questioned Amount (Le)	Comments
	Difference between the Cash Count Balance and the Cash Balance as per the Trial Balance. Cash Count Balance– Le122,000 Cash Balance as per Trial Balance – Le1,775,000	1,653,000	We observed an audit difference of Le1,653,000 between the Cash Count Balance and the Cash Balance indicated in the financial statements.
N/A	Unknown staff advances	4,200,000	The member of staff owing this amount is unknown.

We recommended that the Commission provide the relevant information and documents substantiating the aforementioned transactions.

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

- *The Director General in his response said: “**Difference between Cash Balance and Count:** The difference of Le1,653,000 between the cash balance and actual cash count is as a result of liquidation not been posted prior to year-end. We will do the necessary reconciliation in that regard.*
- ***Unknown Staff Advances:** Le4,200,000 staff advances, relates to advances issued in 2017 & 2018 when the Commission was using the Sierra Leone Commercial Bank. We will reconcile the loan and advise you in good time”.*

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

Issues relating to difference between cash balance and count and unknown staff advances were not resolved.

## 2.15. ELECTRICITY GENERATION AND TRANSMISSION COMPANY – 2019 – 2020

### 2.15.1. Ineffective management of procurement

Evidence of preparation and submission of a monthly report to the National Public Procurement Authority in support of procurement undertaken in 2019 and 2020 was not submitted for audit in violation of section 32(2&3) of the Public Procurement Act 2016 and section 32 and the Public Procurement Manual Chapter 1.3.6. In 2019, the Company rented a 1250 KVA generator at the cost of Le161,115,000 from IPCS for the Port Loko Power Station. However, procurement documents to indicate the procurement method applied in renting this generator was not submitted.

It was recommended that the Director General should ensure the following:

- (i) The Procurement Manager submits to the Audit Service evidence justifying the preparation and submission of the monthly procurement report to the NPPA.
- (ii) The Procurement Manager submits to the Audit Service procurement documents to indicate the procurement method applied.

### **Official's Response**

The Director General in his response said the following:

- (i) *“In light of the above audit query, the monthly audit report for procurement undertaken in 2019 and 2020 by Electricity Generation and Transmission Company was audited on a quarterly basis by National Public Procurement Authority. However, the procurement department of EGTC will ensure monthly submission of procurement reports to NPPA going forward.*
- (ii) *EGTC have an operation and maintenance contract with IPCS”.*

### **Auditor's Comment**

Our recommendations were not implemented; the issues therefore remain unresolved.

#### **2.15.2. Responses not received for Debt Circularisation**

A circularisation letter was sent to Electricity Transmission and Distribution Supply Company (EDSA) to confirm the existence and accuracy of amounts owed by them as disclosed in the Company's financial statements. However, no response was received at the time of writing the report.

It was recommended that in collaboration with the Financial Controller, the Director General should ensure that follow-up is made with EDSA on unconfirmed balances so that the confirmation is sent to the Audit Service.

### **Official's Response**

*The Director General in his response said: “EGTC contacted the Chief Finance Officer at EDSA about the response. He indicated that they did not receive such a request from ASSL. This was communicated to the ASSL team lead to resend the request to EDSA, which we hope have resolved”.*

### **Auditor's Comment**

We were informed by the Financial Controller of EGTC that they had contacted the EDSA for confirmation to be sent to Audit Service. We had sent another copy of the confirmation but have yet to receive a response from EDSA. However, until this balance is confirmed from EDSA, the issue remains unresolved.

#### **2.15.3. Non-payment of NRA statutory deduction**

The sum of Le 75,519,207,183 and Le 110,847,238,697 with respect to withholding taxes and PAYE taxes for the period 2019 and 2020 respectively were deducted, but there was no evidence of payment to the NRA.

### **Official's Response**

*The Director General in his response said: “withholding Tax balances for the 2019 account totalling Le192,075,385 were paid in the preceding year 2020. Evidence of payments are available for your review. Withholding Tax balances for 2020 account totalling Le254,567,779 were paid in the preceding year 2021. Evidence of payments are available for your review. GST balances for 2019 and 2020 account totalling Le71,151,922.00 and Le102,145,312 respectively are owed due to huge receivable owed by EDSA being our only customer. Cumulative receivables for 2019 and 2020 are Le337 billion and 455 billion, respectively. PAYE balances for 2019 and 2020 account totalling Le4,175,208,798 and Le8,447,358,919 respectively are owe due to huge receivable owed by EDSA being our only customer. Cumulative receivables for 2019 and 2020 are Le337 billion and 455 billion respectively. EGTC, in*

*consultation with the Ministry of Finance, Ministry of Energy and EDSA, are working on reconciliations to facilitate a cross debt between the parties to clear our outstanding balances with each other”.*

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

During the verification exercise, Payment Voucher, receipts and Bank transfer letters for payment of Withholding tax by EGTC were submitted and reviewed, but the evidence of payment for PAYE was not submitted. Our recommendation was partially implemented. The issue remains partially resolved.

### **2.16. NATIONAL YOUTH COMMISSION – 2019**

#### **2.16.1. Inadequate evidence to support recruitment**

Academic credentials and curriculum vitae to justify that the Regional Coordinator recruited for the Eastern Region satisfied the criteria as stated in the terms of reference for the position occupied were not seen/submitted for audit. We recommended that the Commissioner, in collaboration with the Head of Human Resources should ensure that academic credentials etc., for the successfully recruited staff are submitted to the ASSL.

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

*The Commissioner in his response said: “The National Youth Commission advertised the position for the Regional Coordinator, and all recruitment process were followed. Documentation is ready for verification.”*

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

The academic credentials and curriculum vitae to justify that the Regional Coordinator recruited for the Eastern Region satisfied the criteria as stated in terms of reference for the position occupied were audit not presented for verification. The issue therefore remains unresolved.

### **2.17. INDEPENDENT MEDIA COMMISSION 2018–2019**

#### **2.17.1. Governance and Compliance Issues**

We observed the following for the two years ended 31st December, 2019.

The IMC Act of 2000 stipulates that the Commission's books of account shall be properly maintained and the accounts shall be audited within three months of the end of the financial year. This request was not met during the period under review. Additionally, the qualification of the Chairman of the Commission and the other commissioners were not on file which was contrary to the IMC Act of 2000.

The Account manual was not signed and dated by the vote controller to show approval for its use, and that Microsoft spreadsheet was used to process financial records instead of the Quicken Accounting Software Package as required by the Commission.

The production of monthly receipt and payment statements, biannual balance sheet, income and expenditure statements were not done as required by the manual.

Disbursements made by cheque were not prepared in support of payment documents, and verified by the vote controller for a large number of payment documents.

In 2018 and 2019, sitting fees increased from Le40,000 to Le200,000 with no documents in file to support the increments.

Loan repayment by the Accountant only started after a year, contrary to page 18 of the institution's manual. At two Board meetings held on 30th May and 22nd August 2019, the commissioners recommended that all overdue loans be repaid in three months. They also stated that all staff who have taken loan should pay 20% monthly interest and should complete payment by 31st December, 2019. The resolution from the Board meeting was however not implemented.

The commissioners were given loan which made it unethical since it could impair their independence as governors.

The terms and conditions of service document was neither dated, nor signed.

The DSA/Per Diem was increased without any evidence of justification support of our increment.

Expenditure amounting to Le76,805,000 was incurred without following the due process of obtaining three pro-forma invoices or quotations.

Fuel worth Le21,928,250 was bought and used with no documents like logbook, fuel register and fuel chit to support usage.

- The Commission did not have any vehicle maintenance policy that spells out when and how vehicles should be taken for services. In addition, the Finance Committee of the Board held a meeting on 28th February and 28th March 2019, and noted that the vehicle, fuel and maintenance costs were too high and controls in place for procurement process are very weak.
- Assorted goods procured for Le43,970,000 were without supporting documents such as delivery notes to certify that goods delivered were in correct form and quality.
- There was no budgetary control reporting system in place, no proper cash flow reporting systems, no proper planning and poor revenue collection and questionable expenses.
- An updated version of rent agreements for the three offices in Freetown, Bo and Makeni (headquarters rent agreement –three years to 14th September 2004; Bo agreement – one year to 30th June 2013; and Makeni agreement- two years to 31st July 2019) were not presented.
- Tax calculation on terminal benefit in respect of an accountant was paid in excess of Le3,764,986.
- PAYE amounting to Le25,000,000 from acting allowances made to the Acting Executive and Bo Regional Officer were not deducted and paid to the NRA.
- Withholding taxes (WHT) amounting to Le8,209,850 was not deducted and paid to the NRA.
- We found few instances that could be deemed by readers as unethical practice at the Commission. The Board, at a meeting of 2nd July 2019, advised that any expenditure above Le5,000,000 should be brought to the Board.
- Only vehicles were insured, no other asset was insured.
- The Board, at a meeting of 11th December 2018, approved the 2018 fees for Media houses to be the same for 2019; but no such list of 2018 fees was on record. Only the list of fees for 2020 was on record.



The following recommendations were made:

- The Commission should have an effective internal control system in place; a function that would make sure all laws and regulations are followed; and an effective financial guidance is developed and implemented, and implementation monitored and reported.
- All commissioners should pay off their loans with immediate effect and should take no further loans from the institution; this will strengthen their independence and effectiveness as governors.
- All rent agreements should be updated and filed with immediate effect.
- Documents relating to the qualification of commissioners should be placed in their personal files.
- Updated version of all fees and allowances for Monitors of Media Houses and Board Members should be documented and filed.
- Correct tax for all categories of payment should be deducted and paid to the relevant bodies according to the law.
- The Board's recommendations should be implemented without exception, at all times.
- All purchases of goods and services should certify as received when delivered.
- All purchase of goods and services should add value to the organisation. One way to achieve this is through best buy price, by obtaining quotations from different suppliers; obviously giving regard to quality.

### **Official's Response**

*The Executive Secretary states:*

- *'Management acknowledges your comments with extreme courtesy, and pledge to properly follow your recommendations going forward.*
- *Please be informed that management strives to maintain adequate internal control systems that would make sure all the laws of the land and the Board recommendations are followed to the letter; and effective financial guidance is developed, implemented and the process monitored and reported.*
- *The Board has recommended that the Commission takes a serious stand against those that owed in terms of loans.*
- *The Human Resources Management Committee of the Commission has reviewed the Terms and Conditions of Service for staff members and recommendations sent to the Board for approval.*
- *Management would ensure the effective deduction of withholding tax from suppliers and contractors going forward to prevent the contravention of the Income Tax Act of 2000. Meanwhile, withholding tax was deducted for some contractors listed in the sample test and are available for inspection.*
- *Management noted your comments on obtaining quotes from suppliers, delivery notes and going forward. The Commission will strictly follow the procurement rules and ensure that delivery notes are available before disbursement. Some of the suppliers have framework contract with the Commission and as such are part of our supplier's base for the years under review. The Commission's approved suppliers' list is available for inspection.*
- *Management noted that the rental agreements for the Freetown, Makeni and Bo offices had expired. The office is currently in contact with landlords/landladies to renew or draw-up new lease agreements for all three offices.*
- *Some supporting documents for activities related to election sensitisation and monitoring in the provinces, in monetary value of Le109,250,000 (for 2018) was destroyed in the fire incident that occurred at the finance department which was duly reported. Others were misfiled during the process of rearranging documents at the*

*archive/store. These documents together with the Board's approval have been retrieved and are available for your review".*

### **Auditor's Comment**

Receipts in support of withholding taxes paid, which amounted to Le1,052,150 was seen and verified, leaving an outstanding balance of Le7,157,700 not supported. All other issues noted were not addressed. Our recommendations were therefore partly implemented.

### **2.17.2. Inefficient and Ineffective Accounting System**

We observed the following:

- There was lack of proper financial records. This was reported by the Finance Committee at the Board of Commissioners meeting of 29th January, 2019.
- The trial balance for the two years did not balance; this could be pointing to significant bookkeeping errors.
- The general ledger system in operation was a disjointed set of spreadsheet schedules which did not follow the double entry system of accounting in every case, and therefore produces an unreliable set of balances that were used for the preparation of the accounts. Opening and closing balances for accumulated fund for 2019 were incorrect (2018 closing balance was Le205,031,000; but 2019 opening balance was Le205,031), in the accounts; an understatement of Le204.8 million. This is a fundamental difference. How did the trial balance/balance sheet get close to balance with this huge understatement in the accounts? Trade receivables do not have any corresponding income entry. From our analysis, we realised that Le61,000,000 in 2018, and Le56,000,000 for 2019 were not recognised as income from invoices issued.
- From our assessment of trade payables as at 31st December 2019, we found that amount totalling Le18,500,000 deemed payable to MTA was actually paid on 7th October, 2019.
- Computation for the release of Le212,120,000 from Capital Grant for 2018 and 2019 each, could not be authenticated; and additional Capital Grant of Le300,000,000 deemed to have been received by the Commission could not be substantiated/authenticated.
- The fixed assets closing balance in 2018 and 2019 was overstated by Le1,215,000 in the accounts, when compared with the fixed assets register.
- Debtors and creditors ledgers were not maintained, making it impossible to certify the individual debtors and creditors balances.
- The list of accounts receivables and payables could not be supported by actual invoices for both years.
- Accounts receivables could not be aged for lack of information, making it impossible to assess the level of bad debt to be provided against the total amount receivable.
- All staff loans were accounted as expense and repayment as income.
- Staff costs totalling Le916,548,948 and Le1,006,985,581 were not reflected in the accounts for 2018 and 2019 respectively.
- Balances for costs and accumulated depreciation as per fixed assets registers for the two years did not agree with the balances disclosed in the financial statements submitted for audit.
- Incomplete documentation of financial transactions: The following issues were noted from a sample of transactions tested:

- ❖ Payment Voucher Number (PVN) 1863 dated 4th December 2018, in respect of Board sitting fees: Mr. Edward King did not sign for Le400,000 paid to him.
- ❖ Payment Voucher Number 2213 dated 11th July, 2019-DSA for various Commissioners: There was no name or signature against Le350,000 payment listed.
- ❖ Payment Voucher Number XXX dated 30th April 2018, Muctarr Turay did not sign for Le400,000 sitting fee paid to him.
- ❖ Payment Voucher Number 3519 dated 20th March 2018, for 120 litres of fuel at Le720,000 was not receipted.
- ❖ Payment Voucher Number 1764 dated 24th September 2018, for the purchase of stationery items worth Le12,974,000, and Le11,174,000 paid has no bearing to the invoice attached for Le12,974,000.
- ❖ The Finance Committee also noted at the Board meeting of 22nd August, 2019 that there was an expenditure of Le35,000,000 in respect of SALCAB for which no receipt was issued. The project was not completed with no internet facility at the Bo and Makeni offices.

The following recommendations were made:

- Management should, with immediate effect develop and implement an accounting software that will serve as a database for all financial transactions. The system will hold the general ledger system for storing every daily financial transaction. It will also hold the fixed assets register, sales daybook and ledger system; purchase daybook and ledger system and a host of other relevant financial records. Financial reports such as income and expenditure; balance sheet; budgetary control report and cash flow forecasts; can be produced with a click of a button on the computer. It assures much better accuracy of financial records and makes information retrieval very efficient, making management decision more efficient and effective. The auditing processes; both internal and external will be enhanced as well.
- Fixed assets register should be reconciled to the general ledger on a regular basis.
- Debtors and creditors ledgers should be reconciled to the general ledger on a regular basis.
- Debtors should be aged provision for delinquent debts.
- Staff loan ledger system should be maintained.
- Staff cost and the related salary grant should be captured in the accounts. This will ensure readers can see the total cost of running the Commission.
- All financial transactions should be fully supported with request for the transaction (with business case, where relevant); relevant invoices and pro-forma invoices; receipts; delivery.

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

*The Executive Secretary states:*

- i) *"Management has noted your comment on these matters and pledged to properly follow your recommendations going forward to the next financial year.*
- ii) *Please be informed that the Commission through its Finance and Administrative Committee had approved for the purchase of QuickBooks Accounting Software package and provide training for staff at the account department. The process of procuring the QuickBooks Software and training of staff is now in progress. The system will hold the General Ledger for storing every daily financial transaction. It will also hold the fixed asset register, and a host of other relevant financial records.*

- iii) *There is also currently a draft revised Accounting Manual which the Finance and Admin Committee is reviewing for recommendation to the Board.*
- iv) *Trade Payable of Le18,500,000 to MTA was actually paid in 2020 and the document for the payment is available for inspection.*
- v) *The issue of SALCAB which was brought to the Board by the Finance Committee has been resolved by the Board, as it was just a misunderstanding of the issues concern, and documents are ready for verification.*
- vi) *Management would ensure that going forward all financial transactions will be fully supported with the relevant documents. Debtor and creditors' ledgers and fixed assets register will be reconciled with the general ledger.*
- vii) *Management would also ensure that staff cost and related salary grant will be captured on subsequent financial statements. The Independent Media Commission (IMC) has been recording and /or making journal adjustments where necessary for all payments including salaries and entitlements made for and on behalf of IMC staff, prior to January 2017 in its books. In January 2017, the Ministry of Finance took over payment responsibility for all Ministries, Department and Agencies (MDAs) and other subverted agencies.*
- viii) *The Accountant General's Department is being audited by the Audit Service Sierra Leone, meaning the salary component paid to the IMC has been audited.*
- ix) *Nevertheless, the IMC now pledges itself to make necessary journal adjustment for all salaries and staff entitlement paid for and on behalf of the IMC".*

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

- Responses (i) and (ii) noted and will be followed up in subsequent audits.
- Response (iii), (iv) and (v) verified and will be reviewed in subsequent audits to determine the extent to which our recommendations have been implemented.
- Responses (vi) to (ix) noted and will be followed up in subsequent audit.
- Payment Voucher Number (PVN) 1863 dated 4th December 2018, in respect of Board sitting fee: No signature of recipient.
- PV Number 2213 dated 11th July 2019, DSA for various Commissioners' name and signature verified.
- PVN1764 dated 24th September 2018, for the purchase of stationery items worth Le12,974,000, and Le11,174,000; full documentation verified.
- PVN dated 30th April 2018, a Board Member did not sign for Le400,000 sitting fee deemed paid to him and PVN3519 dated 20th March 2018, for 120 litres of fuel at Le720,000; not receipted were not acted upon and these issues remain unresolved.

Our recommendations were partly implemented.

## **2.18. HUMAN RIGHTS COMMISSION OF SIERRA LEONE- 2017 - 2019**

### **2.18.1. Internal Audit Review**

We noted that the Commission was yet to establish an audit committee. This resulted in the Internal Audit Unit submitting the audit report directly to the Executive Secretary, who is charged with the Commission's day-to-day operations. In addition, the Unit did not prepare an Internal Audit Plan

based on its assessment of key risk areas for the Commission, which was in violation of Section 148 of the Public Financial Management Regulations of 2018.

***Official's Response***

*The Executive Secretary in his response said: "The audit recommendations are noted and the Audit Committee will be established. Annual plan for all Directorates is prepared at the start of every year. This is inclusive of Internal Audit."*

**Auditor's Comment**

We note management's comment. The issue still stands, and it will be followed up in subsequent audit exercise.

**2.18.2. Non-availability of Human Resources Manager**

The Commission did not have a Human Resources Manager charged with the responsibility of handling human resource related activities. Further investigation revealed that the Executive Secretary handle human resources related tasks. In collaboration with the commissioners, the Executive Secretary should ensure that going forward; a provision is made for the recruitment of a Human Resources Manager.

***Official's Response***

*The Executive Secretary in his response said: "The Commission is in the process of recruiting a HR Manager and 19 additional staff approved by the Ministry of Finance."*

**Auditor's Comment**

We note management's response. The issue however would be followed up in the subsequent audit exercise. The issue still stands.

**2.18.3. Under-staffing**

A review of the Commission's staff list revealed a limited number of personnel who executes daily operations. We noted that two or more core functions are being done by one staff. In addition, department such as Information Technology, Internal Audit and Procurement Unit have only one staff each, which imposed severe pressure in executing planned activities considering that the Commission operates in four regions. The Executive Secretary in collaboration with the commissioners and management should ensure that an appropriate manpower plan or proposal is done, communicated to the Ministry of Finance and the Public Service Commission for approval and, upon being approved, serve as the basis for the recruitment of additional staff.

***Official's Response***

*The Executive Secretary in his response said: "The Commission has received approval for recruitment of 20 additional staff. The process is ongoing."*

**Auditor's Comment**

We note management's response. The issue would be followed up in the subsequent audit exercise to determine the extent to which our recommendation was implemented. The issue still stands.

## **2.19. POLITICAL PARTIES REGISTRATION COMMISSION – 2019**

### **2.19.1. Procurement Procedure Not Followed for Consultancy Service**

There were no documents such as business registration certificate and NRA Tax clearance certificate presented to support payment of Le45,000,000 for individual consultancy service for the development of PPRC Strategic Plan.

We recommend that the Head of Finance should ensure that the necessary supporting documents are presented during the audit verification exercise.

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

*The vote controller stated that: "Business Registration Certificate and NRA Tax Clearance Certificate with regards to the consultancy service is available for audit verification".*

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

Our recommendation was not implemented. The issue therefore remains unresolved.

### **2.19.2. No Loan policy**

The financial statements showed an amount of Le254 million as a loan receivable in 2019. The Finance Director however did not provide the loan register to support this amount. In addition, there was no evidence of an established Loan Committee as stated in section 4.5.5 of the University's Accounting and Financial Procedures Manual. We recommended that the Finance Director should design the loan register and schedule available to account for the total loan given to staff and the amount reported in the financial statements. In addition, the VC&P should work with the F&GP Committee to establish a sub-committee to deal with loans and advances.

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

*The VC & P stated in his reply that "The loan register and schedule monitoring the loan repayment by the staff is available for your inspections. Recovery of loans and advances granted to staff members had begun since".*

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

The financial statements have been revised, and the loans receivable now stands at Le136,000,000. The loan register and evidence of an established Loan Committee in the University was however not made available during the verification. This issue therefore remains unresolved.

### **2.19.3. Leave Allowance Paid in Advance**

A review of payment vouchers revealed that Le10m was given to the Registrar as leave allowance in August 2019. however, there was no evidence that this was deducted from his annual leave amount for 2019.

We recommended in our draft report that the Finance Director should provide evidence of recovery of the Le10m advance leave payment or the full amount recovered and paid back into the university account and evidence provided to the audit team within three days upon receipts of this report.

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

*The VC & P stated in his reply that: "The Leave Allowances granted to the University Registrar in advance of the payment of annual leave in 2019 was fully recovered in the year in which it was granted to him when the leave allowances*

were paid. Evidence of collectability is found in the leave allowance schedule/computations provided to your audit team at the time of execution at their request”.

#### **Auditor’s Comment**

Evidence of recovery of the Le10m advance leave payment was not made available during the verification. This issue therefore remains unresolved.

#### **2.19.4. Leavers included in Payroll**

One staff whose service was terminated on the 31st July 2019 was paid in August 2019. Another staff also resigned on the 1st of September 2019 but was included in the September and October 2019 payroll. On 10th November 2018, another staff resigned but was paid salary amounting to Le8,957,441 in 2019. We recommended that the Finance Director should recoup these excess salaries from the benefit to be paid to the staff and forward the evidence to the Auditor-General.

#### **Official Response**

*The VC & P stated in his reply that: “An official letter (available for your inspection) regarding this payment of other allowances to the said staff in error had been dispatched to him, awaiting his actions on the directives therein. However, he is still in our books regarding end-of-service benefits payment failing to repay the Le999,482 we will negate it from his outstanding end-of-service benefits upon payment.*

*The other staff who resigned on 1<sup>st</sup> September 2019 and kept paid her salary for the months of September and October 2019 was an intermediate staff. She allowed two (2) months’ notice of her resignation from the service of Njala University. Hence, she was paid for these two (2) months as stipulated in the condition of service for Senior and Senior Supporting Academic and Administrative Staff Members”.*

#### **Auditor’s Comment**

The audit recommendation was not implemented. This issue therefore remains unresolved.

#### **2.19.5. Lecturers for Distance Learning paid without a clear Basis**

The Deputy Vice-Chancellor and the Senior Assistant Finance Officer-Bo Campus should ensure that the beneficiary list, attendance records and work time sheets are provided within 15 days upon receipt of this report; otherwise, the total amount in question is refunded into the University account.

We recommended in our draft report that the Senior Assistant Finance Officer-Bo Campus should provide documentary evidence showing a clear basis on which these salaries and wages were computed.

#### **Official Response**

*The VC & P in his response said that: “This was a pilot programme and was at its testing stage in 2019 since the commencement, the lecturers were paid just stipend to encourage them stay on the programme. Documents relating to the computation of the lump sum amount paid to the lecturers are available for your inspection”.*

#### **Auditor’s Comment**

Beneficiary lists, attendance register and work time sheets were not provided during the verification. This issue therefore remains unresolved.

#### **2.19.6. Ineffective Internal Audit Unit**

The Internal Auditor carried out four audit assignments and issued audit reports which covered International School Njala-Campus, Animal production Division (APD), Educational Building –Bo Campus and Agric - Taskforce. These assignments were however not part of the Annual Internal Audit Plan for the year 2019. It was also observed that the Internal Auditor did not audit high-risk areas of the University such as revenues, procurement, disbursement, etc. Discussion with the IA revealed that the IA department lacked the logistical support to carry out these audits.

We recommended the following:

- i) The IA should carry out a thorough risk assessment on the entire operations of the University and prepare the annual audit plan based on the risk profile of the university.
- (ii) The IA should ensure that high-risk areas are audited and other areas of interest.
- (iii) The Audit Committee should collaborate with the VC&P to ensure that adequate resources are allocated for the IA to carry out an audit of high-risk areas.
- (iv) In the future, the Audit Committee should monitor the Internal Audit Annual Work Plan to ensure that internal audit assignments are carried out as planned and issued to reports management on a timely basis.

#### **Official Response**

*The VC & P stated in his reply that: “Non-compliance to the annual Audit plan was as a result of adhoc audit work assigned by management during the period. The Internal Audit do conduct pre-audit on all high risk areas of the university like fees/ revenues, disbursement and procurement before the transactions are undertaken. However, Internal Audit will have to look into this matter in view of ensuring a balance between compliance to its annual Audit plan and adhoc assignment in subsequent period”.*

#### **Auditor’s Comment**

Management response is noted. The issue however remains unresolved.

#### **2.19.7. Internal audit Plan not approved**

There was no evidence to confirm that the Internal Audit Annual Work Plan for the year 2019 submitted for audit by the Internal Audit Manager was reviewed and approved by the Audit Committee.

We recommended that the audit committee should carry out its functions effectively, including but not limited to reviewing approving the Internal Audit Unit’s annual work plan, monitoring the implementation of all audit recommendations, etc.

#### **Official Response**

*The VC & P stated in his reply that: “The internal Audit plan was reviewed by the Internal Audit Committee members as an official Audit plan for the period and for the attention of court, which was subsequently reviewed and approved”.*

#### **Auditor’s Comments**

The approved internal audit annual work plan was not submitted during the verification. This issue remains unresolved.



#### **2.19.8. No Management response to the Internal Auditor's queries**

There was no evidence to suggest that the University's management responded to the Internal Auditor's queries in the Internal Audit report.

We recommended that the VC&P should ensure that all audit queries are responded to by management in writing and filed for future references and follow-up.

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

*The VC & P in his response said: "The VC&P had summoned all those concerns and given stern advise that they should treat the Internal Audit queries with utmost seriousness it serves. This had yielded good fruits as responses are now be given to every audit query issued out subsequently".*

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

Management response to internal audit queries were not submitted during the verification. This issue remains unresolved

#### **2.19.9. Working Papers not Submitted**

The audit team requested for all working papers maintained by the Internal Auditor to assess the procedures performed in the course of his work and to determine whether to place reliance on it. Internal Audit Manager however did not submit these working papers for review.

We recommended that the internal auditor should maintain a proper working paper file for each assignment and make it available for review when external auditors request it.

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

*The VC & P stated in his reply that "The Internal Audit do have working papers which are used to carry out our Audit functions during the course of our work in obtaining sufficient and appropriate audit evidence. Maybe during the course of the audit we were unable to access them quickly at their request. This issue will be looked into and hopefully addressed by management in subsequent period and the Internal Audit will do the needful to ensure correctional measures such as provision of Internal Audit Working Papers be made available to the external Auditors on request".*

##### **Auditor's Comments**

Internal audit working papers were not submitted during the verification. This issue remains unresolved.

#### **2.19.10. Internal Audit Charter not Signed**

It was noted that the University Audit Charter submitted to the team for review was not signed by Audit committee and the VC&P. We recommended in our draft report that the VC&P should approve the Internal Audit Charter to make it authentic.

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

*The VC & P stated in his response that: "the Internal Audit Section of the University will ensure the Audit Charter is signed by the Vice-Chancellor and Principal, and the Audit Committee Chairman immediately when the Audit Committee is formed".*

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

The approved University Audit Charter was not submitted during the verification. This issue remains unresolved.

## **2.20. NATIONAL TELECOMMUNICATIONS COMPANY – 2017 - 2019**

### **2.20.1. Dismissal of Staff without Justification**

The Commission terminated the services of 17 staff during the period under review. Management could however not justify to the auditors why these staff were dismissed. Thus, we were restricted in verifying whether Management lawfully dismissed these staff as prescribed in Sections 48 to 56 of the Commission's Employee Handbook of 2011. We recommended that in collaboration with the Human Resources Director, the Director General should justify (supported with documentary evidence) the termination of these staff.

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

*The Director General in his response said: "Management notes the concern of the auditors. The employees were however terminated/redundant according to (Section 52 & 53) of the 2011 Employee Handbook and were paid in lieu of notice. Copy of the relevant sections and reasons are available for the auditors review".*

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

The relevant section of the Employee Handbook was reviewed. According to Sections 52 & 53 of the 2011 Employee Handbook, the dismissal of these staff did not hold as there was expansion in the operations of the Commission and additional staff were recruited during these periods. We advised the Commission that, going forward to desist from such practice as this could result in the dismissal of competent staff and the possibility of a lawsuit from aggrieved staff.

### **2.20.2. Ineffective Payroll Management**

We recomputed the provision for end-of-service benefits and compared our calculation with the amounts recorded in the Financial Statements. We however observed that Le41.08 million and Le30.32 million differences between amounts recalculated by the ASSL and amounts paid to departed staff for the FYs 2017 and 2018 respectively. From the recalculation done, under/overpayments were made to leavers. We also noted that terminal benefits due to staff amounting to Le1,931,291,808 were not paid to retired staff for the 2019 Financial Year.

The Director General should ensure that the differences are investigated and changes effected in the Commission's general ledger, accounting records, revised ledgers and Financial Statements. These should be submitted to the ASSL thereafter. The DG should also ensure that refunds are made to underpaid staff. For those overpaid, excess payments made should be recouped from parties involved, deposits made into the Commission's bank account, and evidence submitted to the ASSL.

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

*The Director General in his response said the following:*

- (i) "Management notes your issue, and the necessary actions have been effected and are ready for audit inspection.*
- (ii) Most of the end-of-service benefits due to staff for 2019 have been paid in 2020 and 2021, and the relevant documents are available for audit inspection".*

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

Approved journal, revised general ledger and financial statements were submitted and verified for discrepancies noted in the computation of end-of-service benefits with appropriate liabilities recognised for those underpaid and assets recorded for those overpaid. Transfer letters justifying

payments made to those retired staff that were under paid were submitted and verified. Evidence justifying recovery of excess payments made to retired staff was however not presented for verification.

On the issue of end of-service-benefit due to staff for 2019 totalling Le1,931,291,808, payment vouchers and bank transfer letters were submitted and verified for payments made to retirees totalling Le936,671,539, leaving an amount of Le994,620,268 not paid.

### **2.20.3. Management of Board Allowance**

We observed that Le939,800,000 was paid to Board members as an additional allowance in 2019. The basis/justification for paying Board members additional allowance was not made available, so we were unable to confirm whether these allowances were legitimate. In collaboration with the Finance Director, the Director General should provide documentary evidence justifying the basis for this additional allowance paid to the commissioners. The justification should be submitted to the ASSL for verification; otherwise, allowances paid should be refunded by parties involved.

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

*The Director General in his response said: "Management notes the concern of the auditors. The Commission has however ceased to provide those allowances upon receipt of the reviewed and approved terms and conditions of service for Board members. The reviewed terms and conditions of service for Board members and post-payment of Board allowances are available for inspection".*

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

The basis for the payment of this additional allowance to commissioners was not provided to the audit team. Management has registered its commitment not to honour such payment in the future. This was supported by the fact that the Office of the President has communicated the approved condition of service to the Commission. This issue will be kept in view and followed up during the next audit to determine whether allowances given to commissioners were in line with their approved condition of service. This issue remains unresolved.

### **2.20.4. Qualifications of Commissioners**

Certificates justifying the qualification of the Chairman of the Commission and the other commissioners were not seen on files submitted for audit. This restricted the auditors from verifying whether the Chairman and other commissioners have the relevant experience and qualification as required by the Telecommunications Act of 2009. In collaboration with the Human Resources Director, the Director General should submit certificates justifying the qualification of the Chairman and other commissioners to the ASSL for verification.

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

*The Director General in his response said the following:*

- (i) "The Chairman and other Board members were appointed by the President and approved by Parliament. In addition, all Board members presented their qualifications and certificates to Parliament in 17 copies and attended a formal interview before approval.*
- (ii) The relevant certificates and qualifications for the current Chairman and other Board members are now available for audit inspection."*

### **Auditor's Comment**

Certificates justifying the qualification of the Chairman and other commissioners were not provided during our verification. The issue therefore remains unresolved.

#### **2.20.5. Payment to Individual**

During the period under review, NATCOM paid Le5,420,983,359, Le397,788,000 and Le1,080,877,751 as support to national development. 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 Commission. In collaboration with the Finance Director, the Director General should ensure that appropriate explanations with documentary evidence must be provided to justify such expenditures; otherwise, parties involved will be requested to refund the amount expended.

### **Official's Response**

*The Director General in his response said: "Most of these transactions were to support institutions participating in various conferences and workshops for which the payments were DSAs to help the individual representatives of these institutions. The amounts stated in the appendix are cumulative amounts for the year as oppose to individual payments. The details are available for inspection.*

- *Some transactions were wrongly classified. They have been reclassified accordingly.*
- *The amount stated for Support to National Development - Others is Le249,119,017.16 instead of Le 698,972,766. Some of these payments were made to institutions that carried out the activities on behalf of the organisations that made the request for support. Only two individuals were paid.*
- *The Commission now has a corporate social responsibility/support to national development policy and is available for inspection."*

### **Auditor's Comment**

Management's comments were noted. We however believe that expenditures should be incurred in the best interest of the Commission and in ensuring that public resources are efficiently managed. The fact that funds were disbursed to institutions can result in duplication of resources for which they have approved budgets to finance such expenditures. The issue therefore remains unresolved, and will be kept in view and followed up in subsequent audits to determine if the Commission has ceased giving out such support.

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

Section 100(1) of the Public Financial Management Regulations, (PFMR) of 2018 states: "All disbursements of public monies should be supported by an appropriate payment voucher and other relevant documents". Payments that totalling Le6,969,150,001 and Le1,682,617,648 made during the 2017 and 2018 Financial Years were without adequate supporting documents to justify their disbursement. Missing documents include receipt, invoice, delivery note, contract documents, training reports, etc.

The Finance Director should exercise adequate supervision over the preparation and documentation of the Commission's transactions and through the Deputy Finance Director should ensure the following:

- (i) All public funds are appropriately accounted for in accordance with Section 100(1) of the Public Financial Management Regulations of 2018.

- (ii) The relevant documentation supports all transactions, and these must be numbered and cross-referenced to be easily traced when they go missing.
- (iii) Documentary evidence justifying utilisation of funds totalling Le6,969,150,001 and Le1,682,617,648 are submitted to the ASSL for verification; otherwise, the parties involved will be requested to refund the amount expended.

### **Official's Response**

*The Director General in his response said: "The documents are available for audit inspection."*

### **Auditor's Comment**

Supporting documents were submitted and verified for funds disbursed totalling Le4,777,699,606 and Le642,987,833 with an amount totalling leaving a balance of Le2,191,450,395 and Le1,039,629,815 not supported. Our recommendation was therefore partly implemented. Therefore, the issue remains unresolved.

#### **2.20.7. PAYE not Deducted**

In violation of Section 23(1) of the Income Tax Act of 2000, it was noted that regulatory provisions were not followed with respect to the deduction of tax on allowances given to board members, thereby resulting in a total tax loss of Le269,340,000.

The Director of Finance should ensure that allowances paid to all Board members of the Commission are taxed in accordance with Section 23(1) of the Income Tax Act of 2000. In addition, Le269,340,000 not deducted from allowances given to Board members should be recovered from them, payments made to the NRA and evidence of recovery and receipts supporting payments made submitted to the ASSL for verification.

### **Official's Response**

*The Director General in his response said: "Management notes the concern of the auditors. The Commission has however ceased to provide those allowances upon receipt of the reviewed and approved conditions of service for Board members. The reviewed terms and conditions of service for Board members and post-payment for Board allowances are available for inspection. The amount of tax mentioned will be paid in the future."*

### **Auditor's Comment**

All allowances to Board members were taxed in 2021 during our verification. The tax of Le269,340,000 deducted from allowances and given to Board members was however not recovered. Our recommendation was partly implemented. The issue therefore remains unresolved.

#### **2.20.8. Fixed Assets Policies**

The following issues were noted:

- (i) The Commission's fixed assets policy was in the draft stage and was yet to be approved by the Board of Commissioners.
- (ii) Except for motor vehicles, the Commission's property, plant and equipment (including office furniture, fittings, computer equipment, and office buildings) did not have insurance cover.
- (iii) The assets register submitted for audit was incomplete, and differences were noted between totals as per the register and amounts as per the general ledger. Assets recorded in the register were not coded, nor were there recorded details of assets locations, making it very difficult for

the audit team to verify the existence and completeness of assets disclosed in the 2017, 2018 and 2019 Financial Statements

The Director General in collaboration with the Board of Commissioners and Finance Director, should ensure the following:

- (i) The assets policy that guides the management of non-current assets is submitted to the Board for approval, and upon being approved, communicated to all staff of the organisation.
- (ii) Assets owned and controlled by the Commission are affixed with durable identification codes and details of locations recorded in the assets register.
- (iii) Differences noted are investigated, reconciliation done between the assets register and general ledger, and evidence of actions taken submitted to the ASSL for verification.
- (iv) In future, all buildings and significant plant and equipment owned and controlled by the Commission are insured to compensate for loss resulting from damage and disasters.

### **Official's Response**

*The Director General in his response said: "Management notes your concern. The fixed assets policy is with the Board for approval. Secondly, Management is in the process of ensuring all property of the Commission are insured. The fixed assets register has been adjusted, and the updated register is available for inspection. Management is also in the process of coding all assets of the Commission, and evidence will be provided to the auditors for verification."*

### **Auditor's Comment**

- (i) The Commission's fixed assets policy is still in the draft stage and yet to be approved by the Board of Commissioners.
- (ii) Evidence justifying that the Commission's assets have been insured was not submitted.
- (iii) The assets register was not updated at the time of the verification. Our recommendations were not implemented. The issues remain unresolved.

## **2.20.9. Procurement Management**

The following issues were noted:

- (i) In violation of Section 32(1) of the Public Procurement Act of 2016, a proper filing system of procurement documents was not maintained. Instead, frequent referrals were made to the Finance Department for procurement documents.
- (ii) Procurement of similar furniture items worth Le217,697,500 and Le393,796,040 were divided and procured from the same suppliers on various dates during 2017 and 2019. Had adequate procurement planning been carried out, these furniture should have been procured through the National Competitive Bidding method with a developed framework contract. Instead, Requests for Quotation method was used, thereby evading procurement threshold as stipulated in Section 37 (2) of the Public Procurement Act of 2016.

The Director General should ensure the following:

- (i) Going-forward, the Procurement Unit maintains a proper filing system, with documents serially numbered.
- (ii) The Procurement Manager provides an appropriate reason why the procurement was split, in contravention of the Public Procurement Act of 2016.

- (iii) In future, the Commission is encouraged to design and implement a framework contract with a suitable supplier for the procurement of furniture, and comply with all relevant procurement laws and regulations in its procurement activities.

### **Official's Response**

*The Director General in his response said the following:*

- (i) *“Management notes the audit concern. The Unit has however started implementing a proper filing system. Secondly, the Procurement Unit has requested appropriate working tools, multi-purpose printer, and one of the procurement staff has been trained as an archivist. Thus, filing or documentation is now maintained according to Section 32 (1). They are available for inspection.*
- (ii) *The eventual procurement of furniture was based on the fact that a restructuring procedure was initiated. New positions were borne from promotions and transfers and even recruitment of new staff, which led to the procurement of furniture based on approval. Most of the furniture procured by the Commission was for UADF staff because they were newly established and were financially dependent on NATCOM. The Commission also procured assorted furniture for staff of UADF when it was established. During the 2019 procuring year, the Commission had budgeted for the procurement of furniture as planned, but there were no readily available funds to undertake the procurement using the preferred and prescribed procurement method. The procurement of furniture during the 2019 procuring year was unplanned but necessary/unavoidable procurement was undertaken then using RFQ but on various dates, and such procurement activities were:*
- ❖ procurement of furniture for the newly appointed Director General*
  - ❖ procurement of furniture after recruitment*
  - ❖ procurement of furniture for the newly appointed Deputy Director General*
  - ❖ replacement of damaged furniture in the Commission’s Board Room.”*

### **Auditor's Comment**

- (i) The issue of a proper filing system in the Procurement Unit will be followed up in subsequent audits to determine the extent to which our recommendations have been implemented. Therefore, the issue is unresolved.
- (ii) Letters sent to unsuccessful bidders for procurements done in 2021 were submitted and verified, justifying the Commission’s intention in implementing our recommendation. Our recommendation was implemented. Therefore, the issue has been resolved.
- (iii) The reason for the splits was not sufficient. In future, we will confirm whether the Commission designs and implements a framework contract for the procurement of similar items or consumables. Our recommendation was not implemented. Therefore, the issue remains unresolved.

### **2.20.10. Receivable Management**

The following were observed:

- (i) Confirmations were not received for trade receivable balances totalling Le90,751,030,293 and Le50,414,927,141.
- (ii) Receivable balances amounting to Le23,487,966,000, Le86,560,709,927 and Le162,099,526,765 for the 2017, 2018 and 2019 Financial Years respectively were more than three months old and above without any payments from customers. This exceeds the payment period of 30 days.

- (iii) An approved price list relating to regulatory charges for telecommunications facilities and services was not submitted for audit review.

The Director of Finance should ensure the following:

- (i) Follow-up with the debtors on unconfirmed balances is done so that the confirmations are sent to the ASSL for verification.
- (ii) Mechanism is instituted for the effective monitoring of debtors' balances, and all debtors with balances exceeding 30 days are contacted formally to settle their debts. Evidence of contacts made should be submitted to the ASSL for verification.
- (iii) The approved price list is submitted to the Audit Service for verification. In the event that such document is not available, one is prepared, submitted to the Board for approval to serve as the basis for the levy of all regulatory fees.

### **Official's Response**

*The Director General in his responses said: "We have adjusted the receivables, and the records are available for inspection. Management has contacted the concerned customers for their response to the audit circularisation. Some customers have paid. Some of them have payment plans. An approved price list is available for audit inspection."*

### **Auditor's Comment**

- (i) The Commission did a follow-up with the debtors on unconfirmed balances as evidence to justify this fact was submitted for verification. Confirmations were however not received from debtors.
- (ii) Evidence that action was instituted for the effective monitoring of debtors' balances and that debtors with balances exceeding 30 days contacted formally to settle their debts were provided and verified. A payment plan with debtors and bank statements in support of payments made by some debtors were provided and verified. This issue will be continually monitored, and a follow-up done in subsequent audits to determine if actions instituted by management have yield dividends.
- (iii) The approved price list submitted was for the 2021 Financial Year. The price lists for 2017, 2018 and 2019 were not provided at the time of verification. Our recommendations were partly resolved and the issues therefore remain unresolved.

### **2.20.11. Spectrum Monitoring**

Our observation and inquiries revealed that the spectrum monitoring vehicle could only monitor transmission equipment with frequencies of 20 hertz and not exceeding 3 gigahertz (GHz). Transmission equipment with a frequency exceeding 3GHz cannot be monitored. We view this as a limitation and inadequacy on the part of the Commission to monitor all frequencies within Sierra Leone. There is a tendency that people might use frequencies above 3 GHz and go unnoticed. Further examination revealed that the Commission has one vehicle for this purpose at the head office, whilst the provinces had no appropriate technologies to carry out spectrum monitoring and compliance within the regions.

The Director of IT in collaboration with the Director of Finance and Director General, should ensure that going forward, appropriate planning and allocation of financial resources is done for the



acquisition of a state-of-the-art monitoring vehicle with the capacity to monitor frequencies exceeding 3 gigahertz (GHz).

### **Official's Response**

*The Director General in his response said the following:*

- (i) "Procurement for the upgrade of the spectrum monitoring system is at the contract award stage.*
- (ii) Also, the procurement process of handheld tools, including spectrum analyser has commenced.*
- (iii) Detailed technical specifications for the acquisition of three fixed spectrum monitoring system has been initiated.*

*Implementation Date:*

- (i) Upgrade of monitoring system - November 2021*
- (ii) Handheld tools- Q2-2022*
- (iii) Fixed spectrum monitoring system - Q3 – 2022."*

### **Auditor's Comment**

Procurement for a state-of-the-art monitoring vehicle with the capacity to monitor frequencies exceeding 3 gigahertz (GHz) is in progress. The process has not been completed. Our recommendation was partly implemented. Therefore, the issue remains unresolved.

Although a number of ICT issues were also 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.

## **2.21. SIERRA LEONE TELECOMMUNICATIONS COMPANY - 2017 - 2019**

### **2.21.1. Non Compliance with International Accounting Standards (IAS) 1 - Presentation of Financial Statements**

The Financial Statements submitted for the period under review did not comply with International Accounting Standards (IAS) 1. The following were also noted:

- (i) The 2017 Financial Statements did not have notes to the Financial Statements, making it difficult to determine the basis and assumption on which the Financial Statements were prepared. In addition, breakdown/details of expenses and payables were not in the Financial Statements.*
- (ii) The Financial Statements submitted for the Financial Years 2018 and 2019 did not have the statement of financial performance and cash flow statement. We were therefore, unable to ascertain the total administrative and other cost components.*

In collaboration with the Chief Finance Officer, the Director of Finance must ensure that the Financial Statements for the period under review are prepared in accordance with the requirements of IAS 1 and submitted to the Audit Service.

### **Official's Response**

*The General Manager in his response said: "We note the auditors' comments. Management will however provide adequate notes to the Financial Statement, breakdown/details of expenses and payable in respect of 2017, 2018 and 2019 Statements of Financial Performance and Cash Flow Statement are now available for your verification."*

### **Auditor's Comment**

During the verification, notes, breakdown of expenses and payables for the 2017 Financial Statements were provided. Figures as per notes submitted were different from figures on the face of the Financial Statements. In addition, the Statement of Financial Performance and Cash Flow Statement were provided for the 2018 and 2019 Financial Statements. Figures on the Statement of Financial Performance and Statement of Cash Flow Statement were different from figures disclosed as per the notes to the Financial Statements. Our recommendation was partly implemented and therefore, the issue remains unresolved.

### **2.21.2. Ineffective Management of Revenue**

In the review of the recording and management of revenue, the following was noted:

- (i) In comparing the Company's Financial Statements' total revenue with the total revenue recorded in the Great Plains Accounting System, differences of Le34,311,456,000, Le12,852,452,000 and Le(6,765,869,500) were noted for 2017, 2018 and 2019 respectively.
- (ii) Reconciliation between total revenue collected by the sales points and credit activated in the Operational Manager System by the Technical Department was not carried out. Therefore, we cannot ascertain the accuracy of the total revenue stated on the Financial Statements.
- (iii) The general ledger and cashbook for revenue collected and disclosed in the Financial Statements for 2017, 2018, and 2019 Financial Years were not submitted to the audit team. Therefore, we cannot ascertain the completeness and accuracy of total revenue disclosed in the Financial Statement for the periods under review.
- (iv) Sierratel provided collocation and wholesale bandwidth services to QCell, Africell and Afcom, etc. The commercial values of these services totalled Le1,019,885,980, Le729,899,390 Le874,001,810 for 2017, 2018 and 2019, respectively. Documents such as the request for collocation service, bill of quotation, certification of completion of work by the Technical Department were not attached to invoices billed to these companies.
- (v) Inspection of the collocation and sales points around the country revealed the following issues:
  - Discussion with staff at the provincial offices revealed increased complaints from customers due to internet downtime and connectivity problem. This has resulted in some customers discontinuing the use of the 4G service, resulting in a drastic drop in the revenue.
  - There is a long delay in supplying products to the provincial offices, which leads to customer dissatisfaction due to unavailability of services and products on time.
  - In most collocation sites, security guards have not been paid salaries for over two years. In some locations, guards have abandoned these sites, thereby exposing the Company's property to theft and abuse.
  - Most provincial offices lacked technical personnel to amend technical issues within these stations, resulting in technical faults not being attended to within a reasonable period.

- According to the records, Kono, which used to be the second-largest revenue-generating station, is presently dormant. The telecommunication system is entirely down, with no services provided for the past two years. Thus, indicating that the Company is not utilising its capacity resulting in loss of revenue and customers switching to other service providers.
- Interviews conducted with key management staff and review of general operations revealed that the Company is challenged with liquidity and cash flow problems. Consequently, this has resulted in staff and suppliers not being paid regularly. Currently, the primary source of revenue for the Company is from the 4G products sold and the collocation service. The network supporting the 4G products network is mostly down.

The General Manager, in collaboration with the Chief Finance Officer and senior management, should appropriately supervise the revenue management process and ensure the following:

- (i) The Finance Director investigates the differences noted and changes effected in the Company's general ledger, accounting records, revised ledgers and the Financial Statements should be submitted to the ASSL for verification.
- (ii) In future, reconciliation between the sales point and credit activated is done regularly, reviewed by senior staff, and evidence maintained for reference purposes.
- (iii) The general ledger and cashbook for revenue collected and disclosed are submitted to the ASSL for verification.
- (iv) The request for collocation service, bill of quotation, certificate of completion of work pertaining the collocation and bandwidth services rendered are submitted to the ASSL for verification.
- (v) A mechanism is instituted to ensure that these operational issues identified at provincial offices are rectified. Evidence of actions taken or implemented should be submitted to the ASSL for verification.

### **Official's Response**

*The General Manager in his response said the following:*

- (i) *"Difference in revenue for the period under review (2017-2019) is noted, however, based on the availability of the Enterprise Resource Planning, a reconciliation will be done and the necessary adjustment to the financials will be ascertained and made available for verification.*
- (ii) *Observation noted, however, going forward, a reconciliation will be carried out between the POS and the credit activated in the Operational Manager system by the Technical Department.*
- (iii) *Based on the availability of the general ledger and cashbook for revenue collected will be made available for verification.*
- (iv) *The observation regarding collocation and wholesale bandwidth services to Qcell, Africell and Afcon is noted, however the following documents are available for verification: request for collocation service, bill of quotation, certificate of completion of work.*
- (v) *Countrywide inspection of collocation and sales points:*
  - *The increase complaint is due to obsolete network; however, Management is on the verge to kick starting network expansion.*
  - *Upon the inception of the GSM product will be available to provincial sites with no delay.*

- *Management has of recent employed regional coordinators to curb some or all of the technical issue.*
- *As of recent, Management has paid a reasonable amount, this is evident by a transfer letter.*
- *As of recently, Kono has been provided with a diesel generator. The dormancy of Kono exchange is due to lack of generator, however Management has replaced the exchange with a more effective and efficient generator to kick start the operations in Kono.*
- *Noted, and this is due to low revenue/ sale, only 2 revenue buckets namely: 4GLTE and collection, however Management is working on modalities to increase revenue to meet our operation cost and to settle our liabilities.”*

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

- (i) Management’s explanation is noted; however until these differences are adjusted and evidence of adjustment and a revised financial statements submitted for audit review. These issues remain unresolved.
- (ii) Evidence of reconciliation between total revenue collected by the sales points and credit activated in the Operational Manager System by the Technical Department was not provided. This issue will be followed up in subsequent audit to see implementation of our recommendation.
- (iii) The general ledger and cashbook were not provided during the verification. Our recommendation was not implemented. Therefore, the is unresolved.
- (iv) Request for collocation service and bill of quotation were submitted and verified. Certification of completion of work by the Technical Department was however not submitted for verification. Therefore, the issue is partly resolved.
- (v) Evidence of actions taken by Management to rectify these operational issues were not provided during the verification, our recommendation was not implemented. Therefore, the issue is unresolved.

#### **2.21.3. Ineffective Procurement Management**

The following issues were noted:

- (i) Section 37 (2) of the Public Procurement Act of 2016 states: "It is not permitted artificially to divide procurement to avoid the monetary thresholds established under this Act." In violation of this Section of the Act, procurements worth Le503,701,588 regarding the supply of drop wire, branding of vehicles and construction of H-frame were fragmented and awarded to various contractors.
- (ii) Section 18(13g) of the Public Procurement Act of 2016 requires the Procurement Committee of every entity to report all procurement activities to the National Public Procurement Authority. In violation of this Section of the Act, the Company did not report procurement activities undertaken for 2017. Reports submitted for 2018 and 2019 were understated by Le190,249,403 and Le954,183,500, respectively. This resulted from the non-inclusion of procurements undertaken in 2018 and 2019.

The General Manager, in collaboration with the senior management and the Board, should ensure the following:

- (i) The Procurement Manager should provide an appropriate reason why thresholds, as stipulated in the Public Procurement Act of 2016 and the non-submission of a report detailing procurement activities undertaken in 2017, were not followed.
- (ii) In future, the Procurement Manager should comply with all relevant procurement laws and regulations in all procurement activities and that reports submitted include all procurement activities undertaken.

### **Official's Response**

*The General Manager in his response said the following:*

- (i) *"The observation is noted, and Management will adhere to Section 37 (2) going forward, however the reason is due to insufficient cash flow.*
- (ii) *Procurement activity in respect of 2017 will be submitted to the NPPA for verification, moreover 2018 and 2019 documents are also available for inspection."*

### **Auditor's Comment**

- (i) Management explanation for not complying with the procurement sections specify in the report is noted. This issue will be kept in view for subsequent audits.
- (ii) Procurement documents for 2018 and 2019 understated amount were not provided, therefore the issue is unresolved.

### **2.21.4. Inadequate Control over the Disbursement of Funds**

The following issues were noted:

- (i) Amounts totalling Le1,275,895,389 and Le1,343,065,351 regarding expenditures incurred in the 2017 and 2018 Financial Years respectively, were without payments vouchers and supporting documents in the form of receipts, recipient signature, invoices etc.
- (ii) Payment without adequate supporting documents such as receipts, clearing records, etc., amounted to Le369,425,000 for expenditures incurred in the 2017 Financial Year.
- (iii) General ledger/schedule, trial balance, payment vouchers, receipts, invoices etc. were not submitted for expenditure incurred in 2019.

The Finance Director should ensure the following:

- (i) That all public funds are appropriately accounted for in accordance with Section 73(1) of the Financial Management Regulations of 2007 and Section 100(1) of the Public Financial Management Act of 2018.
- (ii) The relevant documentation supports all transactions, and these must be numbered and cross-referenced so that they can be easily traced when they go missing.
- (iii) The relevant supporting documents regarding funds expended totalling Le1,275,895,389, Le1,343,065,351 and Le369,425,000 are forwarded to the ASSL for verification.
- (iv) That general ledger/schedule, payment vouchers, receipts, invoices etc., for expenditures incurred in 2019 are submitted to the Audit Service for verification.

### **Official's Response**

*The General Manager in his response said:*

*"2019 trial balance, payment vouchers, receipts and invoices are currently available except for the general ledger and schedule. Management is currently strategising to re-instate the ERP software or an alternative software to generate the GL and schedules for audit verification."*

### **Auditor's Comment**

- (i) Evidence of relevant supporting documents regarding funds expended totalling Le1,275,895,389, Le1,343,065,351 and Le369,425,000 were not provided during the audit verification. Therefore, the issue is unresolved.
- (ii) General ledger/schedule, payment vouchers, receipts and invoices were not provided during the verification. Therefore, this issue is unresolved.

#### **2.21.5. Debtor's Circularisation**

Debtor's circularisation letters were sent to clients to confirm the existence and accuracy of amounts owed by them as disclosed in the Company's Financial Statements. No response was received up to the time of writing this report. The Finance Director should ensure that follow-up is made with debtors on unconfirmed balances so that confirmations are sent to the Audit Service for verification.

### **Official's Response**

*The General Manager in his response said: "Management has sent out a reminder letter of responds and copies are available for audit verification/ and inspection."*

### **Auditor's Comment**

Reminder letters in respect of debt confirmation to various companies written by SIERRATEL were provided during the verification. Until responses are received from these debtors, this issue is however unresolved.

#### **2.21.6. Lack of a Policy for Effective Management of Debtors**

In the course of our review of debtor's balances, we noted the following:

- (i) The Company did not have a policy to effectively manage and monitor the debtors.
- (ii) The Company's debtor's profile was not regularly reviewed, resulting in debtors not honouring their indebtedness.
- (iii) Debtors reconciliation was not carried out and review revealed negative balances of Le21,403,786,406, Le633,811,899,704 and Le636,262,692,578 indicating the Company indebtedness to these debtors.

The General Manager, in collaboration with the Financial Controller, should ensure the following:

- (i) A policy for the effective management and monitoring of debtors is developed, submitted to the Board for approval and circulated to all revenue-generating units.
- (ii) The Company's debtor's profile is reviewed regularly to identify overdue/long outstanding debts for appropriate actions to be taken.
- (iii) Debtors with negative balances are investigated. Suppose such balances were a result of errors or omissions. In that case, corrections are done, and a revised general ledger and financial statements are submitted to the ASSL for verification.

- (iv) That regularly, debtor's reconciliation is prepared, reviewed by senior staff and submitted to the General Manager for approval.

### **Official's Response**

*The General Manager in his response said the following:*

- (i) *"The SIERRATEL Manual contains the policy for the effective management and monitoring of debtors is available for inspection.*
- (ii) *Going forward the Company's profile will be regularly reviewed and evidence will be provided during verification.*
- (iii) *Based on Appendix 4b a debtor's reconciliation is currently being done and will be provided for audit verification."*

### **Auditor's Comment**

- (i) Financial policy manual was submitted but there was no evidence of Board approval.
- (ii) Evidence of debtor's profile being reviewed regularly was not provided during the verification.
- (iii) Evidence justifying that debtors with negative balances were investigated was not submitted for audit.
- (iv) Evidence of reconciliation and revised general ledger were not provided during the verification.

Our recommendations were not implemented. The issues therefore remain unresolved.

### **2.21.7. Payable Accounts with Debit Balances**

A review of the trial balances for the period under review revealed that several accounts mapped or classified as payables were either misclassified or their balances were erroneous or incomplete as indicated below:

- (i) The 2017 payable accounts had a total debit balance of Le33,048,136,077.
- (ii) The 2018 payable accounts had a total debit balance of Le45,761,690,315.
- (iii) The 2019 payable accounts had a total debit balance of Le41,762,592,720.

The General Manager should ensure the following:

- (i) The Financial Controller investigate debit/negative balances identified, and if these creditors are indebted to the Company, measures should be instituted for repayment.
- (ii) That misclassified/erroneous balances are investigated, the general ledger/accounting records adjusted and a revised general ledger and financial statements submitted to the ASSL for verification.

### **Official's Response**

*The General Manager in his response said:*

*"Points (i) to (iii) these debtor's balance were due to lack of support from our international vendors, however management is encouraging the vendors (Coraltec) for technical support after which the necessary adjustment will be done and evidence will be provided for verification."*

### **Auditor's Comment**

Evidence of adjustment to the payables balances was not provided during the verification, therefore our recommendations were not implemented. Therefore, these issues remain unresolved.

#### **2.21.8. Non-submission of Payables General Ledger / Listings for the Period Under Review**

The Company did not submit general ledgers/listings to enable the audit team to ascertain the completeness, existence and accuracy of payable balances totalling Le172,206,624,544, Le85,703,923,368 and Le105,263,575,921 for 2017, 2018 and 2019 Financial Years for review. The General Manager should ensure that the Chief Finance Officer submit general ledger/listings in support of payable balances recorded and disclosed in the Financial Statements to the ASSL for verification.

### **Official's Response**

*The General Manager in his response said: "The observation is noted, however, management is encouraging the vendors (Coraltec) for technical support after which, the necessary adjustment will be done and evidence will be provided for verification."*

### **Auditor's Comment**

The general ledger/listings for the period under review was not provided during the verification. Our recommendation was not implemented and therefore the issue remains unresolved.

#### **2.21.9. Ineffective Management on the Preparation of the Bank Reconciliation Statement**

A review of the Company's management of cash and bank balances revealed the following:

- (i) The general ledger/cashbook to substantiate year end balances totalling Le12,446,844,266, Le607,940,018 and Le595,299,023 disclosed in the Financial Statement for the 2017, 2018 and 2019 respectively were not provided.
- (ii) We cannot verify bank charges totalling Le2,195,359,845, Le1,080,712,237 and Le1,024,710,372 for 2017, 2018 and 2019 Financial Years respectively, as schedules/listings were not provided for review.
- (iii) A review of the 2017, 2018 and 2019 Financial Statements disclosed negative balances totalling Le8,156,145,562, Le2,396,277,392 and Le8,719,434,019 that have remained dormant and some balances remain constant during these periods. In addition, bank statements and reconciliation statements were not submitted for audit.
- (iv) Cashbook/general ledger balances listed on the trial balance submitted for audit were not disclosed in the 2017 Financial Statements.

The General Manager, through the Chief Finance Officer, should ensure the following:

- (i) The general ledger/cashbook supporting balances totalling Le12,446,844,266, Le607,940,018 and Le595,299,023 are submitted to the ASSL upon receipt of this report.
- (ii) Schedules/listings supporting bank charges disclosed in the Financial Statements are submitted to the Audit Service upon receipt of this report.
- (iii) Balances that have remained the same and dormant are investigated. Recommendation made to the Board for the closure and evidence of actions taken submitted to the Audit Service for verification.



- (iv) Bank statements and bank reconciliations in support of negative and dormant account balances are submitted to the Audit Service for verification.
- (v) Cashbooks/general ledgers balances as per the trial balance are disclosed in the 2017 Financial Statements. Revised Financial Statements are submitted to the Audit Service upon receipt of this report.

### **Official's Response**

*The General Manager in his response said the following:*

- (i) *"The observation is noted, however with regards to the GL, Management is encouraging the vendors for technical support in order to generate the GL system wisely. The necessary general ledgers will be generated as evidence, and made available for audit verification.*
- (ii) *The observation is noted, however Management has requested for bank statement from relevant banks, draft letter will be submitted for verification while a schedule of bank charges will be done and made available for audit verification.*
- (iii) *A letter is written to the Board of SIERRATEL requesting the closure of all those dormant account as per Appendix 5 a & b and a bank reconciliation for the said period will be submitted upon verification.*
- (iv) *Observation noted as per Appendix 5c with regards to the 2017 Financial Statement, the necessary adjustment to the 2017 financials will be done upon the availability of the ERP. This will be done and evidence submitted for audit verification".*

### **Auditor's Comment**

- (i) Management's explanation to encourage the vendor to provided technical support in order to generate the GL system is noted, but until the GL is submitted, this issue remains unresolved.
- (ii) Request for bank confirmation reminder letter written by SIERRATEL to various banks were submitted during the verification, but schedule of bank charges was not provided, therefore the issue is unresolved.
- (iii) A letter written by the Managing Director to the Board Chairman of SIERRATEL dated 22nd October, 2021 for the closure of dormant accounts was submitted but bank reconciliations were not provided during the verification, therefore this issue is partly resolved.
- (iv) No evidence of revised Financial Statements and general ledger balances were provided during the verification. The issue therefore remains unresolved.

### **2.21.10. Differences Noted, and Unconfirmed Bank Balances**

The following issues were noted:

- (i) Differences of Le 2,351,343,972 and Le3,051,432,246 were noted between the cashbook balance as per trial balance and the cashbook balance as per the bank reconciliation statement. This was evident for the Guaranty Trust Bank CDMA Account for 31st December, 2017 and Sierra Leone Commercial Bank Account for 31st December 2018 respectively. See Appendix 5d.
- (ii) We did not receive bank confirmation for bank accounts operated at various commercial banks with total ledger balances of Le12,446,844,266, Le607,940,018 and Le595,299,023, even though confirmation letters were sent to them.

The General Manager, through the Chief Finance Officer, should ensure the following:

- (i) The differences noted are investigated, bank reconciliations adjusted, and a revised bank reconciliation statements, general ledger/cashbook and Financial Statements submitted to the Audit Service for verification.
- (ii) 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**

*The General Manager in his response said the following:*

- (i) *"The difference between cashbook balance (trial balance) and the reconciliation cashbook balance is noted, however, the necessary adjustment is done and a revised cashbook balance as per the reconciliation is available for audit verification.*
- (ii) *A third reminder letter requesting bank statement has been resent to various commercial banks and the Treasury Manager is closely monitoring to ensure responses are sent to the ASSL. Copies of the draft reminder letters are available upon audit verification."*

### **Auditor's Comment**

- (i) Revised cashbook and bank reconciliation were not provided during the verification, therefore, the issue is unresolved.
- (ii) Request for bank confirmation reminder letter written by SIERRATEL to various banks were submitted during the verification; but until confirmations are received from these banks the is unresolved.

### **2.21.11. Staff Cost General Ledgers not Provided**

General ledgers to substantiate staff costs totalling Le14,550,866,057, Le13,345,841,287 and Le14,360,211,521 disclosed in the 2017, 2018 and 2019 Financial Statements were not submitted for audit. We recommended that through the Chief Finance Officer, the General Manager should ensure general ledgers in support of payroll cost disclosed are submitted to the ASSL for verification.

### **Official's Response**

*The General Manager in his response said: "The general ledgers to substantiate the staff cost was not provided due to lack of support from our international vendors (Coraltec), however, Management is encouraging the vendors for technical support after which, the necessary adjustment will be done and evidence/general ledgers will be provided for verification."*

### **Auditor's Comment**

Management's explanation to encourage the vendor to provided technical support in order to generate the GL system is noted, but until the GL is submitted, this issue is unresolved.

### **2.21.12. Ineffective Control of Payroll and Recruitment Procedures**

A review of the Company's payroll and recruitment process revealed the following:

- (i) Evidence in the form of Board meetings held and a list of Board members justifying Board appointment and formation was not submitted, indicating that the Board has not been fully constituted since it was dissolved in 2018.
- (ii) Appraisals were not seen in personnel files inspected, signifying that staff were not appraised in 2017, 2018 and 2019.

- (iii) A total of 52 personnel were recruited during the period under review. We were however not provided with copies of job adverts, interview score sheets, police clearance, medical reports, and reference letters to confirm that the recruitment process was open, fair and credible.
- (iv) Appointment letters and agreement for eleven management staff were not provided for audit review.  
In addition, general ledgers and payroll/schedules indicating salaries paid were not submitted for audit inspection.
- (v) Receipts from the National Revenue Authority justifying payments totaling Le541,887,530 regarding PAYE deducted for September, October, November and December 2019 were not submitted for audit.

In collaboration with the Chief Finance Officer, the Human Resources Officer, and the Senior Management, the General Manager should ensure the following:

- (i) The supervisory agency is contacted to facilitate the appointment of Board members. Evidence of action taken should be submitted to the Audit Service for verification.
- (ii) In future, staff are appraised annually, evidence maintained for reference purposes. Decisions for promotion, trainings and salary increment must be made after due consideration of annual staff appraisal.
- (iii) Adverts for recruitment, interview score sheets, police clearance and references etc., for successfully recruited staff and appointment letters/contract, general ledgers and payroll/schedule for the eleven management staff, are submitted to the Audit Service for verification. In future, the Company should ensure that all records relating to recruitment and selection of successful applicants should be retained for audit or reference purposes.
- (iv) Receipts in support of payment of PAYE totalling Le541,887,530 should be submitted to the Audit Service for verification. In the event that payment was not made, it should be done promptly and receipts submitted for verification.

### **Official's Response**

*The General Manager in his response said the following:*

- (i) *"The formation of a Board for SIERRATEL is noted, however, Management has officially discussed with the Parliamentary Oversight Committee, the NCP and other stakeholders on the issue and are yet to advise Management on same.*
- (ii) *Non-staff appraisal for the period under review is noted, however, Management has employed a more dynamic Director of HR who is currently working on staff appraisal process and procedure. Evidence of action taken will be provided upon audit verification.*
- (iii) *Evidence of the recruitment process relating to the 52 staff will be provided for audit verification.*
- (iv) *Appointment letters and contracts for 11 management staff are currently available for audit inspection/verification.*
- (v) *The NRA payment for the period September, October, November and December 2019 was deducted but unpaid due to insufficient cash flow, however, Management has made it part of its liability going forward."*

### **Auditor's Comment**

- (i) Evidence of action taken by Management was not submitted during the verification, therefore our recommendation was not implemented.
- (ii) Evidence of annual appraisal of staff was not provided during the verification exercise.
- (iii) Letters of appointment, adverts for recruitment, interview score sheets, police clearance and references etc. for the 52 staff, successfully recruited were not provided during the verification.
- (iv) Letters of appointment of the 11 staff were submitted but, adverts for recruitment, interview score sheets, police clearance and references etc., for successfully recruited staff were not provided during the verification.
- (v) Receipts from the NRA justifying payments totaling Le541,887,530 regarding PAYE deducted for September, October, November and December 2019 were not submitted for audit.

Our recommendations were not implemented. The issues therefore remain unresolved.

### **Ineffective Management and Control of Property, Plant and Equipment**

A review of non-current assets records revealed the following:

- (i) The Company did not submit a policy that regulates the use, management, and the capitalisation of assets threshold to determine whether assets capitalised were within the capitalisation threshold.
- (ii) The non-current assets register submitted for audit for the three years under review was not comprehensive and regularly updated, as vital details like specific locations and status were omitted, thus making it difficult for the audit team to physically verify the existence of these assets.

In collaboration with the Chief Finance Officer, the General Manager should ensure the following:

- (i) A policy that regulates the use and management of non-current assets and takes due consideration of assets capitalisation threshold is developed and submitted to the Board for approval. Once approved, it must be circulated to the Finance Department and all other divisions for utilisation. Evidence of actions taken should be submitted to the ASSL for verification.
- (ii) The non-current assets register is reviewed and updated with vital details like the location and status of assets, and this must be regularly updated and maintained for reference purposes. Evidence of actions taken should be submitted to the ASSL for verification.

### **Official's Response**

*The General Manager in his response said the following:*

- (i) *"The policy regulating the use and management of assets are enshrined in the SIERRATEL manual and is made available upon audit verification.*
- (ii) *Management has employed an FAR Manager to manage, control and regularly update the non-current assets records and evidence will be provided for audit inspection."*

### **Auditor's Comment**

A financial policy manual was submitted but there was no evidence of Board approval and that it was circulated to all revenue-generating units. A letter of appointment of FAR Manager was submitted but updated assets register was not provided. The issues therefore remain partly unresolved.

#### **2.21.13. Non-compliance with International Accounting Standards 16 (Property, Plant and Equipment)**

A detailed schedule/disclosure as required by International Accounting Standards 16 (Property, Plant and Equipment) and general ledgers detailing opening balances and additions made during the periods were not submitted for audit review. This made it difficult for the audit team to carry out any meaningful audit procedure aimed at certifying the completeness, existence and accuracy of the total noncurrent assets with year-end balances totaling Le215.9 billion, Le342.8 billion and Le259.1 billion disclosed in the Financial Statements for 2017, 2018 and 2019 respectively.

The General Manager must ensure that the Chief Finance Officer submit a detailed schedule, general ledger and revised Financial Statements with noncurrent assets disclosed in accordance with the requirement as per the International Accounting Standards 16 (Property, Plant and Equipment) to the ASSL for verification.

### **Auditor's Comment**

Management's response was not provided for this issue identified. The issue therefore remains unresolved.

#### **2.21.14. Ineffective Stores Management**

A review of Inventory records revealed the following:

- (i) The Company did not have a documented policy that will guide the request, ordering, receiving, storing, issuing/allocating inventory, and enhancing adequate stores management.
- (ii) A policy governing the management and usage of fuel for both entitled employees and fleet was not submitted for audit review. This made it impossible for the audit team to ascertain whether the quantities allocated to staff for the period under review was in agreement with their actual entitlement.
- (iii) General ledgers, schedules, stock cards, stores issue vouchers, material receipt notes and store ledgers for the years under review were not provided for audit review. Therefore, we could not certify the accuracy and completeness of the total inventory figures of Le6.5 billion, Le11.3 billion, and Le14.1 billion disclosed in the Financial Statements for 2017, 2018 and 2019, respectively.
- (iv) Fuel and generator usage logbook, fuel chits, status report and reconciliation, were not submitted for audit inspection. Thus making it difficult for the audit team to verify whether the Company derived benefits from fuel consumed.

In collaboration with the Chief Finance Officer and Head of Stores, the General Manager should ensure the following:

- (i) A policy that regulates the use and management of stores items and fuel is developed and submitted to the Board for approval. Once approved, it must be circulated to the Stores

Department and other divisions for utilisation. Evidence of actions taken submitted to the ASSL for verification.

- (ii) General ledgers, schedules, stock cards, stores issue vouchers, material receipt notes, store ledgers, logbook and fuel chit for inventory figures disclosed in the Financial Statements are submitted to the ASSL upon receipt of this report.

### **Official's Response**

*The General Manager in his response said the following:*

- (i) *"The policy over stores management is enshrined in the SIERRATEL manual and is made available upon audit verification.*
- (ii) *The policy over the usage of fuel management is enshrined in the SIERRATEL manual and is made available upon audit verification.*
- (iii) *The general ledger (GL) will be provided as management is prevailing on the support from the international vendors, schedules, stock cards, stores issue vouchers are available upon audit verification.*
- (iv) *Fuel and generator usage logbooks, fuel chits etc. and reconciliation are available for audit inspection."*

### **Auditor's Comment**

Financial policy manual was submitted but there was no evidence of Board approval. General ledgers, schedules, stock cards, stores issue vouchers, material receipt notes, store ledgers, logbook and fuel chit for inventory were not submitted during the verification. The issues therefore, remain unresolved.

#### **2.21.15. Ineffective Management of ICT Contracts - Coral Telecommunications**

The following were observed:

- (i) Both parties did not sign an annual maintenance contract on IT systems for the periods under review.
- (ii) Work completion certificates and maintenance logs were not presented, making it difficult to determine if maintenance was carried out.
- (iii) Though the agreement was not signed, payments were made to Coral Telecommunication on different dates in 2017, 2018 and 2019, amounting to US\$163,576. We were unable to create a relationship between payments made as there was no valid contract between the two companies, and no evidence of maintenance carried out.

#### **2.21.16. Sterlite Technologies Limited**

A service level agreement was not submitted for 2017 to 2018 Financial Years. Inspection of invoices and receipts revealed that the Company utilised and paid for different services from Sterlite Technologies Limited for the period under review. Though a service level agreement for 2019 to 2020 was presented to us, payment terms and signatures of both parties were not evident on the document. Moreover, there were no documented tests to validate maintenance carried out. We noted that amounts totalling US\$110,000 and US\$650,000 were paid to Sterlite for annual maintenance and professional services.

The General Manager, in collaboration with the Chief Technology Officer and the Chief Finance Officer should ensure the following:

- (i) The contract for the maintenance is signed by both parties, provided the previous Board approved the contract.
- (ii) Work completion certificates and maintenance logs justifying maintenance work carried out are submitted to the ASSL. Otherwise, the US\$163,576 paid should be refunded by Coral Telecommunication, the amount deposited into the Company's bank account and evidence submitted to the Audit Service for verification. Failure will result in the Anti-Corruption being informed for appropriate action to be taken.
- (iii) The service level agreement and documented tests to validate maintenance carried out for which funds totalling US\$110,000 and US\$650,000 paid are submitted to the ASSL for verification, otherwise, funds paid should be refunded by Sterlite, and deposited into the Company's bank account and evidence submitted to the Audit Service. Failure will result in the Anti-Corruption being informed for appropriate action to be taken.

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

*The General Manager in his response said the following:*

- (i) *"Coral Telecommunications has an annual Maintenance Contract (AMC) and will be provided for audit verification.*
- (ii) *Observation on work completion certificate and maintenance logs will be generated going forward, and evidence will be provided for audit verification.*
- (iii) *Management is investigating the non-signatory of the SLA (Service Level Agreement) and action taken will be provided for audit verification.*
- (iv) *The SLA in respect of Sterlite Teleology is currently available and will be provided for audit verification."*

### **Auditor's Comment**

- (i) Signed maintenance contract relating to the Coral Telecommunications was not made available during verification. This issue remained unresolved.
- (ii) Email logs relating to maintenance carried out in 2020 were presented to us during verification.  
Work completion certificates were not made available. Our recommendations were partly implemented.
- (iii) Payment terms for different maintenance carried out in 2017, 2018 and 2019 were not made available for verification. This issue remained unresolved.
- (iv) Signed service level agreement between Sterlite and SIERRATEL for the period under review were presented and verified. Payment terms remained vague and documents relating to maintenance carried out were not provided. Our recommendations were partly implemented.

### **2.21.17. Enterprise Resource Planning Programme**

The review of the Company's Enterprise Resource Planning Programme revealed the following:

- (i) Essential revenue streams such as wholesale bandwidth, installation, collocation and printing of receipts were not activated in the system.
- (ii) There was no interface between the Billing Systems and the Enterprise Resource Planning

The General Manager, in collaboration with the Chief Technology Officer and the Chief Finance Officer, should ensure the following:

- (i) The facilities within the system are activated.
- (ii) The Billing Systems are interfaced with the Enterprise Resource Planning Programme.
- (iii) Evidence of actions taken is submitted to the ASSL upon receipt of this report.

### **Official's Response**

*The General Manager in his response said:*

- (i) *"Essential Revenue Streams – Wholesale bandwidth etc. was initially not included as this service came after the implementation of the ERP. Management has however proposed for the inclusion of this revenue stream to be incorporated into the systems. Action taken will be evidence upon audit verification.*
- (ii) *Management has proposed to interface the ERP and the Billing Systems, action taken will be made available on inspection."*

### **Auditor's Comment**

There was no evidence to indicate any action taken by SIERRATEL to interface with the Enterprise Resource Planning tool and the Billing Systems. This issue remained unresolved.

Although a number of ICT issues were also 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.

## **2.22. EASTERN POLYTECHNIC- 2020**

### **2.22.1. Term of Office of the Vice Principal**

Section 11(2) of the Polytechnic Act of 2001 states: "The tenure of a Vice Principal of a Polytechnic must be renewed after every 2-year term." But this was not done for the Vice Principal of the Eastern Polytechnic, which is in contravention of the Polytechnics Act of 2001. We recommended that the Council should ensure compliance with this requirement of the Act.

### **Official's Response**

*The Principal in his response said: "The due process and procedures regarding the appointment of the vice principal have been under serious consideration by both the College Council and the Administration, even as the institution transforms to a university. The Administration and the University Court are in the process of doing the needful now that the Institution has been upgraded to a University status."*

### **Auditor's Comment**

The college is in non-compliance with this requirement.

### **2.22.2. Cash and Bank**

Cheques totalling Le50,250,740 were issued but were unrepresented for more than six months, making them stale. They were not replaced to show good financial management practice. We recommended that the Finance Officer should withdraw and replace the cheques.



### **Official's Response**

*"Various cheques totalling Le50,250,740 issued to various suppliers and for payment of salaries were presented to the bank, but the bank failed to debit the Eastern Polytechnic account. The bank statement has not reflected these transactions and therefore considered unrepresented."*

### **Auditor's Comment**

Management should continue to inform the bank about this transaction, and ensure that all necessary adjustment is made in the reconciliations. This issue has not been resolved to date.

## **2.23. FREETOWN TEACHERS COLLEGE 2019 – 2020**

### **2.23.1. Finance and Accounting Manual**

There was no Finance & Accounting Manual in operation at the college, thus the low possibility of proper policies and procedures for effective and efficient financial management. We recommend that management should ensure that this very important document be made available to the college as soon as possible and adopted by the Finance Department accordingly.

### **Official's Response**

*The Principal in his response said: "We partially agreed with the auditors. Finance and Accounting manual does exist. This document however needs review to reflect current best practices relating to Finance and Accounting, and Procurement. Management undertook to review the current Finance and Accounting Manual before the commencement of the next external audit".*

### **Auditors' Comment**

Management's response is noted. Evidence justifying the implementation of our recommendation was however not submitted for verification. The issue remains unresolved.

### **2.23.2. Personnel Manual**

The college had no personnel manual, sometimes called Employee Handbook. We recommend that management should ensure that this document is available to all employees at any given time.

### **Official's Response**

*The Principal in his response said: "Personnel Manual and / or Employee Handbook does not exist specifically for the Freetown Teachers College. The institution is however regulated by The Revised and Harmonised Conditions of Service for Senior Staff, Senior Supporting Staff and Junior Staff of Polytechnics in Sierra Leone (2016 – 2018) which has been distributed to all staff in their respective categories. The Revised and Harmonised Conditions of Service for Polytechnics in Sierra Leone is currently under review and subsequent approval by the relevant stakeholders".*

### **Auditor's comment**

This issue will be followed up during the next audit exercise. This issue remains unresolved.

### **2.23.3. Staff Training not conducted**

Staff training is key for such an institution to run effectively and efficiently, therefore the need to enhance staff capacity should not be taken lightly. In-house as well as external training programs should be planned and implemented. We recommended that management should pay great attention

to staff development thereby motivating them to maximise their output/performance and that could also induce them to reduce staff turnover.

### **Official's Response**

*The Principal in his response said: "the auditor's recommendation is noted. Management undertakes to provide opportunities to all staff for continuous professional development trainings. Currently, 30 staff were engaged in various fields of professional studies in the following areas:*

<b>Qualification</b>	<b>Number of Staff</b>
<i>Ph.d.</i>	<i>3</i>
<i>Masters</i>	<i>14</i>
<i>Bachelor's Degrees</i>	<i>8</i>
<i>Higher Teachers Certificate</i>	<i>4</i>
<i>Teachers Certificate</i>	<i>1</i>

### **Auditor's Comment**

The training being referred to was "on-the-job training", particularly for the finance staff. Our recommendation was yet to be implemented. This issue remains unresolved.

#### **2.23.4. The need for an Accounting Software**

The College had no accounting software, therefore, the Finance Department found it difficult to produce timely and accurate financial information to assist management and other stakeholders to take prompt and sound decisions. We recommended that management should acquire QuickBooks accounting software based on the operational systems and financial information required by the College.

### **Official's Response**

*The Principal in his response said: "in June 2021, the Freetown Teachers College consulted SDJ Consultant of 49 Siaka Stevens Street to install QuickBooks Financial Management software for five user licenses".*

### **Auditor's Comment**

Management's response is noted. It will be reviewed during the next audit. The issue however remains unresolved.

#### **2.23.5. Account Receivable – Grant-in-Aid**

Total outstanding Grant-in-Aid of Le416,367,000 for the 2015-2019 academic years were yet to be settled by the Government. We recommend that the college should write a letter to the Government of Sierra Leone explaining the implication of not receiving the Grant-in-Aid on time.

### **Official's Response**

*The Principal in his response said: "the Permanent Secretary of the Ministry of Technical and Higher Education was directed by the Financial Secretary to write a letter (which was dated 12th May 2021) to all higher education institutions including the Freetown Teachers College requesting the submission of outstanding claims relating to the Government's Grant-In-Aid payments for the following academic years: 2014/2015, 2015/2016, 2016/2017, 2017/2018,*

2018/2019. The Freetown Teachers College had already submitted government's Grant-In-Aid claims amounting to Le416,367,000.00 in the second week of June 2021".

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

Management's response is noted. This issue will however be kept in view and a follow-up done in subsequent audit. This issue remains unresolved.

#### **2.23.6. Fees owed by Students**

We noted that the College was owed a huge amount from unpaid students' fees (Regular as well as Distance Learning). The total amount was Le2.6 billion. We recommend that the college administration should set up a Debt Collection Committee that should be responsible to collect these debts within a reasonable timeframe to boost the finances of the institution. In addition, a provision for bad debt should be made whilst modalities are put in place to collect these debts.

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

The Principal in his response said: *"The College Council and Administration held extensive discussions centred on finding ways of collecting fees from sponsored, self-sponsored students and also from government in respect of grant-in-aids awarded to students. At the Freetown Teachers College, students were allowed to register, attend classes and take internal exams, without being chased for fees. The advantage was that the College would have complete details of the students and their guarantors. Final year students will not be allowed to register for the NCTVA exams without full payment of their fees. Continuing students with arrears from previous academic year will not be allowed to register for the current academic year. Current students who had not paid their fees would have their examination results and continuous assessment withheld. In line with the forgoing measures, the College collected significant amount from amount receivable from student fees in 2020 and 2021"*.

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

A healthy cash flow is essential for the smooth running of the college; therefore, every effort should be made for fees to be collected from students. The issue remains unresolved.

### **2.24. SIERRA ESTATE MANAGEMENT COMPANY: 2017 - 2019**

#### **2.24.1. Ineffective Revenue Management**

Upon review of the recording and management of revenue, the following were noted:

- (i) A record that should show the names of tenants/customers' addresses, duration of stay/rental period, type of facilities rented, time logged in and out, and nationality of occupants was not maintained by the Company. In addition, tenancy agreements were not seen in some of the files reviewed.
- (ii) We noted that the Company created an invoice when a potential customer enquires about prices. Consequently, the accounting system utilised by the Company automatically records invoices created even though an actual transaction did not take place.

The General Manager, in collaboration with the Finance Manager and senior management, should appropriately supervise the revenue management process and ensure the following:

- (i) A tenancy agreement and a record in the appropriate format as detailed in point is maintained for apartment rental and other revenue sources. This must be regularly monitored by senior personnel, and records kept for reference purposes.
- (ii) The preparation of invoices upon enquiries made is delinked from the accounting system, and customers' accounts are created only upon the signing of the rental contract and payment of registration/deposits.
- (iii) All invoices created upon enquiry for which no transactions occurred should be identified and reversed, and adjusted revenue/receivables schedules, general ledgers and financial statements submitted to the ASSL for verification.

### **Official's Response**

*The General Manager in his response said the following:*

- (i) *"The invoices issued to tenants actually specify, itemise and record details of the transaction per facility. Details of SEMCo's invoice are as follows: a bill to, invoice date, invoice number, house/apartment/shop/office type, description, facility type, rental amount, exchange rate, tenancy period, total, authority, bank details and company link. Our tenancy commences and ends within the stipulated time agreed upon or the period stated in either the contract or the invoice, so 'login' is considered the commencement of the tenancy and 'logout' the end of the tenancy.*
- (ii) *There were indeed lapses in the tenancy agreements. Some tenants however do have agreements. Management has already put adequate measures in place that going forward, we have ensured that all tenancy agreements are signed and filed.*
- (iii) *We note the concern of the auditors. Going forward, management has reverted to a price list rather than the issuance of a pro-forma invoice."*

### **Auditor's Comment**

Invoices showing customers' details and some rental agreements were submitted and reviewed. A separate record that indicates the names of tenants/customers, addresses, duration/rental period, type of facilities rented, time logged in and out, nationality of occupants and evidence of regular monitoring is yet to be maintained by the management of the Company.

Management's comments are noted with regard to reverting to a price list rather than the issuance of a pro-forma invoice. The extent to which the preparation of invoices upon enquiries made is delinked from the accounting system will be followed up in the subsequent audit. Evidence justifying the reversal of all invoices created upon enquiry for which no transactions occurred was not submitted for verification. Moreover, adjusted revenue/receivables schedules, general ledgers and financial statements were not submitted for verification. The issues remain partly unresolved.

#### **2.24.2. Debtor's Circularisation not Received**

Debtors circularisation totalling Le2,836,619,036, Le3,035,086,777 and Le4,911,898,130 sent to confirm some debts owed to the Company were not received. We recommended that the General Manager through the Finance Manager should ensure that follow-up with the debtors on unconfirmed balances is done so that the confirmations are sent to the ASSL for verification.

### **Official's Response**

*The General Manager in his response said: "Tenants not replying to your circularisation is of great concern as we were hoping to recover a huge sum through your intervention. Management has however further instituted legal proceedings for necessary actions. We have been able to recover some amount from some tenants, and Sierra Rutile has promised to honour their outstanding liability through their solicitors. Find an attached letter from their solicitors."*

### **Auditor's Comment**

Evidence justifying that follow-up was done by the management of the Company with debtors for confirmation of balances was not submitted for verification. In addition, as at the time of writing this report, confirmations for the circularised amounts, totalling Le2,836,619,036, Le3,035,086,777 and Le4,911,898,130 were not received. Our recommendation was not implemented. The issues therefore remain unresolved.

#### **2.24.3. Lack of Policy for the Effective Management of Debtors**

A review of receivable balances revealed that the Company did not have a policy for the effective management and monitoring of debtors. In addition, yearly debtor balances continued to increase at an alarming rate with an increase of 45% noted when a comparison was made between the 2018 and 2019 balances.

The General Manager, in collaboration with the Finance Manager should ensure the following:

- A policy for the effective management and monitoring of debtors is developed, submitted to the Board for approval, and circulated to all revenue-generating units.
- The continued increase in receivable balances is investigated and measures instituted to reverse the increment.

### **Official's Response**

*The General Manager in his response said the following:*

- *"We note the auditor's comment, and management will ensure that a policy is put in place with regard to the management of debtors.*
- *The 45% increase noted in the debtors' balance for 2018 compared to 2019 results from an increase in tenancy. Unfortunately, these were non-paying tenants."*

### **Auditor's Comment**

A policy for the effective management and monitoring of debtors is yet to be developed by the Company's management. The issue therefore remains unresolved.

- (i) A letter written by the solicitor of SEMCO to debtors demanding payment of debts and replies from debtors to settle amounts owed were submitted and verified. Until evidence of payment by debtors is presented, the issue remains unsolved.

#### **2.24.4. Ineffective Procurement Management**

The Company procured goods, works and services valued at Le3,294,291,345, Le2,746,050,037 and Le 1,630,528,723 in 2017, 2018 and 2019 respectively. The Company however did not prepare procurement plans in contravention of Section 29(1) of the Public Procurement Act of 2016. It was also noted that three requests for quotations/pro-forma invoices were not obtained from suppliers for

various goods, works, and services procured worth Le319,178,240, Le367,568,616 and Le316,615,400 for 2017, 2018 and 2019 Financial Years, respectively.

The General Manager in collaboration with the Head of Procurement, should ensure the following:

- (i) Appropriate procurement planning is conducted on an annual basis, and specific needs of various units/department identified.
- (ii) Specific needs of various units/department are translated into an annual procurement plan, submitted to the Board for approval and, upon being approved, serves as the basis for procurement to be undertaken.
- (iii) Three requests for quotations/pro-forma invoices are obtained from suppliers, and procurement should be made based on the least evaluated price and quality.

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

*The General Manager in his response said the following:*

- (i) *"We normally make provision for goods, works and services as the Company by its operations, cannot forecast the quantities of assets that will be replaced during the year as they are only replaced when there is a need to do so, either through complaints from tenants or for preparation of apartment.*
- (ii) *We note the auditors' comments and wish to state that management has corrected this issue by instituting a policy wherein three proforma invoices are sought, and the one with the best quality and price is selected to procure goods and services. We have also recruited a Procurement Officer to handle all procurement issues."*

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

Further explanation to justify the reason for non-preparation of a procurement plan was provided, although the reasons proffered do not seem reasonable. Until an annual procurement plan is and executed, it will be reported that our recommendation was not implemented.

An appointment letter of a procurement officer being recruited to manage the Company's procurement process was submitted and verified. The issue of three pro-forma obtained for procurement within the shopping threshold will be followed up in subsequent audits.

#### **2.24.5. Ineffective Management on the Preparation of the Bank Reconciliation Statement**

Medical and bereavement aid of Le30,400,000 was provided to Board members without any written policy or guidelines to support such assistance. In addition, several cheques totalling Le282,000,000, Le151,000,000 and Le131,000,000 were written in the names of staff of the Company instead of the beneficiaries.

We recommended that the General Manager, in consultation with the Finance Director, should ensure the that a policy on the granting of aid to Board members is developed and approved by the Board. This must serve as the basis for any aid granted. In future, all payments for Board members, goods, works and services are made in the name of beneficiaries, and not in the name of the staff of the Company.

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

*The General Manager in his response said:*

*“Le30,400,000 given to Board members as medical aid and bereavement aid was done out of goodwill. Management will however ensure that proper policy/guidelines will be forwarded to the Board for the necessary consideration and approval.*

*Management has desisted from such practices and has ensured that cheques are written in the name of suppliers and contractors, except in the case where a float is issued to staff for the execution of works or services for which the amount cannot be determined or for petty cash purposes for the smooth running of the operations.”*

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

Management has agreed to do a policy on the granting of aid to Board members that will be submitted to the Board of approval. This issue will be followed up during our subsequent audit.

The issue of cheque payments for Board members, goods, works and services written in the name of staff will be followed up in the subsequent audit.

#### **2.24.6. Unauthorised Deduction from a Bank Account**

An amount of US\$25,000 was directly debited from SEMCO's bank account by the Commerce and Mortgage Bank (SL) PLC. This was on the grounds that it was an amount erroneously deposited into the Company's First International and HFC Mortgage Bank Account by the Embassy of the Republic of Liberia, and happened on diverse dates. The purpose was for the lease of a dwelling apartment owned by the Commerce and Mortgage Bank (SL) PLC. In a letter dated 15th December, 2020 from Commerce and Mortgage Bank (SL) PLC to SEMCO, it was stated that there was an understanding between the previous management of SEMCO and Commerce and Mortgage Bank (SL) PLC for this amount to be directly debited from the Company's bank account. Evidence to confirm the deposits totalling US\$25,000 erroneously made into the Company's bank account, letter/memo in support of agreement reached between SEMCO and Commerce and Mortgage Bank and appropriate authority from SEMCO's management/board for this amount to be directly debited from the Company's bank account were not seen/submitted for audit.

The General Manager should ensure the following:

- (i) The Bank is contacted for the submission of the letter/memo in support of agreement reached with the previous management for the deduction of the sum of US\$25,000, deposit slips and bank statement justifying deposits erroneously made by the Embassy of the Republic of Liberia to the ASSL for verification.
- (ii) In the event that such debit cannot be supported, the sum of US\$25,000 should be credited in the account of the Company by the bank and credit advice and bank statement submitted to the ASSL; otherwise, the Anti-Corruption Commission will be informed for appropriate action to be taken.

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

*The General Manager in his response said: “The amount of US\$25,000.00 that was debited from the Company's account was in respect of rent by the Liberian Embassy. The bank has confirmed and provided evidence of bank paying-in slips for US\$21,950.00. We are yet to receive correspondence from the bank regarding the remaining US\$3,050.00”.*

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

From a total of US\$25,000, deposit slips and bank statements to justify total deposits of US\$23,950 made by the Embassy of the Republic of Liberia into the Company's bank account were submitted

and verified leaving an outstanding of US\$1,050 not submitted for verification. The issue remains partly resolved.

#### **2.24.7. Unconfirmed Bank Balances**

The following issues were noted:

- (i) From a total of 22 active bank accounts operated in 2017, confirmations were received for 16 accounts, leaving six bank accounts with a total balance of Le183,688,680 without bank confirmation letters.
- (ii) From a total of 25 active bank accounts operated in 2018, 18 accounts bank accounts confirmations were received for 18 bank accounts, leaving seven bank accounts with a total balance of Le8,306,702 without bank confirmation letters.
- (iii) From a total of 25 active bank accounts, confirmations were received for 18 bank accounts confirmations were not received for seven bank accounts with balances totalling Le517,328,219.

We recommended that the Finance Manager should ensure that further contacts are made with the banks for confirmation of balances and this must be submitted to the ASSL for verification.

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

*The General Manager in his response said: "We have contacted our bankers so as to send the necessary confirmations to our auditors."*

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

Evidence in support of contacts made with bankers was submitted and verified. The auditors were yet to receive confirmations for these accounts. Our recommendation was not implemented. The issue remains unresolved.

#### **2.24.8. Ineffective Management of Payables**

A review of the Company's payable ledger revealed the following:

- (i) Amounts totalling Le241,920,000 and Le273,600,000 were recognised as management fee payable to Regimanuel Gray for the 2018 and 2019 Financial Years. The contract between the SEMCO and Regimanuel Gray justifying the basis of these amounts was not provided for audit.
- (ii) The amounts of Le129,017,324, Le452,438,191 and Le655,004,397 were deducted from staff salaries and allowances and payments made to suppliers in respect of PAYE and withholding taxes for the years ended 31st December 2017, 2018 and 2019, respectively. Furthermore, a review revealed that these deductions were not paid within the stipulated time to the NRA, which was in violation of Sections 105(1) and 130(1) of the Income Tax Act of 2000.

The General Manager, in collaboration with the Finance Director, should ensure the following:

- (i) The contract justifying the basis of fee payable to Regimanuel Gray totalling Le241,920,000 and Le273,600,000 is submitted to the ASSL for verification; otherwise, the amount recognised must be reversed in the Company's financial records and a revised general ledger and financial statements resubmitted.
- (ii) The outstanding amounts of Le129,017,324, Le452,438,191 and Le655,004,397 are paid to the NRA and receipt forwarded to the ASSL for verification.



### **Official's Response**

*The General Manager in his response said:*

- (i) *“There is an agreement between Regimanuel Gray and NASSIT that a proportionate service charge is to be made in respect of the upkeep of the estate. This is tagged at the equivalent of US\$160.00 per house monthly.*
- (ii) *The National Revenue Authority is currently conducting a tax audit. All tax issues/liabilities will be addressed after the NRA audit exercise.”*

### **Auditor's Comment**

- (i) Management's explanation is noted. The contract justifying the basis of fee payable to Regimanuel Gray totalling Le241,920,000 and Le273,600,000 was however not submitted for verification. In addition, evidence supporting the reversal of these amounts as per our recommendation was not submitted for verification.
- (ii) Evidence of payment of outstanding amounts of Le129,017,324, Le452,438,191 and Le655,004,397 to the NRA was not submitted for verification. Our recommendation was not implemented. The issue remains unresolved.

## **2.25. GUMA VALLEY WATER COMPANY: 2018 – 2019**

### **2.25.1. Ineffective Budgetary Controls**

The Board did not approve the budget submitted for audit. The Finance and Budget Committee charged with overseeing the annual budget was not in existence as at the time of the audit. This is in violation of Section 4(a) of the Guma Valley Act of 2007.

The Managing Director in consultation with the Board of Directors and the Financial Director, should ensure the following:

- The budget should be submitted to the Board for approval, and when approved, serves as the basis for undertaking capital and revenue expenditure.
- A Budget and Finance Committee should be set up to oversee all financial activities of the Company.

### **Official's Response**

*The Managing Director in his response said the following:*

- *“There was no constituted Board in 2018. Indeed, the Company had a budget in 2018 and 2019 which was approved by the Chairman at that time, since she was the only member of the Board.*
- *Because there was no constituted Board at the time, it was difficult to have a Finance and Budget Committee in place. There is a Committee now”.*

### **Auditor's Comment**

- Management's comments are noted. This issue will be kept in view and followed up in subsequent audits.
- There was no evidence that the Finance and Budget Committee existed. The issue therefore remains unresolved.

### **2.25.2. Irregularities in Procurement Activities Undertaken**

Procurement of similar consumable items amounting to Le316,161,912 was divided and the items were procured from the same suppliers on diverse dates in 2018. An adequate procurement planning was not carried out therefore management had not procured these consumables through the National Competitive Bidding method by entering into a framework contract. Instead, the Requests for Quotation method was used, thereby evading the procurement threshold as stipulated in Section 37 (2) of the Public Procurement Act of 2016.

The Managing Director should ensure that the Procurement Manager provide an appropriate reason why the procurement was split, in contravention of the Public Procurement Act of 2016.

In future, the company is encouraged to design and implement a framework contract with a suitable supplier for the procurement of consumables, and should comply with all relevant procurement laws and regulations in its procurement activities.

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

*The Managing Director in his response said: "The auditor's comment is noted. We have since 2019 implemented the framework contract as per the Public Procurement Act of 2016."*

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

Management's comments were noted. This issue will be kept in view and followed up in subsequent audits.

### **2.25.3. Non-Compliance with the GST Act of 2009**

Our review of sampled payment vouchers with invoice values of Le500,645,000 and Le911,170,844 indicated an input GST of Le78,545,100 and Le123,219,234 for 2018 and 2019 respectively. The invoices attached were not GST invoices, which was in contravention of Section 31(1) of the GST Act of 2009.

The Managing Director in consultation with the Finance Director should ensure the following:

- The suppliers are contacted to submit to the ASSL, receipts justifying GST payments to the NRA totalling Le78,545,100 and Le123,219,234; otherwise, the NRA will be duly informed for appropriate action to be taken.
- In future, the Company 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.

#### ***Officials Response***

*The Managing Director in his response said: "The suppliers have been contacted to provide the necessary documents in relation to these transactions. The auditors' comments were noted; and going forward, we will ensure full compliance with the relevant sections of the GST Act of 2009."*

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

Management's comments are noted. Evidence of contacts made with suppliers for the submission of GST receipts justifying GST payments to the NRA which amounted to Le78,545,100 and Le123,219,234 were however not submitted for verification. Therefore, this issue remains unresolved.

#### **2.25.4. Inadequate Control over the Management and Security of Assets**

We identified the following issues when we reviewed the management and security of the Company's assets:

- There was no policy that regulates the use and management of assets owned and controlled by the Company.
- With the exception of motor vehicles, the Company's property, plant and equipment (including office furniture, fittings, computer equipment, and office buildings) did not have insurance cover.

The Managing Director in collaboration with the management team and Board of Directors should ensure the following:

- An assets policy that guides the management of non-current assets should be developed, submitted to the Board for approval and upon approval, be communicated to all staff of the organisation.
- In consultation with the Board of Directors, the Managing Director should ensure that going forward, all buildings, major plant and equipment owned and controlled by the Company are insured to compensate for loss resulting from damages and disasters.

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

*The Managing Director in his response said: "The Company is in the process of developing a policy regarding the management and use of its assets for submission to the Board for its approval. The Company shall endeavour to make sure that all its assets are insured accordingly."*

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

An assets policy was yet to be developed by the management of the Company.

Policies and certificates in support of the Company's property, plant and equipment (including office furniture, fittings, computer equipment and office buildings) insured in 2021 were not submitted for verification. Our recommendations were not implemented. The issues remain unresolved.

#### **2.25.5. PAYE Deducted but not Paid, and Inadequate Record of Payable**

A review of the payable ledger revealed that Le1,336,439,269 and Le1,837,090,332 were deducted from staff salaries and allowances as PAYE for the years ended 31st December 2018 and 2019, respectively. Management did not remit these PAYE deductions to the NRA. The Managing Director in collaboration with the Finance Director should ensure that the outstanding amounts of Le1,336,439,269 and Le1,837,090,332 are paid to the NRA and receipts forwarded to the ASSL for verification. In future, all statutory deductions must be paid 15 days following the month in which the taxes are due.

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

*The Managing Director in his response said: "The Company is in dialogue with the Ministry of Finance for a cross debt settlement arrangement of the debt owed by MDAs to the Guma Valley Water Company (including withholding and PAYE taxes) to the Government of Sierra Leone."*

### **Auditor's Comment**

Evidence in official writing between the Company and the Ministry of Finance for a cross debts arrangement was seen and verified. Negotiations on the cross debts are however ongoing but yet to be finalised. Follow-up will be done in subsequent audit to determine whether a conclusion has been reached. This issue remains unresolved.

#### **2.25.6. Ineffective Management of Controls over the Internal Functions**

The Internal Audit Control and Policy utilised by the Internal Audit Unit was in a draft stage at the time of the audit. A review of the Internal Auditor's activities revealed that the execution of planned activities as per the Annual Audit Plan was not effective, as the Unit was understaffed, resulting in most of the planned activities not being reviewed/audited.

The Managing Director, in collaboration with the head of the Internal Audit Department, should ensure the following:

- The Internal Audit Control and Policy is submitted to the Board for approval and, upon being approved, serves as the basis for the direction of all internal audit activities.
- Based on available finance and proper planning, additional staff are recruited to efficiently run the Internal Audit Unit and review the Company's operations and internal control.

### **Official's Response**

*The Managing Director in his response said:*

- *"The Draft Audit Plan has been submitted to the Audit and Finance Committee for review, for it to be finalised.*
- *The Unit has been strengthened with two contract workers who are graduates. Upon successful completion of their performance during the contract period, their status will be made permanent."*

### **Auditor's Comment**

Evidence justifying the draft Internal Audit and Control Policy had been submitted to the Board of Directors for approval, was not submitted for verification. The issue of staff being recruited to augment the work of the Internal Audit Unit will be followed up in subsequent audits.

#### **2.25.7. Ineffective Management of Controls over the Human Resources Management**

Staff appraisals for the period under review were not submitted for inspection.

The Managing Director, in collaboration with the head of the Human Resources Management, should ensure that the Head of Human Resources develop and implement an effective staff which ensures that staff are appraised annually.

### **Official's Response**

*The Managing Director in his response said: "A new appraisal system has now been adopted and to be implemented in the 2020 Financial Year. Evidence of such document is available for the auditors to verify."*

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

No evidence of staff appraisal was provided for review. Therefore, this issue remains unresolved.

## **2.26. SIERRA LEONE INVESTMENT AND EXPORT PROMOTION AGENCY – 2019**

### **2.26.1. Great Plains Financial Management System**

The Agency was using Great Plains Financial Management System (GPFMS) to process and prepare financial statements, but the following issues were noted during our examination:

- (i) The GPFMS was without account receivable and payable modules.
- (ii) Staff of the finance department had not been trained to operate the system.
- (iii) The system was too complex by design for a small agency like SLIEPA.

We recommended that the Chief Executive Officer should procure a system that should be simple to use by his staff.

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

*The Chief Executive Officer in his response said: "The Agency's Financial Management System, Great Plains, has many challenges in the management and reporting of the finances. The design is complex, ambiguous and not customised to meet the needs of the Agency's financial management functions. Members of the finance team were not adequately trained on its application and utilisation; therefore, there is still heavy reliance on its designers and implementers during reporting. Management plans to procure an easier-to-operate Financial Management Software Package in 2021; preferably QuickBooks, that can be tailored to meet the Agency's financial reporting criteria and as well be efficiently managed by the finance department".*

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

Our recommendation was not implemented. This issue remains unresolved.

### **2.26.2. Register of Tangible Fixed Assets**

We noted that the Agency's register of tangible fixed assets was not properly maintained due to the reasons mentioned below:

- Large number of fixed assets that we verified during the audit were not seen in the assets register.
- Motor vehicles and motorbikes disposed off before 2019 were part of the register.
- Some of the fixed assets were incorrectly categorised.
- The locations of some of the fixed assets were wrongly stated in the register.
- Important information such as the acquisition date of the assets was not indicated as part of the information of some fixed assets.

The following recommendations were made:

- A member of staff of the finance department should be assigned the responsibility of updating the register of tangible fixed assets.
- The register should be reviewed by a senior officer of the Agency with the required experience to do so on a regular basis.
- Immediate steps should be taken to update and reconcile the register to the Agency's financial statements and financial management system. The updating process should take cognisance of the above mentioned issues.

### **Official's Response**

- *The Chief Executive Officer in his response said: "Assets below the cost of Le1,000,000 (One Million Leones) are not regarded as fixed assets but regarded as expendables as per policy, and therefore not recorded in our fixed assets register.*
- *Disposed fixed assets shall be removed from the fixed assets register.*
- *Some assets were moved from their original location because of organisational expansion.*
- *Missing acquisition dates of certain assets is as a result of the capitalisation policy which does not regard certain assets as fixed assets.*
- *Proper review of the fixed assets register will be done to ascertain areas to update, to ensure a realistic register on fixed asset.*
- *Proper categorisation of assets shall be done as per audit recommendation".*

### **Auditor's Comment**

We noted that the Agency's register of tangible fixed assets is yet to be reviewed, updated and categorised properly. The truthfulness of property, plant and equipment as stated in the financial statements cannot be verified. Our recommendations were not implemented.

#### **2.26.3. Fixed Assets Identification Tags**

Significant amount of the tangible fixed assets of the agency are without identification tags to facilitate easy verification and proper monitoring. We recommend that all tangible fixed assets belonging to SLIEPA should carry an identification tag which must be in agreement with the information indicated in the register of tangible fixed assets.

### **Official's Response**

*The Chief Executive Officer in his response said: "Very old tangible fixed assets are without identification tags because they are no longer in active use by the agency. Most of these assets are aged between seven and 10 years old and were not given identification tags at the time acquired. The Agency intends to write-off and remove all these obsolete tangible fixed assets from the books. A review will be done on all tangible fixed assets that are actively in use by the Agency to ensure that they are given identification tags for easy identification".*

### **Auditor's Comment**

We have not been provided with any evidence to prove that obsolete tangible fixed assets have been written off and removed from the fixed assets register. A significant number of assets belonging to SLIEPA still remain unmarked.

#### **2.26.4. Physical Verification of Tangible Fixed Assets**

We observed that the Agency did not carry out physical verification of its tangible fixed assets in order to confirm their existence and condition. We recommend that the agency should carry out physical verification exercise at least once every year in order to check and confirm the existence and condition of its tangible fixed assets.

### **Official's Response**

*The Chief Executive Officer in his response said: "The Agency has a laid down policy of conducting physical verification on all 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 are yet to be provided with a fixed assets verification report for the period under review. Our recommendation was not implemented. Therefore, the issue remains unresolved.

#### **2.26.5. Cash Counts**

We observed that cash count was only carried out for head office – general petty cash account but excludes cash counts for United States Dollars petty cash, Chief Executive Officer's office petty cash and petty cash for the regional offices in Bo and Makeni at the end of the financial year under review. Our concern was that, it was difficult to check the accuracy of these petty cash balances in the absence of a cash count certificate. We recommend 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 Chief Executive Officer in his response said: "The Agency currently maintains a single petty cash imprest float at its head office in Freetown. All regional officers' imprest – Bo, Makeni, Office of the CEO and the US\$ imprest were closed. Therefore, cash counts on these 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".*

### **Auditor's Comment**

The Sierra Leone Investment & Export Promotion Agency's (SLIEPA) cash accounts for United States Dollars petty cash, Chief Executive Officer's petty cash and petty cash for the regional offices in Bo and Makeni were only dormant but not closed as purported, because they still have opening balances brought forward to the period under review. Our recommendation was not implemented. Therefore, the issue remains unresolved.

## **2.27. SIERRA LEONE AGRICULTURAL RESEARCH INSTITUTE: 2018 – 2019**

### **2.27.1. Ineffective Internal Audit Function**

The following issues were noted:

- 1) The Institute is yet to establish an Audit Committee, in violation of Section 152(1) of the Public Financial Management Regulations of 2018. As a result, internal audit reports were submitted directly to the Director General. The Internal Audit Charter was also approved and signed by the Acting Director General instead of the Institute's Audit Committee.
- 2) The Internal Unit did not prepare an Internal Audit Plan, which was in violation of Section 148 of the Public Financial Management Regulations of 2018.

We recommended that the Director General should ensure the following:

- (i) That consultation is done with the Institute's Council members to establish an Audit Committee. The Audit Committee will be responsible for approving the Audit Charter and receiving audit reports for adequate deliberations and implementation of recommendation according to Section 152 (1) of the Public Financial Management Regulations of 2018.
- (ii) In future, an audit plan should be prepared and submitted to the Audit Committee for approval according to Section 148 of the Public Financial Management Regulations of 2018.

### **Official's Response**

*The Director General in his response said: "Management notes the observation, and we wish to inform you that the Director General, in collaboration with the Chairman and members of Council, will take the necessary action to ensure that the various committees are revamped according to the provision in the Act."*

### **Auditor's Comment**

We noted management's response and will follow up in subsequent audits to determine if our recommendations were implemented. The issue therefore remains unresolved.

#### **2.27.2. Ineffective Management of Project Income**

The memorandum of understanding / letter of agreement to understand the nature of the SLARI WAPP NARC project and determine whether project objectives/deliverables were met, were not submitted for audit. A total of Le151,565,000 was disbursed to implement project activities for the period under review. We recommended that the Director General should ensure that the memorandum of understanding/letter of agreement is submitted to the ASSL.

### **Official's Response**

*The Director General in his response said: "The SLARI/WAPP NARC is an account name, not a project any longer. This project has been closed since 2013, but the account was used to deposit funds from SCADEP to support the distribution of planting materials (oil palm and cocoa) to farmers. In other words, the Le151,565,000 was the money given to the Tree Crops programme to assist SCADEP in distributing planting materials (oil palm and cocoa) to farmers."*

### **Auditor's Comment**

Evidence to support the closure of this project was not submitted for verification. In addition, the memorandum of understanding/letter of agreement to enable the auditors to understand the Project's nature and determine project objectives/deliverables was still not made available to the audit team. The issue therefore remains unresolved.

#### **2.27.3. Ineffective Fund Management – Doctoral Students**

Total funds amounting to Le1,504,643,041 were disbursed by the Islamic Development Bank in 2018. This fund supported a Palm Oil Production Project. A component of this project was to finance two doctoral research students to be trained in plant genetics and breeding at the University of Putra, Malaysia. The support required the development of a Fund Management Strategy to ensure effective disbursement of funds to these students. We noted that the Strategy submitted for audit was a draft copy. Acceptance letters and fees schedule levied by the University were however not submitted for audit, and amounts totalling Le890,832,556 were paid in cash to the two research staff instead of directly to the University. Retirement/return in support of this payment was not submitted for audit.

We recommended that the Director General should ensure the following:

- The Fund Management Strategy is signed by parties involved and submitted to the Audit Service for verification.
- The acceptance letters and any available document indicating the fees levied are submitted to the Audit Service for verification.



- That retirement details/returns in support of funds disbursed, which totalled Le890,832,556 are submitted to the Audit Service; otherwise, parties involved will be instructed to refund the amount disbursed.
- Going forward, payment of tuition fees and other charges except subsistence allowance, should be made directly to the University.

### **Official's Response**

*The Director General in his response said:*

- *"The recommendation is noted, but we wish to draw your attention that the Fund Management Strategy was an idea developed to set up a committee that will look at the management of the fund and the progress of the two students to achieve their doctoral degrees, in this regard, the minutes of the said committee is available for audit inspection.*
- *The acceptance letter and other supporting documents are available for audit verification.*
- *The retirement in support of the funds disbursed to the two students is available for audit verification.*
- *The letters of offer and acceptance, and receipt in support of Juliet Jabaty's fees and other supporting documents are available for audit inspection."*

### **Auditor's Comment**

We noted management's response. A signed Fund Management Strategy, offer of admission and acceptance letter from the University and other documents indicating the fees levied were not submitted for verification. In addition, retirement/returns in support of funds paid in cash to the two research staff/students were not submitted for audit. Therefore, these issues remain unresolved.

## **2.27.4. Inadequate Control over the Processing of Financial Transactions**

### **Project Expenses**

In violation of Section 100 (1) of the Public Financial Management Regulations (PFMR) of 2018, a review of transactions undertaken by the Institute revealed the following:

- Total payments of Le4,065,195,956 for 2019 Financial Year respectively were without adequate supporting documents such as receipts, invoices, delivery notes etc.
- Management did not submit payment vouchers and supporting documents to justify disbursements undertaken, totalling Le127,841,829 for 2019 Financial Year for audit inspection.

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:

- All public funds are appropriately accounted for in accordance with Section 100(1) of the Public Financial Management Regulations of 2018.
- The payment vouchers and supporting documents are forwarded to the ASSL for verification.
- That the relevant documentation supports all transactions, and these must be numbered and cross-referenced so that they can be easily traced when they go missing.

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

*The Director General in his response said: "The recommendation is noted. The relevant supporting documents are available for audit inspection."*

### **Auditor's Comment**

- Adequate supporting documents totalling Le2,343,709,939 were submitted and confirmed, leaving a balance of Le1,721,486,017 without documentation.
- Payment vouchers and supporting documents totalling Le110,791,829 were submitted and confirmed, leaving the balance of Le17,050,000 not supported. Our recommendations were partially implemented. These issues therefore remain unresolved.

### **2.27.5. Inadequate Control over the Processing of Financial Transactions**

#### **Administrative Expenses**

Upon review of administrative expenses, the following issues were noted:

- (i) Total payments of Le189,525,125 for 2018 Financial Year were without adequate supporting documents such as receipts, invoices, delivery notes, etc.
- (ii) Payment vouchers and other supporting documents to the tune of Le464,608,200 and Le666,955,821 for the 2018 and 2019 Financial Year respectively were not made available for audit inspection.
- (iii) The contract to justify the rate paid, the agreed contract duration and the daily attendance register were not provided for audit in contravention of Section 14.3 of the Finance Manual. Payments which amounted to Le171,180,000 and Le207,173,000 for the 2018 and 2019 Financial Years respectively, were made to casual labourers.
- (iv) Cheques in respect of expenditure which amounted to Le942,818,084 and Le2,181,006,112 for the 2018 and 2019 Financial Years respectively were drawn in the name of individual staff, instead of payment being made through the imprest account of the particular centre under which the activity was done.
- (v) There was no petty cash policy or guidelines for the management and control of lesser transactions.

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:

- All requested payment vouchers and supporting documents relating to issues noted in points i and ii are forwarded to the ASSL.
- Contracts to support payments made to casual labourers are submitted to the ASSL; otherwise, officers-in-charge of centres where activities were carried out will be instructed to refund the sums involved.
- In future, expenditure for activities is paid into the Centre's imprest account for onwards disbursement as the need arises, rather than being drawn in staff's name.
- A policy with appropriate guidelines on the management and control of minor transactions is developed, submitted to the Board for approval and serve as the basis for the utilisation of lesser expenses.

### **Official's Response**

*In his response, the Director-General said the following:*

- (i) *"The recommendation is noted. The relevant supporting documents are however available for audit inspection.*
- (ii) *Payment vouchers and other supporting documents are available for audit inspection.*
- (iii) *Your observation is noted, but Section 14.3 of the SLARI Financial Manual is referring to temporary contracted staff members who are hired on monthly basis for a period not less than three to six months and/or as the case may be. Unlike the casual labourers, this category of workers are employed daily and or hourly basis for which they are paid immediately they complete the day's work or the numbers of hours for which they have been contracted, and the rate is the same in all SLARI centres.*
- (iv) *The primary mandate of SLARI is to research agricultural activities, and these activities are time-bound, and SLARI is also maintaining crop sites in remote areas around the country. Please note that these payments are from our various imprest accounts from the various centres to undertake multiple time-bound activities. Still, we are mindful of any procurement related activities in such request, and in this regard, we wish to draw your attention and to inform you that such payments for a research institution of this nature is inevitable to avoid such cost but will continue to ensure that prudent practices are always maintained. The request is fully supported to meet the audit requirement.*
- (v) *Your observation and recommendation are noted. Meanwhile, the disbursement of such funds is not meant for petty cash, but an imprest to undertake specific activities in which these monies were retired fully."*

### **Auditor's Comment**

- (i) For Administrative expenditure in 2018 totalling Le189,525,125, adequate supporting documents which amounted to Le181,025,125 were submitted and verified, leaving a balance of Le8,500,000 not supported.
- (ii) Payment vouchers and other supporting documents which amounted to Le381,829,750 and Le337,231,107 for the 2018 and 2019 Financial Years were submitted and verified, leaving balances of Le82,778,450 and Le329,724,714 not supported.
- (iii) The contract to justify the rate paid, the agreed contract duration and the daily attendance register was not provided. Therefore, the issue is unresolved.
- (iv) The issue regarding cheques written in staff name would be followed up in subsequent audits to determine if our recommendation was implemented.
- (v) A policy with appropriate guidelines on managing and controlling minor transactions is yet to be developed by the Institute. Our recommendation was not implemented. The issue remains unresolved.

#### **2.27.6. Ineffective management of personnel**

A review of the Institute's personnel management revealed that 19 personnel were recruited during the period under review. The recruitment was not advertised in accordance with Section 2.8(b) of the Institute's Human Resources Manual. A reviewed list of staff recruited indicated that they were recruited through recommendations. Letters of recommendation were however, not submitted for audit. It was recommended that in collaboration with the Human Resource Director, the Director-General should ensure that recommendation letters for personnel recruited are submitted to the Audit Service. In the future, all vacant positions to be filled are advertised according to section 2.8 (b) of the Human Resource Manual.

### **Official's Response**

*The Director General in his response said: "Management notes the observation and recommendation and wishes to inform you that Section 2.8(b) of the Institute's Human Resources Manual also states that "The Head of Division/Department/Unit may suggest other sources if he/she thinks is/are appropriate."*

### **Auditor's Comment**

We note your response. Letters of recommendation were however not submitted for verification. The issue therefore remains unresolved.

#### **2.27.7. Bank Confirmation not Received**

We reviewed the Institute's management of cash and bank balances. It was revealed that bank confirmation to ascertain that nine bank accounts maintained at various commercial banks for 2018 and 2019 were appropriately reconciled to detect errors and irregularities were not submitted for audit. We recommended that the Director General, through the Finance Manager, should ensure that follow-up with the banks regarding unconfirmed balances is done, and ensure that the confirmations are sent to the ASSL.

### **Official's Response**

*The Director General in his response said: "Recommendation accepted, management would ensure that follow-up is made to the various banks so that the confirmations are sent to the Audit Service."*

### **Auditor's Comment**

Our recommendation was not implemented. The issue therefore remains unresolved.

#### **2.27.8. Withholding Taxes not Deducted and Paid to the NRA**

Withholding taxes of 5.5 % which totalled Le82,987,355 were not deducted and paid to the National Revenue Authority, which is in contravention of Section 117 of the Income Tax Act of 2008. The Director General should ensure that the withholding taxes of Le82,987,355 are recovered immediately and paid to the NRA, and evidence of such payment forwarded to the Audit Service for verification.

### **Official's Response**

*The Director-General in his response said: "Management notes your observations but wishes to draw your attention on the EU General condition on Tax and Customs arrangement in Article 31 from Annex IV to the Cotonou Agreement, which exempted such payment from all taxes, including withholding tax. The relevant supporting documentation to support this claim is however available for audit verification."*

### **Auditor's Comment**

We note management's response. Our recommendation was not implemented as evidence of recovery of the sum of Le82,987,355 from suppliers, and receipt in support of payments made to the NRA were not submitted for verification. Therefore, the issue remains resolved.

#### **2.27.9. Ineffective Management of the Inventory of Assets, Motor Vehicles and Other Store Items**

A review of the Institute's management and control of inventory of assets, motor vehicle and other store items revealed an ineffective handling and management, which resulted in the following:

- Roadworthy vehicles at various locations visited were not licensed/registered in contravention of Section 2 of the Road Traffic Act of 2007.

- Conveyance and other land acquisition documents justifying ownership and control of a 10-acre land at Kabala, Koinadugu District, valued at Le90,000,000 were not submitted for audit.
- Some assets/items of inventory were not recorded; some could not be traced for physical verification, and some were not affixed with durable identification codes.

We recommended that the Director General, in collaboration with key management staff and administrative officers at various centres must ensure the following:

- That the unlicensed motor vehicles are licensed with the Sierra Leone Road Safety Authority, in compliance with Section 2 of the Road Traffic Act of 2007, and license documents submitted to the ASSL.
- Land acquisition documents such as conveyance and site plan are obtained from the landowner and retained for reference and audit purpose.
- Update of inventory of assets and store items is carried out on a regular basis, and assets and store items affixed with durable identification codes.
- Receipt and issue of items in the store are recorded, and goods received note and store issue vouchers maintained to ensure control of frequently used items.

### **Official's Response**

*The Director General in his response said the following:*

- *“Management notes the observation and wishes to inform you that amid financial challenges, steps have been taken to ensure that comprehensive assessment of all assets owned by the Institute (including those at its sub-offices) are undertaken, and fixed assets register updated accordingly.*
- *Management notes your observation and recommendation. Meanwhile, management will take the necessary steps to address these issues.*
- *Recommendations accepted, we would also ensure that amid timely financial allocation challenges, management will ensure that all roadworthy vehicles are licensed and insured.”*

### **Auditor's Comment**

We note management's response and will follow up on the implementation of our recommendations in subsequent audits. The issue however remains unresolved.

#### **2.27.10. Ineffective Fuel Management**

A policy governing the management and use of fuel for both entitled employees and fleet was not submitted for audit. Vehicles and generator log books and fuel usage reconciliation with the service provider (National Petroleum) were not submitted for audit inspection. Moreover, transport allowance was given to staff of the institute as indicated on the payroll from the Ministry of Finance. We however noted that fuel worth Le210,080,000 was allocated to staff even though they had received transport allowances as part of their salaries for the 2019 Financial Year.

We recommend that the Director General should ensure the following:

- (i) The policy governing the management and usage of fuel is submitted to the ASSL for verification.
- (ii) Vehicle and generator log books and fuel reconciliation in support of fuel used, worth a total of Le Le502,477,652 and Le382,580,900, are forwarded to the Audit Service for verification.

Henceforth, if such documents are not available, these documents should be prepared and should serve as the basis for the management and control of fuel.

- (iii) The total cost of fuel provided to staff, which amounted to Le210,080,000, is recouped from staff and paid into the Consolidated Fund. Evidence justifying the payment made should be submitted to the ASSL.

### **Official's Response**

*The Director-General in his response said: "Management notes your observation and recommendations but wishes to draw your attention to the provision made for the weekly fuel supply to staff members which is based on the availability of funds. As you may be aware that government's quarterly subvention to MDAs is always challenging, therefore it will not be fair to calculate the 52 weeks and apportion the cost to each staff for which in reality the staff members do not receive that quantum of fuel as stated in your report."*

### **Auditor's Comment**

- (i) A policy governing the management and usage of fuel was not submitted for verification.
- (ii) Vehicle and generator log books and fuel reconciliation in support of fuel used, worth Le502,477,652 and Le382,580,900 were not submitted for verification.
- (iii) The total cost of fuel provided to staff, which amounted to Le210,080,000, was not recouped from employees who benefitted, even though they received fuel allowances as indicated on the payroll from the Accountant General's Department.

Our recommendations were not implemented. The issues therefore remain unresolved.

## **2.28. SIERRA LEONE CABLE LIMITED – 2018**

### **2.28.1. Non-Review of Bank Reconciliation and Segregation of Duties**

There was no segregation of duties in the preparation of monthly bank reconciliation and no evidence of supervision by senior management for the period under review. We recommend that roles should be clearly defined in the reconciliation process, and management should ensure that the outcome of the reconciliation should be properly documented.

### **Official's Response**

*In his response, the Managing Director said: "Bank reconciliations are prepared on a monthly basis by the Accounts Manager and reviewed by the Finance Team. The reconciliation is then approved and documented by the Chief Financial Officer (CFO). Copies of the reconciliation statements are available for inspection. The key roles and responsibilities of the Finance Department are clear and the organogram of the Department is available for inspection. Going forward, Management will introduce stricter supervisions over the timely preparation of the monthly bank reconciliation".*

### **Auditor's Comment**

Evidence justifying that our recommendation was implemented was not submitted. The issue remains unresolved.

### **2.28.2. Non- reversal of stale Cheques**

Seven cheques issued to suppliers for operational activities of the company had not been presented, more than six months from their issue date and had therefore past their validity period. We recommend

that management must ensure that bank reconciliations are reviewed adequately and updated on a monthly basis in order to address all reconciling transactions that might become stale.

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

*In his responses, the Managing Director said: "The above comments are noted and the necessary journals have been made to effect the reversals. Copies of these journals from the accounts department are available for inspection".*

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

Evidence to justify that our recommendation was implemented was not submitted for inspection. The issue therefore remains unresolved.

### **2.28.3. Currency revaluation for prior years not cleared from the system**

The manual revaluation of cashbook balance dominated in foreign currency in order to reflect the market value was performed using journal entry instead of system revaluation as provided by the accounting software used by the company. As a result of the method employed by management, which was not in synchronisation with the software, those journals appeared to show as reconciling items between the cashbook and the bank statement when they were actually not, thereby leading to a misstated bank balance. Below is a list of manual journal described above.

#### **Guarantee Trust Bank (US\$ Account) Cashbook**

Transaction date	Detail	Amount (US\$)
31st December 2016	Journal 353	114,106.82
31st December 2016	Journal 327	(116,200.23)
31st December 2016	Journal 354	(125,410.55)

We recommend that management should ensure the reversal of those journal entries. In addition, a high-level review must always be performed on the reconciliation statement in order to identify any strange transaction that might create discrepancy between the cashbook and the bank statement.

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

*The Managing Director in his response said: "The necessary adjustments have been made to correct above misstatements. Copies of these journals from the accounts department are available for inspection".*

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

Evidence that our recommendation was implemented was not submitted. The issue remains unresolved.

### **2.28.4. Revaluation of foreign Bank Balances**

We noted that the following general ledger accounts listed below had balances (reported as at the balance sheet date) that did not agree to the bank reconciliation statement balances. Except for the First International Bank, the Guarantee Trust Bank interim account, and the Zenith Bank with a single transaction recorded in the cashbook below, the cashbook balances and bank statements were expected to be the same, unless there were reconciling items for which none existed.

BANK	AMOUNT AS PER BRS (US\$) A	EXCHANGE RATE B	AMOUNT (Le) AS PER BRS C (AxB)	AS PER TB D	DIFFERENCE E (D-C)
Sierra Leone Commercial Bank	15,589.62	8,424.59	131,326,156.76	130,631,505.93	(704,651)
First International Bank	13,866.50	8,424.59	116,819,577	183,833,761.33	67,014,184
Guarantee Trust Bank Interim Account	101,798.69	8,424.59	857,612,225.29	1,863,950,475.76	1,006,338,250
Guarantee Trust Bank Operational Account (US\$)	6,997.17	8,424.59	58,948,288.41	1,032,466,371.26	973,518,083
Guarantee Trust Bank Subscription Account	646.19	8,424.59	5,443,885.81	1,010,499,381.41	1,005,055,496
Zenith Bank (US\$)	37,840.45	8,424.59	318,790,277	1,199,961,411.41	881,171,135

Management should ensure proper revaluation of foreign currency using the current rate of exchange and the related gain or loss should be properly recorded. In addition, a high level general ledger and the related supporting document review should be performed to ensure the correctness of posting into the various general ledger account thereby, reducing the risk of materially misstating the financial statements.

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

*The Managing Director in her response said: "The balances reported as at the balance sheet date did not agree with the bank reconciliation statement balances. The necessary adjustments have been made to correct the above misstatement. Copies of these journals from the accounting are available for inspection".*

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

Evidence to justifying that our recommendation was implemented was not submitted for inspection. The issue remains unresolved.

#### **2.28.5. Dormant Bank Accounts**

The company operated the following accounts listed below, that were either inactive or dormant. There is the possibility of suffering interest expense/charged for the past period, once these account became active.

Account Name
Guarantee Trust Bank Interim Account
Guarantee Trust Bank Subscription Account
Guarantee Trust Bank New Operational Account
Commerce And Mortgage Bank

We recommend that dormant accounts should be closed or closely monitored to avoid the risk of misuse of administrative right.



**Official's Response**

*The Managing Director in his response said: "Management has noted the concern and will take the necessary action to manage these accounts. All of these accounts are closely monitored for any risk they may pose. The recommendation on the closure of some of these accounts will be discussed with the Board for final decision".*

**Auditor's Comment**

Evidence showing that our recommendation was implemented was not submitted. The issue remains unresolved.

**2.28.6. No fixed Asset Capitalization Policy**

Based on our enquiry with management, we noted that there was no asset capitalization policy maintained by the company and therefore no clear documented policy on how to determine the company's capital expenditure and non-capital expenditure. We recommend that management should institute a written capitalization policy that will serve as a guide to what should be capitalized based on the nature, use and materiality concept on a consistent basis.

**Official's response**

*The Managing Director in his response said: "This is now a work-in-progress and management will ensure the process is speedily completed. The draft asset capitalization policy has been approved. The draft copy is available for inspection".*

**Auditor's Comment**

Evidence justifying the implementation of our recommendation was not submitted. The issue therefore remains unresolved.

**2.28.7. Fixed Asset Registered Not Promptly Updated**

We observed that the company's fixed assets register was not regularly updated to keep track of new assets, record, assets taken over from other projects, such as Ecowan (TFN) and Wacip handed over to the company by the GOSL, and removal of disposal of impaired assets.

We recommend that the fixed assets register should be updated for additions and disposals. Reconciliation of the balances of fixed assets should be performed between the fixed assets register and the general ledger on a monthly basis and be documented and approved by management. Any difference should be followed up and cleared promptly.

**Official's Response**

*The Managing Director in his response said: "The above was noted and the register will be updated accordingly. Efforts have been made to contact the various project managers for a project completion report and handover note, so that all these assets will be incorporated into the assets register".*

**Auditor's Comment**

Evidence justifying the implementation of our recommendation was not submitted. The issue therefore remains unresolved.

**2.28.8. Non-Tagging of Fixed Assets**

Majority of the company's fixed assets (property, plant and equipment) were not coded with unique identification codes. We recommend that all fixed assets should be coded with a unique code and the

respective location of each asset be reflected in the fixed assets register. All fixed assets should also be physically verified periodically.

**Official's response**

*The Managing Director in his response said: "This has been initiated to ensure the additions to assets that were not tagged to be tagged. Going forward, management will ensure new assets purchased are tagged and then updated to the register".*

**Auditor's Comment**

Evidence justifying the implementation of our recommendation was not submitted. The issue therefore remains unresolved.

**2.28.9. No Reconciliation between Fixed Assets Register and General Ledger**

We noted that management did not perform monthly or regular reconciliation between the fixed asset register and general ledger. Therefore, there were discrepancies between balance as per trial balance and balance as per Financial Assets Register. We recommend that regular reconciliation of addition, disposal, and balance of fixed asset, should be performed between the fixed assets register and the general ledger on a monthly basis and be documented and approved by management. Any difference should be investigated and necessary action taken to resolve the matter.

**Official's Response**

*The Managing Director in his response said: "Reconciliation has been done and the reconciliation statement of the assets register with the general ledger is available for inspection".*

**Auditor's Comment**

Our recommendation was implemented. The issue therefore remains unresolved.

**2.28.10. Vehicle Life-card not in the name of Sierra Leone Cable Limited**

We observed the non-availability of documentary evidence of proof of ownership of six vehicles of the company. We recommend that the management should provide evidence of rights and obligations of these assets. In addition, all assets owned and controlled by management should be properly documented as such and all title deeds updated to reflect ownership by the company.

Vehicle	Vehicle registration number
Toyota Hilux (covered van)	AJZ 300
Toyota Hilux (open Van)	AJF 986
Toyota Land Cruiser	AHB 837
Toyota Hilux	AHI 923
Renault Crane Truck	AJG 246
Mercedes Benz ( Splicing Van )	AJG 249

**Official's Response**

*The Managing Director in his response said: "Management will take the necessary action to effect the change of ownership".*

### **Auditor's Comment**

During verification, life-cards for the vehicles were still not available for verification. The issue remains unresolved.

### **2.28.11. Control of long outstanding receivables and credit limit**

We observed that a significant amount of the company's receivables was long overdue. In addition, management did not maintain a receivable aging report which could have guided management on how to manage the credit risk. Furthermore, there were no documented credit limit procedures employed by management.

The following were recommended:

- The Company should develop account receivables aging analysis to give a collection tool, as it is also used as a tool for estimating potential bad debts which are then used to revise the allowance for doubtful account.
- The Company should make provision for doubtful debt; as doubtful debt is a contra asset that reduces the total receivables reported, to reflect only the account receivable expected to be collected.
- The Company should set up credit limit for customers to pay quicker and limiting amount of potential bad debt management could be exposed to.

### **Official's Response**

*The Managing Director in his response said: "an accounts receivable aging analysis, including the aging report, has been done by the commercial department. Most of the clients have signed for a payment plan. The commercial department has also developed a tool to help set and monitor client's credit limit, in order to avoid bad debt".*

### **Auditor's Comment**

Evidence justifying that our recommendations were implemented was not submitted. The issue remains unresolved.

### **2.28.12. Payments without Supporting Documents**

Transactions with a total value of Le5,718,042,550 were without supporting documents. We however recommend that management should ensure that all payments made should be backed by their relevant supporting documents in order to give authenticity to those transactions.

### **Official's Response**

*The Managing Director in his response said: "Management had noted the comments and will ensure going forward, all payments made to ACE are supported with the complete relevant and authentic documents".*

### **Auditor's Comment**

Evidence that our recommendation was implemented was not submitted. The issue remains unresolved.

### **2.28.13. Erroneous Reinstatement of Opening Balance**

During our review of opening balances, we noted that an attempt to reinstate prior year balance resulted in an erroneous journal entry booked in the management account. The description below is a notable erroneous change made to the account:

Provisions for bad and doubtful debt for the prior period which are yet to be collected or paid by customer were reversed through retained earnings during the period under review. These provisions were made to reflect the net receivable balance in prior period and during the course of the audit, the invoices for which the provisions were made are still outstanding. This has been subsequently corrected during the audit.

We recommend that management should seek to align its management account with the audited financial statement by booking all audited journals agreed with management during prior audit.

***Official's response***

*The Managing Director in his response said: "The above have been corrected to align the management accounts with that of the audited accounts. Both the management accounts and audited accounts have been reconciled".*

**Auditor's Comment**

Evidence justifying that our recommendation was implemented was not submitted. The issue remains unresolved.

**2.28.14. Poor Filing System**

The Company did not maintain proper filing of documents. For example, payment vouchers were not filed sequentially and therefore the responsible personnel had difficulties in locating them. We recommend that a proper filing system should be set up and all document files should be updated on a timely basis and kept in a secure place.

***Official's Response***

*The Managing Director in his response said: "Management had noted the concern and will take necessary action to ensure a proper filing system is set up, updated regularly and firmly secured."*

**Auditor's Comment**

Evidence that our recommendation was implemented was not submitted. The issue remains unresolved.

**2.28.15. Withholding Tax Deduction**

Withholding taxes totaling Le44,864,000 was not deducted from payments to contractors and service providers and paid to the NRA. We therefore recommended that this amount should be immediately recovered and paid to the NRA and evidence submitted for audit inspection.

***Official's Response***

*The Managing Director in his response said: "Management has noted the above and will ensure all payments will be subjected to withholding tax with payments remitted to the National Revenue Authority. The accounts department will review accounts and submit to management all such pending payments".*

**Auditor's Comment**

Evidence showing that our recommendation was implemented was not submitted. The issue remains unresolved.

**2.28.16. Budget Preparation**

The management did not prepare forecast budget for activities of the company and thus unplanned expenditure were undertaken and resource allocation not done in a systematic framework.

Management should ensure the preparation of yearly budgets and the assumption used in preparing the budget must be subject to regular review. Actual result should also be compared with budget amount and variance should be analysed.

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

*The Managing Director in his response said: "The above comment has been noted. The Finance Department has been preparing budget since 2018 to date and in a timely manner. The 2018 budget is available for inspection".*

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

Evidence showing that our recommendation was implemented was not submitted. The issue remains unresolved.

#### **2.28.17. Statutory Payments**

We noted that employers' national social security contribution and income tax deduction were not paid within the statutory due date.

Months	Date paid	Due Date
November and December 2017 NASSIT contributions	26th February 2018	15th December 2017 & 15th January, 2018
September, October 2017 and January 2018 PAYE contributions	23rd March 2018	15th October, 15th November 2017 and 15th February 2018
November, December 2017 and February 2018 PAYE contribution	22nd March 2018	15th December 2017, 15th January 2018 & 15th March 2018
March 2018 PAYE contribution	19th April 2018	15h April 2018
April 2018 PAYE contribution	25th May 2018	15th May 2018
September 2018 PAYE Contribution	18th October 2018	15th October 2018

We recommend that management should ensure to meet statutory obligation as and when they fall due.

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

*The Managing Director in his response said: "Management is aware about the delay in statutory payment in the past. Such has improved and payment is however being made regularly and on time".*

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

Our recommendation was implemented was not submitted. The issue remains unresolved.

#### **2.28.18. Accounting and Procedural Manual**

The Company did not have an accounting and procedural manual. The preparation of a formal policy and procedural manual would improve and standardize the company's financial policies and procedures and serves as a framework for the actions of management. The company should document its accounting policies and procedures in an accounting manual and ensure that the document is referred to for its accounting and business transactions.

### **Official's Response**

*The Managing Director in his response said: "Management has developed a draft accounting procedural manual and it will be reviewed by a consultant for accuracy and completeness, after which it will be presented to the Board for approval".*

### **Auditor's Comment**

Evidence justifying that our recommendation was implemented was not submitted. The issue remains unresolved.

### **2.28.19. Transactions Without Receipts/Invoice**

Transactions worth Le12,799,229,358 were without invoices or receipts. We recommend that all payments should be supported by suitable documents and approved by authorised persons.

### **Official's Response**

*The Managing Director in his response said: "Management has noted the above comment that relates to the non-submission of invoice and /or receipt for the above transactions. Invoices and/or receipts for most of the above listed transactions are now available for inspection".*

### **Auditor's Comment**

There was no evidence of our recommendation being implemented. The issue remains unresolved.

### **2.28.20. Uncollectable Receivables for WACIP and Ecowan projects**

During our review of correspondence between the Ministry of Information and Communications which is tasked with supervising the Company, we noted the directives issued by the Government of Sierra Leone, the sole shareholder of the company, instructing SALCAB to financially support the implementation of both "ECOWAN" and "WACIP" projects with a cumulative cost of Le1,576,639,234 and Le2,967,243,555 respectively. Both projects had subsequently been transferred or directly manage and control by SALCAB including all assets and liabilities. Included in account receivables is a cumulative amount of Le4,543,882,790 representing the total cost incurred as support to the projects which is now considered an uncollected receivable amount. Additionally, the receivables balance reported as year-end was materially misstated by the above amount as there was a significant doubt on the collectability of these receivables. Management should consider writing off these receivables or seek alternative settlement of treatment.

### **Auditor's Comment**

There was no official response and no evidence that our recommendation was implemented. The issue remains unresolved.

### **2.28.21. Invoice or payment arrangement with the GoSL for services rendered by the Company**

The Company had not received payments from the GoSL through the Ministry of Information and Communications with regard to services provided over the years. As at the end of the 2017 financial year, the total amount recorded as receivables and consequently revenue recognised over the years amounted to Le14,212,976,006. During the year under review, Le5,269,599,213 was recognised as revenue from services provided to the GoSL through the Ministry for which no payment was made and no other form of consideration was received by SALCAB as at 31 December 2018. Management should consider writing off the Ministry of Information's receivables for prior periods and reverse revenue recognised for current period or seek alternative settlements from the GoSL.

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

*The Managing Director in his response said: "There is ongoing discussion with both Ministry of Finance and Ministry of Information for a possible cross debt agreement with the NRA for tax obligations with regards to amount owed by the MIC".*

### **Auditor's Comment**

There was no evidence that our recommendation was implemented. The issue remains unresolved.

#### **2.28.22. Issues from site verification**

Based on our procedures performed we noted the following:

- The listing obtained for the client did not have the individual cost per site totalling to the cost value of Le72,056,597,000 that was posted as Terrestrial Fiber Network WIP.
- Assets on the sites (e.g. at: Lunsar, Masingbi, Sewafeh, Kono, Magburaka, Bumbuna sites) verified were not in working condition.
- The Gbalamuya site had been vandalised.
- The ceilings of the equipment shelters in some sites (e.g. at: Milton Margai College, Bintumani, Fourahbay College, Pastoral Site, Kenema, Makeni) were leaking which made them prone to damage and destruction.

We recommend that management consider that all total cost for asset should have their breakdown in order to make it easy to assess the assets when it should be impaired. In addition, management should perform routine checks for assets in offshore sites in order to minimise the risk of theft, vandalizing of asset and timely repairs to damaged equipment.

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

*The Managing Director in his response said: "Management has requested for project report for the PIU in order to ascertain breakdown of cost and location of these assets so that details will be provided".*

### **Auditor's Comment**

There was no evidence that our recommendation was implemented. The issue remains unresolved.

#### **2.29. NATIONAL TOURIST BOARD – 2019**

##### **2.29.1. Property, Plant and Equipment**

A review of the fixed assets register revealed that no provision was made for asset identification code and location. We could not re-compute depreciation because a breakdown of the opening balances of different assets cost was not made available. We recommended that a comprehensive assets register be designed with provisions for asset codes, location, a breakdown of opening balances relating to asset cost and an identification code be printed on all assets. The comprehensive assets register should be made available for our review.

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

*The General Manager in his response said: "Management notes your concern. Going forward, management will ensure all details of identification code and location of assets are captured in the fixed asset register".*

### **Auditor's Comment**

The matter is unresolved as our recommendation was not implemented.

## **2.30. NATIONAL MEDICAL SUPPLIES AGENCY – 2019**

### **2.30.1. Governance and Compliance Issues**

The following issues were noted:

Section 19(1) and (2) of the National Medical Supplies Agency (NMSA) Act states: “The agency shall keep proper books of account and other records in relation to the activities of the Agency in a form approved by the Auditor-General, and sub section (2) provides that the accounts of the agency kept under subsection (1) shall, not later than 4 months after the end of each financial year, be audited by the Auditor-General or an auditor appointed by him”. The references to the NMSA Act were however not implemented.

We recommend that proper books of account be maintained and accounts prepared as prescribed in Section 19 of the NMSA Act.

### **Official's Response**

*The Managing Director in his response said:*

- *“The Agency keeps and maintains proper books of accounts including the general ledger which is updated on a daily basis as and when transactions occur. Just before the audit was conducted the Agency had just migrated from the use of basic Excel spreadsheet to the use of an automated accounting management software (QuickBooks). We were then required to repost all transactions from the Excel spreadsheet into the accounting software (QuickBooks) to generate the 2019 Financial Report that was audited. If there are issues of incorrect dates, it could have been made possible due to the reposting from the Excel spreadsheet to the QuickBooks system.*
- *We note the observation. Though NMSA was enacted in 2017, we actually started operations in September of 2018 when the Managing Director and the Deputy Managing Director were recruited. It was not until June 2019 when the agency recruited its second set of staff that included a Finance Director. During the period of September 2018 to June 2019, the accounts of the agency were managed by the Ministry of Health and Sanitation”.*

### **Auditor's Comment**

- Management's comment is noted. During a meeting with management, promises were made to ensure a correct and detailed general ledger is maintained going forward. This issue will be followed up in subsequent audit to determine the extent to which our recommendation was implemented.
- Management in its response has not given any undertakings to ensure that the Act is complied with in this instance. It cannot be overemphasised that laying accounts on time is a prerequisite for effective financial management.

### **2.30.2. Paye Taxes not Deducted on Board Remuneration**

The following issues were noted:

- PAYE amounting to Le238.5 million was not deducted from the Board's remuneration and paid to the NRA.



- NASSIT payments were not made on time in contravention of the NASSIT Act of 2001.
- The following recommendations were made:
- All future taxes should be correctly computed and paid to the NRA at the due date as per the tax law.
- NASSIT should be paid on or before the due date as stipulated by the NASSIT Act of 2001.

### **Official's Response**

*The Managing Director in his response said:*

- *"The Agency fully complies with the laws regarding PAYE tax and NASSIT. Salaries and other emoluments of the Agency's staff is solely handled and facilitated by the Ministry of Finance (MOF). The relevant statutory deductions relating to PAYE tax and NASSIT is deducted at source by MoF and paid to the NRA and NASSIT respectively, by MoF.*
- *With regards to the non-compliance with tax and NASSIT laws relating to Board remuneration, the Finance Department will endeavour to take steps and seek clarification from the NRA and NASSIT. Once clarity is sought, we will ensure going forward, this is fully implemented. This is something that has also been discussed with the Board of Directors, and they are with the view that clarity has to be sought from the NRA to ascertain whether they are eligible for these deductions because they are not full-time staff of the Agency".*

### **Auditor's Comment**

- Management's response was noted. Evidence to support that the tax of Le238.5 million was paid to the NRA was however not submitted for verification. The issue remains unresolved.
- The issue of timely payment of NASSIT will be followed up in subsequent audits.

### **2.30.3. Unauthorised Payment of Board Remuneration**

Expenditure incurred with respect to Board remuneration for Le403 million was not authorised on the face of the voucher and not receipted. We recommend that the Agency should ensure that all transactions are duly approved by the relevant officer.

### **Official's Response**

*The Managing Director in his response said: "We note this observation. We will ensure that payment vouchers would be duly authorised and receipted".*

### **Auditor's Comment**

Management's response was noted. The issue of authorisation of Board remuneration will however be followed up in subsequent audits.

### **2.30.4. Inefficient and Ineffective Control Over the General Ledger System**

The following were observed:

- The general ledger (GL) was not regularly updated.
- Staff loan advance amounting to Le253 million was not recorded in the GL
- Transactions were listed in the incorrect dates.
- Large number of transactions recorded in the GL was not referenced to any source document.
- An account was incorrectly named in the GL.
- Financial records were not adequately reviewed.

We recommended that management should institute reconciliatory mechanism between the GL and other financial records, and update the GL regularly.

### **Official's Response**

*The Managing Director in his response said: "The Agency keeps and maintains proper books of accounts including the general ledger which is updated on a daily basis as and when transactions occur. Just before the audit was conducted, the Agency had just migrated from the use of basic Excel spreadsheet to the use of an automated accounting management software (QuickBooks). We were then required to repost all transactions from the Excel spread sheet into the QuickBooks system to generate the 2019 Financial Report that was audited. Management will ensure that all general reconciliation will be done in the future".*

### **Auditor's Comment**

Management's comments were noted. This issue will be followed up in subsequent audits to determine if general ledger reconciliation was carried out.

### **2.30.5. Ineffective control over the management of Non-current assets**

We observed the following:

- Assets Register was not comprehensive, as assets identification codes were not reflected in the register; and in many cases, no date of acquisition of assets and no record of suppliers.
- Assets listed in inventory were not found in the location as indicated in the inventory.
- The assets register was not reconciled with the General Ledger.
- Many assets in the register were not reflected in the accounts as they are not valued.
- Cost of assets in the accounts and the register were stated net of withholding tax, rather than at the cost of acquisition.
- Equipment cost of Le18,950,000 and machinery cost of Le152,062,194 were not reflected in the register.
- Vehicles were the only assets insured.

The following recommendations were made:

- All assets in the register should be valued and the cost reflected correctly and completely in the general ledger and register.
- All assets should be recorded in the register and the general ledger at gross cost of acquisition before withholding tax deduction.
- The register should indicate identification code and location of every asset.
- All assets should be insured.
- A journal should be done to reflect the correct cost of assets in the register and the general ledger; i.e. debit cost of assets and credit withholding tax.
- A journal should be done to capture cost of assets in use.
- The register should be reconciled with the general ledger on a regular basis, in order to ensure completeness of accounting information.

### **Official's Response**

*The Managing Director in his response said:*

- *“This is noted, it is however important to know that most of our assets were inherited from the NPPU (Former agency whose Act was repealed and replaced with the NMSA Act) records including cost, supplier, label etc. were not available.*
- *Some assets especially chairs were moved from their original locations when additional staff were recruited together with interns. Steps have now been taken to address the above situation.*
- *This is because all the assets we inherited from the NPPU are not cost and no records were available for proper description relating to cost, location, supplier, etc. As stated above, we are still in the process of identifying these assets to properly account for them.*
- *As stated above, this is noted and steps will be taken to address the issue.*
- *This is noted, and the issue has already been corrected through the journal entry.*
- *This will be reviewed to reflect the correct position. We note this observation relating to assets not insured with the exception of the motor vehicles. At present, only the official vehicles are insured. The sustainability plan which has already been developed makes provision for other high valued assets such as items in the warehouses where medical commodities are kept to fully guard against fire, theft and other related losses that might occur. This is contingent upon the availability of resources.”*

### **Auditor's Comment**

Management's response noted. Our recommendations were not implemented. These issues remain unresolved.

#### **2.30.6. Poor Control Over Staff Cost and Payroll Management**

The following were observed:

- Three staff files had no appointment letter and statement of remuneration on file.
- One staff file had no statement of remuneration on file.
- Staff file should be updated with all relevant information.

### **Official's Response**

*The Managing Director in his response said: “The Agency maintains complete files for each employee. The audit exercise coincided with two other assessments carried out by UNICEF and Global Fund who also requested for these files and many other documents. The files of the staff mentioned above were with one of the assessors. They can be made available to the auditor upon request.”*

### **Auditor's Comment**

Staff files were still not made available for inspection. This issue remains unresolved.

#### **2.30.7. Lack of Effective Supervision of Accounting Staff**

We observed the following:

- Rent prepayment tax was overpaid to the NRA by Le6,196,000;
- WHT and PAYE were grouped into one account;
- Unpresented cheques were treated as Opening Equity in the accounts;
- Cash at bank balance in the accounts was recorded as bank statement balance rather than cashbook balance;

- Petty cash in December was paid out of pocket as there were negative cash balances in that month;
- Travel cost of US\$4,580.60 was not supported by third party documentation;
- Board remuneration of Le403 million was paid with no authorisation/approval on the payment voucher, nor the requisition form and payment acknowledged by recipients;
- No stock record was maintained for bulk purchase of office supplies.

The following recommendations were made:

- Adequate supervision should be provided for all the financial and accounting transactions, from initiation to recording and reporting.
- All amounts paid or payable to be reconciled to all related documents, records and subsidiary ledgers.
- Payments should be checked to ensure all documentation and computations are correct.
- All relevant records, such as stock records should be properly maintained.

### **Official's Response**

*The Managing Director in his response said:*

- *"This is noted; the Agency will engage the National Revenue Authority for possible solution leading to the Agency recovering from any losses.*
- *This is noted and has been corrected.*
- *This is noted and will be corrected going forward.*
- *This is noted and will be corrected going forward.*
- *This occurred as a result of delay to reimburse petty cash in the absence of the MD and DMD to authorise and approve. Payments were due for certain activities; so payments were made from other sources which were reimbursed later.*
- *We noted the observation. At the time of the transaction, a system to acknowledge using a DSA form and receipt of DSA allowances by relevant officials was not in place. The Finance Department has now put measures in place to correct this weakness.*
- *This observation is noted, actions will be taken to ensure that payment and requisition forms are duly authorised and approved by the relevant authorities.*
- *Furthermore, a system will be put in place to facilitate acknowledgement for payment to Board members.*
- *The observation is noted. A stock card is now in place to record movements of stocks both inwards and outwards."*

### **Auditor's Comment**

Management's response was noted. Evidence to justify the implementation of our recommendations was however not submitted for verification. These issues remain unresolved.

## **2.31. SIERRA LEONE LOCAL CONTENT AGENCY – 2019**

### **2.31.1. Cash Counts**

We observed that cash counts were not carried out at the end of the financial periods under review in order to check the accuracy of cash balances indicated in the books and financial statements of the Agency for year ended 31st December, 2019. We recommended that cash counts be carried out at

every location at the end of the Agency's financial year. This exercise should be witnessed by senior and independent officers of the Agency who should verify the accuracy of the amount indicated in the cash count reports.

***Official's Response***

*The Director General in his response said: "With the presence of the Internal Auditor, this has been taken care of."*

**Auditor's Comment**

The cash count reports were not available for verification. The issue remains unresolved.

**2.31.2. Physical Verification of Tangible Fixed Assets**

The Agency did not physically verify its tangible fixed assets on a regular basis in order to confirm their existence and also determine their condition. We recommend that the Agency 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***

*The Director General in his response said: "There is a regular verification of assets presently with the presence of the Internal Auditor."*

**Auditor's Comment**

These verification reports were not available for review. The issue remains unresolved.

**2.31.3. Daily Subsistence Allowance (DSA)**

The Agency did not have a formal policy governing the payment of daily subsistence allowance to its members of staff.

The following were recommended:

- The Agency should develop a clear policy with regards to this issue.
- The basis used for the payment of DSA to members of staff of the Agency for the period under review should also be made available for verification.

***Official's Response***

*The Director General in his response said: "There is a policy that speaks to this now."*

**Auditor's Comment**

This policy was not available for verification. Our recommendations were not implemented. The issue remains unresolved.

**2.31.4. Petty Cash Limit**

We observed that very large amounts from Le200,000 to Le1 million were paid from petty cash. We recommended that the Agency should introduce payment ceiling for petty cash transactions. The transactions with contractors and suppliers should be done through the banking system.

***Official's Response***

*The Director General in his response said: "This has also been amended as there is a petty cash policy that speaks to this presently."*

### **Auditor's Comment**

This policy was not available for verification. The issue therefore remains unresolved.

## **2.32. OFFICE OF THE OMBUDSMAN – 2019**

### **2.32.1. Payment of Withholding Tax and Free Health Insurance Levy**

We observed that withholding taxes of Le64,843,899 had not been paid to the NRA as at 31st December 2019 – (including 2018 – Le48,097,000). We recommended that withholding tax returns should be submitted to the NRA as soon as possible. In addition, the office should engage the NRA regarding this issue.

### **Official's Response**

*The Ombudsman in his response said: "We confirm that Le64,843,899 was payable to the National Revenue Authority as at 31st December, 2019. We have on 18th August 2020 paid Le33,662,073. In addition, we have written a letter to the National Revenue Authority requesting their indulgence for the deferment of this payment."*

### **Auditor's Comment**

The letter to the National Revenue Authority requesting for the deferment of the balance payment was not made available for our verification. Withholding tax returns and payment to the National Revenue Authority of Le33,662,073 was provided, leaving an outstanding balance of Le31,181,826 not supported. Our recommendation was partially resolved.

### **2.32.2. Closed Bank Account**

We noted that the Accountant General's Department issued an instruction on 7th August 2017, to the Sierra Leone Commercial Bank to close account number: 003001-109292100123 following the introduction of the Single Treasury Account. We observed that this bank account is still part of the Office's financial statements with a positive balance of Le83,376. We recommended that this bank account be written off the books of the Office.

### **Official's Response**

*The Ombudsman in his response said: "We note your findings. Management has on 15th September 2020, taken a decision to write off the balance of Le83, 376 in the Office's financial statements."*

### **Auditor's Comment**

The minutes of this meeting is yet to be made available for our verification. Our recommendation was not implemented. Therefore, the issue remains unresolved.

## **2.33. PHARMACY BOARD OF SIERRA LEONE - 2018**

### **2.33.1. Procurement Irregularities**

The following lapses were identified in the procurement of toiletries and cleaning materials worth Le26,013,000; printing of posters on drug peddling for Le31,050,000; stationery worth Le47,518,000 and printing of newsletters for Le47,610,000:

- (i) No signed procurement requisition was found on file for review.

- (ii) A key requirement (section B) of the RFQ was completed by the Administrative Officer and not the suppliers as mandated in the tender document.
- (iii) The RFQ document did not state deadline for the submission of quotations.
- (iv) Deadline for the submission of quotations was not communicated to the bidders as required by the tender document.
- (v) No local purchase order found on file

We recommended that the procuring entity should adhere to the procedures outlined in the Public Procurement Act of 2016 and its standard documents.

#### **Official's response**

*The Registrar in his response said:*

- (i) *"The supplier by signing the RFQ took responsibility of the information on the quotation. Management will ensure that section B of the RFQ will now be completely filled by the supplier."*
- (ii) *Deadline is always clearly indicated on the RFQ.*
- (iii) *The Board uses an internal requisition form for every transaction. This form is initiated by the end user, verified by the head of unit/ department and approved by the Registrar before procurement process begins. Management will ensure the use of the procurement requisition form in addition to the internal requisition form."*

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

Management's response is noted. A follow-up will be done during the upcoming audit exercise to determine if our recommendation was implemented. This issue remains unresolved.

#### **2.33.2. Payroll**

Monthly PAYE contribution deducted from staff salaries, but were not paid to the NRA within the stipulated timeframe (i.e. on or before the 15th of the following month:

PAYE	Date of Payment
January 2018	26th February, 2018
February 2018	21st March, 2018
November 2018	21st December, 2018
December 2018	12th February, 2019

We recommended that PAYE taxes should be deducted and paid to the NRA within the stipulated timeframe.

#### **Official's response**

*The Registrar in his response said: "The delay in the payment of PAYE is due to the untimely release of funds from the Ministry of Finance. Management is doing all it can to ensure the timely release of funds which will lead to the timely payment of statutory obligations."*

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

Management's response is noted. A follow-up will be done during the upcoming audit exercise to determine if our recommendation was implemented. This issue remains unresolved.

## **2.34. PHARMACY BOARD OF SIERRA LEONE – 2019**

### **2.34.1. Procurement irregularities with respect to stationery and toiletries**

The following issues were noted:

- The evaluation report for the procurement of stationery items was dated 11th March 2019, whilst the RFQ was dated 20th February 2019, had no deadline date for the submission of quotations. The RFQ was issued on 25th February 2019 for the procurement of toiletries, whilst the evaluation report recorded an issue date of 18th February, 2019.
- Section B of the RFQ was completed by the Administrative Officer; for the procurement of stationery and toiletries, when it was mandatory that the suppliers should complete this section.
- An assessment of lead time, previous records of supply, delivery period, quotation validity and warranty period as procurement best practices were not seen on the evaluation report for the procurement of stationery and toiletries
- The successful bidder submitted an expired NRA tax clearance certificate dated 15th February, 2019 for the procurement of stationery.
- An estimated amount of the procurement was increased by 72.7% for the procurement of stationery, Evidence of approval from the procurement committee was not seen. For the procurement of toiletries; we noted that the estimated value of the procurement was also increased by 31.3% and the procurement committee approval was not sought prior to the award of the contract.
- The procurement plans for both stationery and toiletries were not updated to reflect the actual cost of the items. No evidence of goods received note was located on file.

We recommended that the procuring entity should adhere to the procedures outlined in the Public Procurement Act of 2016 and its standard documents.

#### ***Official's response***

*The Registrar in his response said:*

- (i) *“The difference in the date of the RFQ and the evaluation report is due to typographical error as the date on the procurement minutes was 11th March, 2019.*
- (ii) *Procurement plan will now be updated to reflect the actual cost of the items.*
- (iii) *The supplier by signing the RFQ, took responsibility of the information on the quotation. Management will ensure that section B of the RFQ will now be completely filled by the supplier.*
- (iv) *Management will ensure that procurement regulations are adhered to in the future.”*

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

Management's response is noted. A follow-up will be done during the upcoming audit exercise to determine if our recommendation was implemented. This issue remains unresolved.

### **2.34.2. Payroll**

The monthly PAYE contributions deducted from staff's salaries were not paid to the appropriate authorities within the stipulated timeframe (i.e. on or before the 15th of the following month):



PAYE	Date of Payment
April 2019	18th June, 2019
May 2019	18th June, 2019
June 2019	4th September, 2019
July 2019	4th September, 2019
August 2019	19th November, 2019
November 2019	17th December, 2019

We recommended that all taxes on PAYE and NASSIT should be paid to the appropriate authorities within the stipulated timeframe.

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

*The Registrar in his response said: "Untimely release of funds which most subvented agencies face, made it difficult to pay allowances and PAYE on time. Management will do all it can to ensure compliance immediately funds are received for the payment of allowances."*

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

Management's response is noted. A follow-up will be done during the upcoming audit exercise to determine if our recommendation was implemented. This issue remains unresolved.

### **2.35. SIERRA LEONE STANDARDS BUREAU – 2020**

#### **2.35.1. New Equipment Not Installed**

We observed that there were new equipment in the microbiology and chemistry lab which had not been installed over a year now. We recommended that adequate staff training is needed to operate these advanced equipment to make them fully operational.

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

*The Executive Director in his response said: "These lab equipment were procured with their accessories. There are issues with installation which UNIDO has stepped in to help, including staff training. A team from Ghana Standards Authority will arrive in August 2021 to carry out the installation and calibration."*

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

Management's response is noted. This issue will be followed up during the next audit. This issue remains unresolved.

#### **2.35.2. Limited Supply of Testing Equipment**

We noted limited supply of testing equipment in the Petroleum Lab, the few available were outdated. We recommended that management should purchase new equipment for testing.

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

*The Executive Director in his response said: "The Bureau submitted its capital budget of Le34 billion to the Ministry of Finance for the replacement of some of these equipment. Unfortunately, no capital budget was allocated to the Bureau for FY 2021. Most of the lab equipment was bought from Destination Inspection fees, but for the past three years, Destination Inspection fees and all revenues were paid directly into the TSA, and the Bureau does not have access to revenue collected. The Bureau will continue to advocate for financial resources to replace some of the lab equipment."*

### **Auditor's Comment**

Management's response in relation to Limited Supply of Testing Equipment is noted. This issue will be followed up during the next audit. This issue remains unresolved.

## **2.36. SIERRA LEONE NATIONAL COMMISSION ON SMALL ARMS – 2020**

### **2.36.1. Assets Register**

The Sierra Leone National Commission on Small Arms did not maintain a proper fixed assets register. The register was not updated with date of acquisition, cost/value, location and status and regular physical verification of assets was not done on the register. In addition, fixed assets purchased must be capitalised in the financial statements as non-current assets. We recommended that management should ensure that a proper fixed assets register is maintained and updated. Regular physical verification should be performed, and fixed asset based on capitalisation policy should be capitalised in the financial statements.

### **Official's Response**

*The Commissioner in his response said: "We also would like to take full responsibilities for not capitalising the purchases of non-current assets (fixed assets) in the financial statements. We will ensure going forward, assets within the threshold will be capitalised and recorded appropriately and accordingly in the financial statements so that meaningful viable decision will be made to enhance clarity for the users of the financial statements."*

### **Auditor's Comment**

Management's response in relation to asset register is noted. This issue will be followed up during the next audit. The issue remains unresolved.

## **2.37. SIERRA LEONE NATIONAL SHIPPING COMPANY - 2020**

### **2.37.1. Manuals Not Updated**

Both the Finance & Accounting Manual and the Personnel and Operations Manual had not been reviewed and updated for effective and efficient financial and personnel management. We recommended that management of the SLNSC should ensure that these very important documents were updated regularly for the smooth running of the institution. The reviewed Personnel and Operations manual should be made available to all employees at any given time.

### **2.37.2. Staff Training not conducted**

Staff training is key for the effective and efficient running of the institution. Therefore, the need to enhance staff capacity should not be taken lightly. In-house as well as external training programs should be planned and implemented. We recommended that management should pay great attention to staff development, thereby motivating them to maximise their output/performance and reduce high staff turnover.

### **Official's Response**

*The Managing Director in his response said: "There is a training programme which is currently being carried out by certified ICM instructor. Management is currently paying professional ICM fees which include exams fees for staff in the C&F and in the shipping departments. The ICM courses are tailored for those in the marine industry. Other staff in*

*the Finance and Administrative departments are being supported in various ways towards their carrier courses. There is plan for in-house training for finance staff towards the end of the third quarter or second week of the fourth quarter of this year.”*

#### **Auditor’s Comment**

Management’s response is noted; it must be stressed that the training should be job-related. This issue remains unresolved.

#### **2.37.3. Customisation of the current Accounting Software**

We noted that the current accounting software (Sage) was not customised to suit the operations of the company. We recommended that the current accounting software (Sage) be customised to suit the business operations of the company or an alternative software(s) (Quick Books or Great Plain Dynamics) be sought.

#### **Official’s Response**

*The Managing Director in his response said: “Management has reached a decision for transition to a new software by the end of the current financial year. We intend to start running the new software by the beginning of the first quarter of 2022. We will run both Sage and a new software concurrently until the end of second quarter of 2022 when we will be fully transitioned to the new software.”*

#### **Auditors’ Comment**

The response is noted for a verification during the next audit exercise. This issue remains unresolved.

### **2.38. JUSTICE SECTOR CORDINATION OFFICE: 2018 – 2020**

#### **2.38.1. Staff Training not conducted**

Staff training which is key for the institution to run effectively and efficiently was not conducted for the period under review. We recommended that management should pay great attention to staff development thereby motivating them to maximise their output/performance and reduce staff turnover.

#### **Official’s Response**

*The Resources Coordinator in his response said: “Management notes this very important point. The JSCO will continue to advocate for the GoSL and Development Partners to support staff capacity development.”*

#### **Auditor’s Comment**

This issue will be followed up during the next audit. This issue remains unresolved.

#### **2.38.2. Weak Control of Fixed Assets**

We observed that identification numbers were not indicated on fixed assets for ease of reference to the fixed assets register. In addition, the assets register was not updated with the value and location of assets. We recommended that management should ensure that assets are coded with unique identification marks. Moreover, the value and location of each asset should be updated in the fixed assets register.

### **Official's Response**

*The Resources Coordinator in his response said: "Most of the assets currently utilised by the JSCO are used items that were inherited from the former Special Court for Sierra Leone. For example, the container presently being occupied by the JSCO. These facilities were handed over to the Ministry of Justice over ten years ago. As a result, it proved difficult to ascertain the value of these assets in their used form. Additionally, most of these assets have overran their useful life and may now have no real value. JSCO will facilitate the marking of the few unmarked asset upon receipt of our second quarter allocation and will be made available for inspection immediately after the marking."*

### **Auditor's Comment**

This issue will be followed up during the next audit. This issue remains unresolved.

### **2.38.3. Lack of proper Legal Mandate to empower the Sector Office**

We noted that the JSCO's legal mandate needed to be reviewed so that it can perform its duties and responsibilities efficiently and effectively, particularly when dealing with other MDAs. We recommended the strengthening of the legal mandate so that the Sector can carry out its functions without problems.

### **Official's Response**

*The Resources Coordinator in his response said: "Management notes these concerns; however, a draft bill has been developed and the JSCO is in negotiation with members of parliament and other key stakeholders within the justice sector for it to become law."*

### **Auditor's Comment**

This issue has not been resolved for quite a while and needs to be addressed as soon as possible.

## **2.39. CENTRAL INTELLIGENCE AND SECURITY UNIT: 2018 – 2019**

### **2.39.1. Lack of Medical Fitness Report**

A review of personnel files for staff recruited during the period under review revealed no medical certificate justifying the health condition of staff, contrary to Section 2.8 of the Terms and Conditions of Service of the institutions. We recommended that management should ensure that the relevant section of the Terms and Conditions of Service of the Institution is followed to the letter, and staff are recruited after being certified by a recognised medical practitioner.

### **Official's Response**

*The Director General in his response said: "We acknowledge Section 2.8 of the Terms and Conditions of Services (TACOS) of the institution which requires CISU staff to be medically certified. In pursuit of this policy, the Administration has always made it a policy to outsource medical clearance of newly recruited staff to the 34 Military Hospital. Since the establishment of CISU, medical clearance has been a precondition, but unfortunately for the batch of staff recruited in 2019, funding challenges led to this gap. The Service pledges that moving forward as part of our plans, an MOU will be developed with the RSLAF, JMU to provide such services for minimal costs and for the allowance of deferred payment."*

### **Auditor's Comment**

Management's comment is well noted. The issue however, still stands and will be followed up in subsequent audit engagements.

### **2.39.2. Payment of Transport Allowances to Staff**

A review of imprest related expenses revealed that an average monthly total of Le10,000,000 and Le20,000,000 was paid as monthly transport allowance to staff members during the periods under review, even though the Terms and Conditions of Service made no provision for such payments. This allowance was also not part of staff emoluments as per reviewed appointment letters. This violated Sections 12.1 and 12.3 of the Terms and Conditions of Services (TACOS) of the Institution.

The Director General, in consultation with the Director of Corporate Services and senior management, should ensure that going forward, all allowances paid to staff are in line with the TACOS and appointment letters.

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

*The Director General in his response said: "The payment of transport allowance is not paid to CISU staff as an emolument or benefit package. As a Service responsible for providing early warning on threats, it has been realised that public order disturbances, social media misinformation and disinformation remain key national security challenges that affect our peace and security. Against this backdrop, all operational staff and support staff have been orientated and required to respond to threats by deploying to verify, or engaging in immediate surveillance and assessment of threats before tactical teams can be deployed to handle a particular situation. Such operational areas cut across the Western rural and Urban areas and events can occur day and night, weekdays and weekends, to which staff are requested to respond.*

*Practically, the nature of our job is not only covert but also significantly time sensitive, which by implication requires staff to be practically available for work 24/7 as determined by the security landscape or existing or emerging operational requirements.*

*Aside from routine fuel allocation to management, middle level staff cadres are provided fuel while lower level and support staff are provided with monthly transport allowance to enable them address our operational missions. Thus, the objective provision of the transport allowance is to motivate readiness and facilitate the movement of personnel during working hours, non-working hours or even odd hours, when personnel are called to duty to ensure swift response.*

*This model has tremendously helped to support and maximize our effort in delivering on our mandate complementarily. Being done to ensure operational exigency and not as a benefit based on the peculiarity of our job, it is not stated in neither the Terms and Conditions of Service, nor letters of appointment. The appropriate vouchers can be submitted for your review."*

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

Management's comment is well noted. This issue however still stands, and will be followed up in subsequent audits.

### **2.39.3. Internal Audit Control Lapses**

A review of the internal audit function revealed the following control weaknesses:

- Internal Audit annual work plan and report of actual work done by the Unit were not submitted for the 2018 Financial Year.
- A draft internal audit report was submitted for the FY2019, and there was no evidence of management's actions taken to address issues highlighted in the report.
- Internal audit working papers detailing how audit tests were performed and conclusions arrived at, in support of issues noted in the draft report were not submitted for audit inspection.

The Director General should ensure that the Head of the Internal Audit implement the following:

- The Internal Audit Plan for 2018 and the report of actual work done are submitted to the Audit Service. All future audits should also be done as per approved audit plans.
- In future, appropriate actions should be taken to implement issues identified in the report of the Internal Audit Unit and all work carried out should be appropriately documented and working papers filed and kept for future reference.

### **Official's Response**

*The Director General in his response said: "The Internal Audit Unit acknowledges the issue of not providing Internal Audit Work Plan for the period. This was alluded to the fact that at the time (2018) in the query, no internal audit was conducted because we did not have an Internal Auditor who could have done the plan in readiness for external auditors. Due to the exigency of time on the schedule of external auditors (Audit Service SL), the Internal Auditor who was then newly appointed within a short period of the auditors' commencement of audit, was only able to conduct internal audit for 2019.*

*There is in existence of well composed Internal Audit Committee which has the responsibility to do due diligence on all issues raised by Internal Auditors. Appropriate actions were taken by the Committee responsible and therefore there has been marked improvement in internal audit compliance.*

*It should be noted that because of the size of the institution, the Committee is composed of three senior level core staff who ensure that all queries and recommendations presented to the Director General by the Internal Auditor at any given time, are fully complied with.*

*Due to the sensitivity of issues most often covered by the Internal Audit Unit, we are yet to nominate an external member on the Committee. Moving forward, the issue will be critically assessed and addressed."*

### **Auditor's Comment**

The comment raised by the management of CISU is well noted. These issues however still stand, and follow-up will be done in subsequent audit to determine the extent to which our recommendations are implemented.

## **2.40. UNIVERSAL ACCESS DEVELOPMENT FUND 2018 – 2019**

### **2.40.1. Budget not in Line with the Financial Statement Format**

The presentation and format of the budgets were not in line with the production and layout of the Financial Statement submitted for review. In addition, there was no evidence of reference to the budget on the payment vouchers and requisition in compliance with Section 4.1 (e) and Section 10 of the Fund's Finance Policy. In the future, the Finance Manager should ensure that expenditure lines as per the approved budget are referenced on payments vouchers.

### **Official's Response**

*The Chief Executive Officer in his response said: "In future, I will ensure that expenditure lines go in line with the approved budget, and references will be made on all payment vouchers."*

### **Auditor's Comment**

We will follow up on this issue in subsequent audits as it has been kept under view.

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

Requests and payment vouchers totalling Le127,128,300 for expenditures undertaken in 2019 were not submitted. In addition, a review of bank statements for the year 2018 revealed that payments totalling Le3,068,463,404 were withdrawn from the Guarantee Trust Bank (GTB) Account Fund were without payment vouchers and supporting documents.

The following were recommended:

- (i) Finance Manager should exercise adequate supervision over the preparation and documentation of the Fund's transactions
- (ii) All transactions are supported by the relevant documentation, which must be numbered and cross-referenced so that they can be easily traced in a case where they go missing.
- (iii) The relevant evidence regarding Le127,128,300 and Le3,068,463,404 are forwarded to the Audit Service for verification; otherwise, such expenditures will be deemed ineligible, and parties concerned requested to refund funds spent.

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

*The Chief Executive Officer in her response said: "Going forward, all payment vouchers will be numbered and cross-referenced so that they can be traced easily. We have recovered the missing documents relating to Le127,128,300 and are available for review. For the Le3,068,463,404 – The new Universal Access Development Fund (UADF), Management took over the office in November 2018 and gained access to the UADF account in December 2018. We became a signatory to the account in December 2018. There was no formal handing over notes relating to bank reconciliation, payment vouchers, cashbook and any other supporting documents for the expenditures relating to the aforementioned amount provided to the new Management. The said amount was also captured in the Technical Audit conducted. Furthermore, we have contacted the Management of National Telecommunications Commission to see ways to call the previous Management of the former UADF staff to provide the supporting documents."*

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

Evidence in the form of payment vouchers, receipt, requests etc., justifying the total payments of Le127,128,300 was provided and reviewed. No evidence was however provided for total disbursements of Le3,068,463,404. Our recommendation remains partially implemented.

#### **2.40.3. Updated Fixed Assets Register**

The following issues were noted:

- (i) Assets worth Le82,310,000 were not included in the assets register.
- (ii) The fixed assets register submitted did not have vital information relating to acquisition dates and unique identification code, as stated in the Financial Management Regulations of 2018 and the UADF Finance Policy.
- (iii) A letter received from NATCOM dated 26th November, 2019 revealed that four GSM sites built from funds designated for universal access by the Government of Sierra Leone should have been transferred to the Fund by Africell. Details of sites, including their cost, have however not been included in the Fund's fixed assets register or conveyances to justify ownership submitted to the Fund.

The Chief Executive Officer, in collaboration with the Finance Manager, should ensure the following:

- (i) The details of assets worth Le82,310,000 and the four GSM sites built from funds designated for universal access are included in the assets register and evidence submitted to the Audit Service for verification.
- (ii) That conveyance in support of the four GSM sites is obtained from NATCOM or Africell and submitted to the Audit Service for verification. In addition, a mechanism is instituted for the Fund to take complete control of these sites.

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

*The Chief Executive Officer in her response said: "Assets worth Le82,310,000 – The assets register has been updated. The UADF management has made a formal written request from Africell (SL) Ltd. to provide us with a cost breakdown on the four GSM sites. Once the cost has been provided to us, we will then include it in our assets register. The UADF and NATCOM have also asked Africell SL Ltd. to make formal handing over of the four GSM sites to justify ownership."*

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

Management provided us with the fixed assets register, including the Le82,310,000 worth of assets was provided and reviewed by the team. The cost breakdown for the four GSM sites was not provided; therefore, our recommendation was partially implemented.

#### **2.40.4. Fixed Assets not Affixed with Unique Identification Codes**

Assets with a carrying value of Le1,515,100,000 were verified but not affixed with unique identification codes. The Finance Manager should ensure that assets worth Le1,515,100,000 are affixed with unique identification codes and details recorded in the assets register and records maintained for reference purposes.

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

*The Chief Executive Officer in her response said: "Management will ensure that the assets are affixed with unique identification codes and details recorded in the UADF Asset Register."*

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

The team identified a sample of assets affixed with unique identification codes. The imprint of codes on the assets is a work in progress as not all the assets were coded and updated in the assets register. Therefore, our recommendation was partially implemented.

#### **2.40.5. Fixed Assets not Insured**

Except for motor vehicles, assets owned and controlled by the Fund were not insured as an insurance certificate/policy was not provided for audit review. In consultation with the Finance Manager, the Chief Executive Officer should ensure that going forward, assets owned and controlled by the Fund are insured, in order to compensate against loss resulting from damage and disasters.

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

*The Chief Executive Officer in her response said: "Management will ensure that assets owned and controlled by the Fund are insured."*



### **Auditor's Comment**

Our recommendation was not implemented. This issue will be followed up on subsequent audits as it has been kept under view.

#### **2.40.6. Inadequate Supporting Documents for the Recruitment of Staff**

A review of the Fund's recruitment process revealed that 24 staff were recruited. The Human Resources Manager however did not provide evidence of a staffing plan, advertisement of vacancies, application letters, interview scoresheets, probity check, and letter of confirmation or renewal of contracts. The absence of these are violation of Section 5.2 para 1.3, 1.4 and Section 8.1 of the UADF Human Resources Manual and best practice.

In collaboration with the Head of Human Resources, the Chief Executive Officer should ensure the following:

- (i) The staffing plan, advertisement of vacancies, application letters, interview scoresheets, and letter of confirmation for successfully recruited staff are submitted to the Audit Service for verification.
- (ii) In future, the Fund should ensure that all records relating to recruitment and selection of successful applicants should be retained for audit or reference purposes.

### **Official's Response**

*The Chief Executive Officer in her response said: "The recruitment of senior management staff was done through the line ministry. Intermediate and junior staff were recruited voluntarily and then later nominated based on their performance and qualifications. Application, acceptance of offers, Curriculum Vitae and their certificates were presented to Management. Going forward, Management will ensure that all records relating to the recruitment and selection of successful applicants will be retained as recommended."*

### **Auditor's Comment**

Our recommendation was not implemented. The issue remains unresolved.

#### **2.40.7. Lack of Training and Development of the Fund's Human Resources**

There was no evidence of annual training plans and needs assessment submitted during the audit. In addition, annual staff appraisals for periods under review were not done and filed, which is in violation of Section 5.2, Paragraph 2.1 (iii) and the best practice of Human Resources Management.

The Chief Executive Officer, in collaboration with the Head of Human Resources, should ensure that at the start of the year, a training needs assessment is conducted that must fit into a training plan. The plan will serve as the basis for the roll-out of any staff training within the Fund. In addition, annual appraisals are done for all staff, and copies filed for reference purposes going forward.

### **Official's Response**

*The Chief Executive Officer in her response said: "As recommended, Management will ensure that training needs assessment fit into a training plan and will form the basis for the rollout of any staff training within UADF. Management did performance appraisals to all staff, and they were recorded in their individual file. We will however adhere to your recommendation."*

### **Auditor's Comment**

Our recommendation was not implemented as training plans were not submitted for verification. We will keep the issue in view for future audits.

#### **2.40.8. Staff Loan Criteria Breached**

Section 7.4 and 7.5, Paragraph (b) and (c) of the HR Handbook mandated that staff should have been employed by the Fund for one year, to be qualified for staff loan. We noted that these sections were breached as loans totalling Le22,000,000 were granted to various staff.

In collaboration with the Human Resources Manager, the Chief Executive Officer should ensure that going forward, policies as stipulated in the Human Resources Handbook are strictly adhered to.

### **Official's Response**

*The Chief Executive Officer in her response said: "The loan granted to staff was an exceptional case; some lost their loved ones, emergency medical treatment/ surgical operation. The money was given to them to address the aforesaid issues and was deducted from their monthly salary. Going forward, we will ensure that policies, as stipulated in the Human Resources Handbook, are strictly adhered to as recommended."*

### **Auditor's Comment**

Going by our recommendation, in the future, we would expect the Fund's Management to adhere to the Fund's standing policies; therefore, this issue has been kept in view to be followed up on in subsequent audits for adherence.

#### **2.40.9. PAYE not Paid to the NRA**

PAYE taxes amounting to Le71,390,000 were deducted, but receipts to justify payments made to the NRA were not submitted. We recommended that upon collaboration between the Finance Manager; and the Chief Executive Officer, they should pay the amount to the NRA and receipts supporting such payments submitted to the ASSL for verification.

### **Official's Response**

*The Chief Executive Officer in her response said: "In order to reduce the financial burden on NATCOM, the Management only requested the net salary to pay salary with the view that our contributors will pay into the Fund and then pay PAYE tax to the NRA on that front. Therefore, the said amount was recorded as a liability. Management has written a formal letter to explain to the NRA that as soon as we receive funds we will pay the liabilities."*

### **Auditor's Comment**

Evidence of PAYE payments was not provided for verification though a letter of correspondence written to the NRA was made available without reply from the NRA. We therefore, consider our recommendation not implemented. This issue therefore remains unresolved.

#### **2.40.10. Lack of Procurement Committee and Plan**

The following issues were noted:

- (i) In violation of Section 18 (sub-section 1&2) of the Public Procurement Act of 2016, a Procurement Committee that is charged with the responsibility as stipulated therein is yet to be established by the Fund.

- (ii) A procurement plan in support of goods, works and services to be procured by the Fund for the periods under review was not prepared, which is in violation of Section 29 of the Public Procurement Act of 2016.

The Chief Executive Officer should ensure the following going forward:

- (i) A procurement committee as stipulated in Section 18 (1&2) of the Public Procurement Act is established.
- (ii) A procurement plan is prepared before the commencement of the year, submitted to the Procurement Committee /supervisory ministry/NATCOM for approval. This plan should serve as the basis for any procurement undertaken.

### **Official's Response**

*The Chief Executive Officer in her response said: "Going forward, we will adhere to your recommendation to establish a procurement committee and submit to the Board of Trustees for approval."*

### **Auditor's Comment**

This issue has been kept in view for subsequent audit as it will be followed up on to confirm adherence.

#### **2.40.11. Lack of Procurement Officer**

A procurement officer, as stipulated in Section 17 of the Public Procurement Act of 2016, was not recruited by the Fund.

The Chief Executive Officer should ensure that appropriate staff planning is done, and funds sought for the recruitment of a procurement officer. If this is not feasible, appropriate consultation and use is made of the procurement functions of its supervisory ministry/NATCOM.

### **Official's Response**

*The Chief Executive Officer in her response said: "Going forward, the appropriate staff planning will be done or revert to the Ministry or NATCOM to help us with procurement functions."*

### **Auditor's Comment**

This issue has been kept in view for subsequent audit as it will be followed up to confirm adherence.

#### **2.40.12. Lack of Income Logbook/Register**

We noted that all cheques and other inward remittances were not listed on a daily cash/cheque receipt register. We recommended that the Finance Manager should ensure that going forward, all cheques and other inward remittances are listed sequentially on the daily cash/cheque receipt register in compliance with Section 3.8, Paragraph (c) of the Fund's Finance Policy.

### **Official's Response**

*The Chief Executive Officer in her response said: "Management has developed a receipt book and are in sequential form. Management will also provide sample of receipt book for verification. We will adhere to your recommendation going forward."*

### **Auditor's Comment**

This issue has been kept in view for subsequent audit as it will be followed up to confirm adherence.

#### **2.40.13. Lack of Receipts**

In violation of these sections of the Fund's finance policy, the following issues were noted:

- (i) Funds received from SIERRATEL, AFRICELL and Orange totalling Le2,224,259,375 and donations totalling Le104,825,000 were not recorded in the inward remittance cash/cheque receipt register. In addition, receipts were not issued to these customers to confirm funds were received.
- (ii) Funds received from NATCOM which amounted to Le2,359,474,574 were accounted for as loans in the books of the Fund. A loan agreement between NATCOM and UADF was however not provided to confirm the basis upon which the funds were provided and whether they were correctly classified in the books of the Fund.
- (iii) For the 2018 Financial Year, a total of Le3, 375,055,301 was credited, as evidenced on the Fund's bank statement. No record of this amount was however made in the cashbook and cash/cheque register.

The Chief Executive Officer, in collaboration with the Finance Manager should ensure the following:

- (i) All funds received are acknowledged through the issuance of receipts to customers and receipts sequentially recorded in the inward remittance cash/cheque receipt register.
- (ii) The loan agreement in support of the amount received from NATCOM is submitted to the ASSL for verification.
- (iii) Going forward, appropriate records are made in the Fund's cashbook for all receipts and payments as evidenced from the bank statements and documents filed for reference.

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

*The Chief Executive Officer in her response said: "All receipts have been issued to our contributors/partners for funds received by Management. We have all duplicate copies for verification. There was no formal loan agreement between NATCOM and the UADF Management but a request was made in the form of loan to enable us undertake our administrative expenses. The UADF management has written a letter to the NATCOM management requesting for the loan to be converted into a grant. Copies of the letter will be made available. All payments received by the Fund were recorded on the cashbook and cash/cheque register and it was provided to the audit team. Evidence will be provided for review as it forms the basis of the bank reconciliation."*

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

Duplicate copies of the receipt books were provided for verification and were reviewed. The cashbook and bank reconciliation for December 2018 were provided for review. The team was able to review and reconciled Le400,000,000 recorded in the cashbook. No evidence in the form of receipt, cashbook or reconciliation was provided for the remaining Le2,975,055,301 of the total Le3,375,055,301 recorded in the Fund's bank statement in FY 2018. No agreement between the Fund and NATCOM was also provided for funds received from NATCOM.

In this regard, recommendations were partially implemented. These issues remain partially unresolved.

#### **2.40.14. Lack of Bank Reconciliation**

Monthly bank reconciliations for bank accounts operated by the Fund were not performed for the 2018, as evidence to substantiate this process was not submitted for audit review. The Chief Executive Officer, in collaboration with the Finance Manager, should ensure that at end of every month, bank statements are obtained from banks in with which the Fund's accounts are

maintained. In addition, the Accountant performs a reconciliation of financial activities as recorded in the cashbook and the bank statement. Furthermore, the reconciliation prepared must be reviewed and signed by the Finance Manager and submitted to the CEO for approval.

### **Official's Response**

*The Chief Executive Officer in her response said: "The new Management gained signatory to the account in December 2018 and during that time, we only reconciled for December 2018. Management did provide bank reconciliation for December 2018 to the audit team with the exception of January to November 2018 as we were not employed at that time. We provided copies of the bank reconciliation to the audit team."*

### **Auditor's Comment**

Bank reconciliation was provided and reviewed for December 2018. The team did not receive reconciliation from January to November 2018. This issue therefore remains partially resolved.

## **2.41. NATIONAL YOUTH SERVICE 2018 – 2019**

### **2.41.1. Review of the National Youth Service Act of 2016**

We reviewed the National Youth Service Act of 2016 and requested relevant documentation to ascertain the extent to which the NYS complied with the undermentioned provisions in the Act. The non-submission of pertinent documentation and/or explanation makes it difficult for the team to determine the following:

- (i) Whether a Regional and/or a District Advisory Committee as stated in Section 14 & 15 (1) and Section 14 & 15(2a-g) of the National Youth Service Act of 2016 has been established.
- (ii) Whether the Executive Director's office maintained a National Youth Service Register as stated in Section 32(1&2) of the National Youth Service Act of 2016.
- (iii) Whether the Executive Director submits to the Board for approval, an annual report of the activities, operations, undertakings etc. within three months after the end of each financial year for onward submission to the Youth Minister not later than four months, as stated in Section 25(1) of the National Youth Service Act of 2016.

The Executive Director, in collaboration with senior management staff, should ensure the following:

- (i) Explanation/documentation in support of adherence to Sections 14 & 15 (1 & 2a-g), 32 (1&2) and 25 (1) of the National Youth Service Act of 2016 are submitted to the ASSL for verification.
- (ii) A mechanism is instituted in future to ensure strict adherence and implementation of the Act.

### **Official's Response**

*The Executive Director in his response said: "Regional and District Committees were long established in 2016 as stated in Sections 14 & 15(i) and Section 14 & 15(2a-g) of the NYS Act. Because the composition of these committees were merely statutory people i.e., Provincial Secretaries, District Officers etc. who are transferable. We have decided to factor that part in the review to cater for more permanent committee members."*

### **Auditor's Comment**

We note management's response. Though evidence justifying the implementation of our recommendation was not submitted for verification, the issue will be kept in view and a follow-up done in subsequent audit.

#### **2.41.2. Ineffective Management of Disbursement**

In violation of Section 100(1) of the Public Financial Management Regulations (PFMR) of 2018, payment vouchers and other supporting documents such as requisition, names and signatory of beneficiaries, a detailed activity plan etc., amounting to Le67,406,000 for the period ended 31st December 2019, were not made available for audit inspection.

The Director of Finance should exercise adequate supervision over the preparation and documentation of the Service's transactions, and through the Accountant should ensure the following:

- All public funds are appropriately accounted for in accordance with Section 100(1) of the Public Financial Management Regulations of 2018.
- Payment vouchers and supporting documents relating to funds disbursed totalling Le67,406,000 are forwarded to the ASSL for verification.
- The relevant documentation supports all transactions, and these must be numbered and cross-referenced so that they can be easily traced when they go missing.

### **Official's Response**

*The Executive Director in his response said: "The documents are available for audit verification. They were actually misplaced due to several transfers undertaken by the office and the challenges of office accommodation."*

### **Auditor's Comment**

Documents amounting to Le43,362,250 relating to 2019 were submitted and verified with amounts totalling Le26,190,000 not supported. The issue is therefore partially resolved.

#### **2.41.3. Non-deduction and Non-payment of Withholding Taxes**

Amounts totalling Le265,558,300 and Le320,109,500 for the period ended 31st December 2018 & 2019 respectively, were paid to suppliers and contractors without deducting the withholding tax of 5.5%, where applicable, resulting in tax loss of Le14,110,707 and Le17,606,023 for 2018 and 2019 respectively. In collaboration with the Director of Finance, the Executive Director should ensure that withholding taxes of Le14,110,707 and Le17,606,023 are recovered immediately and payment made to the NRA, and evidence of such payment forwarded to the ASSL for verification.

### **Official's Response**

*The Executive Director in his response said: "Management is fully aware of the consequences of non-payment of withholding taxes. Management normally accumulate tax monthly and pays into the NRA account the following month and receipt obtained to this effect is available for audit verification."*

### **Auditor's Comment**

Withholding tax receipt totalling Le1,535,380 and Le14,086,023 were still not submitted for audit verification. The issue therefore remains partially resolved.

#### **2.41.4. Request for Quotation Procedures not Followed**

Three Requests for Quotation and local purchase orders to justify that the procurement of items totalling Le159,954,225 in 2019, was done according to Sections 44a and 45 (1-4) and the First Schedule of the Public Procurement Act of 2016, were not submitted for audit. This restricted the auditors from determining whether the procurement process was competitive and transparent.

In collaboration with the Procurement Officer, the Executive Director should ensure that three Requests for Quotation and local purchase orders are submitted to the ASSL and in future, Section 44a and 45 (1-4) and the First Schedule of the Public Procurement Act of 2016 must be strictly adhered to.

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

*The Executive Director in his response said: "The documents (RFQs and LPOs) as mentioned in Appendix "D" of the Draft Management Letter are attached to the transaction details. Few of the others without LPOs and RFQs have existing contract which are available for your verification please."*

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

The team was not provided with the aforementioned procurement documents totalling Le24,043,750. The issue is therefore partially resolved.

### **2.42. NJALA UNIVERSITY 2019**

#### **2.42.1. Biological Asset**

IAS 41 regulates those agricultural activities where the income-producing biological assets are living animals or plants and will include the harvested produce of these assets.

A review of the University's cashbook and financial statements revealed that biological assets were procured, enhanced and sold. However, biological assets such as cattle and crops were not disclosed in the financial statements.

We recommended that the Finance Director should revise the financial statements and recognize the Biological assets in accordance with the reporting framework on which the financial statements were presented.

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

*The Vice Chancellor in his response said: "There were no procurement activities whatsoever in the financial year 2019 regarding biological assets of all types. The expenses found on the Njala University-Main Operating Account and in General Ledger by extension were incurred on purchases of feeds for the Cattles. These biological assets have been in the University since time immemorial; hence, disclosing the biological assets in the Financial Statements for 2019 will give rise to other adjustments which had been done. The University does not have biological assets from which agricultural produce are harvested (that is, no Crops except Cattles).*

*Disclosure of the existing Cattles at an estimated market value as there is no official market for them have been made in the revised Financial Statement for the year ended 31 December, 2019 via the creation of adjustments as follows; and accounting journal entries passed:*

Dr. *Biological Assets (in the statement of financial position)*

Cr. *Sundry Income (in the statement of profit or loss account and other comprehensive income)."*

### **Auditor's Comment**

We were provided with an inventory of the current stock of cattle owned by the University. We were also provided with an estimated valuation of these cattle. Since the University has indicated that there is no active market for cattle, the estimated value will be accepted. However, it must be noted that the record presented did not reflect the level of cattle as at the reporting date. In addition, the university has not instituted a proper inventory system to take stock of its cattle. This issue is therefore partially resolved and will be followed up in the subsequent audits.

### **2.42.2. Budget not Participatory**

An interview with the Management Accountant revealed that a participative budget was prepared for the year ended 2019. However, circulars sent out by the finance department to heads of divisions to participate in the budget preparation were not made available for inspection.

We recommended that the VC &P and the Finance Director should ensure that level of involvement in the budgeting process is inclusive.

### **Official Response**

*The VC &P in his response said: "Indeed, the University adopted a bottom top approach budgetary process otherwise known as a participatory budgeting system. Directors, Deans of Schools, Heads of Departments, etc. are at all-time written a budget circular at the start of each budget period. Evidence of the sample of the budget circular is available for audit inspection. This budgeting system will continue from time to time."*

### **Auditor's Comment**

During the verification exercise a budget circular was submitted for review. However, there was no evidence such as estimated income and expenditure from Directors, Deans of Schools, Heads of Departments etc., to confirm that other departments participated in the budget preparation. The issue therefore remains partly unresolved.

### **2.42.3. Unapproved Budget**

A soft copy of the University Budget was submitted to the audit team. As such, there was no evidence to confirm that the Budget was approved by the University Court and authorised by the Vice-Chancellor.

We recommended that the Finance Director should ensure that an approved budget is submitted to the auditors; otherwise, it will modify the audit opinion.

### **Official Response**

*The VC&P in his response said: "The University's annual budgets are usually approved at its court meeting following the compilation of it from different Units, Departments and Directorates. Minute of this is available for your inspection."*

### **Auditor's Comment**

Minutes of Court meetings were not submitted for review to confirm that the budget was approved. Therefore, this issue remains unresolved.



#### **2.42.4. Overspent budget lines**

It was observed that eight budget lines that amounted to Le2,791,568,995 for the year ended 31st December 2019 were overspent by the University Administration without obtaining prior approval from the University's Court.

The Finance Director should provide an adequate explanation backed with documentary evidence as to why budget figures were overspent.

#### **Official Response**

*The VC&P in his response said: "The budgeted line items were really not overspent; rather, the understated figures for the highlighted budget line items were considered. There were three (3) additional columns hidden on the right-hand corner of the budget submitted to your team. These additional columns housed extra costs for each of these budget lines queried. The disclosed columns and rows are available for your inspections."*

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

During the verification exercise, the three additional columns that disclosed the overspent costs were not submitted for inspection. The issue therefore remains unresolved.

#### **2.42.5. Non - Financial Information not in FS**

We reviewed the financial statements for 2019 and observed that management commentary (i.e. narrative statements from the Vice-Chancellor and the Finance Director) were not included in the financial statements as a good practice to provide further relevant information.

We recommended that the VC & P and the Finance Director are encouraged to provide management commentary in the form of narrative reports to accompany the financial statements as a good practice to provide additional information about the University's prospects and other information not presented in the financial statements for the year ended 31st December 2019.

#### **Official Response**

*The VC & P in his response said: "Management commentary in the form of narrative notes or reports is a consolidated statement of principles annually prepared by the VC&P. It is a holistic report capturing reports from Directors, Deans of schools, Heads of Departments etc., this is now available for your inspection and adoption."*

#### **Auditor's Comments**

Management comment was noted. The documents were however not provided during the verification exercise. The issue therefore remains unresolved.

#### **2.42.6. Minutes of committee meetings not submitted**

Management did not submit minutes of meetings held by the Coordinating Committee and the Finance and General Purpose Committee (F&GPC) to confirm discussions held on budgetary matters.

We recommended in our draft report that the Finance Director should ensure that minutes of committee meetings are prepared and filed for reference purposes.

#### **Official Response**

*The VC&P in his response said: "All committee minutes requested by your audit team, including but not limited to the University's Court meeting minutes, were made available at their request. Hence, we are surprised to hear this from*

*you. The said Committee meeting minutes are readily available for your audit inspection. It is also evidenced that minutes are recorded for every Committee meeting and held at the University Registry headed by the Registrar.”*

#### **Auditor’s Comments**

The signed minutes of the Coordinating Committee and the Finance and General Purpose Committee (F&GPC) were not submitted for review. Therefore, this issue is unresolved.

#### **2.42.7. Opening of bank accounts without prior authorisation**

Bank confirmation reply revealed that three new bank accounts were opened at the Sierra Leone Commercial Banks in 2019. In addition, the minutes of the Finance and General Purpose Committee (F&GPC) meetings revealed that the Finance Director presented to the members of the F&GPC, seven bank accounts opened at the standard chartered bank in 2019. Documents of accounts opening and evidence of authorisation for the opening these ten bank accounts were however not made available. Secondly, these accounts were not included in the financial statements.

We recommended that the VC & P, Finance Director and the Registrar should submit written authorisation for the opening of these accounts to the Auditor-General for verification.

#### **Official Response**

*The VC & P in his response said: “the University did not open any bank accounts with Standard Chartered Bank. Neither did the University operates any existing Accounts (if any) held at the Standard Chartered Bank. The accounts listed by your audit team in the draft management letter were opened purposefully for projects’ activities and at the end of the implementations of each project’s activities, funds in the account exhausted, the account is closed immediately. The projects that created these accounts were implemented since 2010, hence, they are not newly opened accounts.*

*Also, the three (3) Accounts listed by your Team held at the Sierra Leone Commercial Bank were opened on different occasions. Among the three (3) Accounts, only Njala University UC DAVIS PREMPT Project Accounts was opened on 6<sup>th</sup> December 2019 without funds held in it until 2020 financial year. Njala University National Soil Survey and mapping Project and Njala University WAVE Project Accounts were opened on 6<sup>th</sup> February 2020 and 29<sup>th</sup> January 2020 respectively. The latter two (2) Account will be disclosed in the financial statements for the year ended 31 December 2020 and not 2019.”*

#### **Auditor’s Comment**

The written authorisation for the opening of the three accounts was not submitted for review to confirm that these accounts were opened in 2020. Therefore, this issue remains unresolved.

#### **2.42.8. Amount not transferred into the bank account**

We reviewed a letter from the University, authorising the bank to transfer the sum of £14,323.35 from the London School of Hygiene & Tropical Medicine to the Njala University account. The bank statement of the London School of Hygiene & Tropical Medicine was not submitted for our audit. We further reviewed the bank statements of the Njala Main Operating account and the cash book which revealed that the said amount was not remitted to the University’s Main Operating account.

We recommended that the VC&P and the Finance Director should account for the said money and provide documentary evidence to confirm that the money was used on behalf of the University; otherwise, the amount should be surcharged and paid into the Consolidated Fund.

### **Official Response**

*The VC & P in his response said: "That was a transfer meant for the closure of the project's account at the end of the project's mandate. This transaction did not occur as the donors were infuriated about and requested that the unused funds be remitted back to them. The debit on the main Operating Account letter of authority did not go through the banking system instead."*

### **Auditor's Comment**

No evidence was submitted by management to confirm that the unused funds were utilised on behalf of the University or was remitted to the donors. Therefore, this issue is unresolved.

#### **2.42.9. Interest received not disclosed in the FS**

A review of bank statements revealed that the University is operating five savings bank accounts at the Sierra Leone Commercial Bank. We noted that four of these accounts received interest totalling Le54,115,766 which were not disclosed in the financial statements for the year 2019.

The Finance director should revise the financial statements and ensure that interest received is recognised in the financial statements. The revised financial statements should be submitted to ASSL for inspection.

### **Official Response**

*The VC & P in his response said: "The Financial statements had been revised by incorporating the correct amount of omitted interest earned on the savings account. The only snag here is, Safecon Scholarships Fund Account had a balance of Le697,524.29 held in it as at 1<sup>st</sup> January 2019 with no such movement throughout the year under review. Hence, unable to generate interest on savings account of Le47,962,589.23 in savings account interest. There were no financial activities that took place during the year 2019 regarding this account. From our records, interest generated was only Le 5,232.31 per annum, including in the interest figure."*

### **Auditor's Comment**

Management response is noted. Interest received from Animal Production Division (APD) and Njala International School totalling Le6,168,410 was however not included in the revised financial statements. Therefore, this issue was partially unresolved.

#### **2.42.10. Transfer Letters not Authorised**

A Review of bank statements and cash book revealed that the sum of Le22,461,947,908 was transferred from the holdings account and undergraduate fees account to the main operating account. The transfer letters and other supporting evidence were however not submitted for audit purposes.

We recommended that the VC&P should provide the audit team with sufficient audit evidence to confirm the source and purpose of funds transferred and credited in the University bank account.

### **Official Response**

*The VC & P in his response said: "The transfer letters file was submitted to your Team of Auditors containing transfer letters for the period under review. There were only few letters not available in the transfer file for that period due to file movements by different Statutory Auditors, including the Anti-Corruption Commission (ACC). Hence, copies of these transfer letters not submitted for audit inspection during the audit execution exercise due to their unavailability are now readily available for your inspection."*

### **Auditor's Comment**

During the verification exercise, transfer letters were not submitted and verified for audit inspection. The issue therefore remains unresolved.

#### **2.42.11. Unauthorised Signatory**

A Review of transfer letters authorising the Bank to transfer funds from the University's account to another revealed that the then Acting Registrar signed transfer letters as co-signatory to the VC&P even though the University Act makes it clear that the Finance Director should be the co-signatory to the VC&P. We also observed that the Acting Registrar was signing as Finance Director on the payment vouchers. We recommended that the Registrar should provide a reasonable explanation with documentary evidence why he signed for the withdrawal of funds without approval.

#### **Official Response**

*The VC & P in his response said: "The University Registrar made a convincing reply to this area of the audit query and emphatically explained the decision that led to him signing as co-signatory in the absence of the substantive Finance Director and handed it in with your Team of Auditor at the execution stage of the audit exercise."*

### **Auditor's Comment**

Evidence to justify the Registrar's action was not submitted and verified. This issue therefore remains unresolved.

#### **2.42.12. Hard copies of bank statements not submitted**

Despite several requests and reminders to submit hard copies of bank statements bearing the bank letterheads, the University had still not submitted hard copies of bank statements of all bank accounts operated for the period January 2019 to 31st December 2019 to the auditors.

We recommended in our draft report that the Finance Director should ensure that authentic bank statements are submitted to the auditors. In the absence of the hard copies of bank statements in letter-heads and or stamped and signed by the bank, we will not place any reliance on the soft copy submitted and that will eventually lead to a disclaimer of opinion.

#### **Official Response**

*The VC & P in his response said: "Hard copies of bank statements bearing (i) the letterhead of the bank and (ii) signed/ stamped by the bank come with costs. In this era of vast competition and application of frugal economy, one would love to be penny wise than pound foolish. Letterhead statements cost more and you can imagine fees statements running into thousands of pages at bank charged out rate, the product would be a whooping sum."*

*These days, letter headed bank statements are not dissimilar to the ones usually submitted for verifications. We are requesting that you continue to accept and lay credence on the soft copy bank statements sent to us by the bank in the PDF form in an effort to save costs on printing and the huge bank chargers this will command."*

### **Auditor's Comment**

Management response is noted. Reliance is however mostly placed on third party evidence. Therefore, bank statements bearing letterheads of banks and signed by the manager is more reliable; Otherwise this issue remains partly resolved.

#### **2.42.13. Petty Cashbook not Maintained**

The University did not maintain petty cash book and petty cash vouchers for the year ended 2019 even though the University operated an imprest system during the year under review. We recommended in our draft report that the Finance Director should ensure that petty cash book and petty cash vouchers are maintained by the University and submitted to the ASSL for inspection.

#### **Official Response**

*The VC & P in his response said: "Petty cashbook for the period under review is readily available for your inspection."*

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

During the verification exercise, the petty cash book was not submitted and verified. Therefore, this issue is unresolved.

#### **2.42.14. Payments without Supporting Documents**

The University implemented six projects during 2019. We therefore requested the Memorandum of Understanding (MOUs) and other correspondence between the University and the project partners, but the University failed to provide the MOUs for review. In addition, payment vouchers and supporting documents in respect of project expenditures recorded in the project cash books, amounted to Le 3,354,994,241, \$1,000,063 and €25,200 were not submitted for audit. Moreover, the Finance Director also failed to include in the financial statements the various projects expenses for the year ended.

We recommended that the VC&P, the Finance Director and the Registrar should provide the payment vouchers and supporting documents to account for the expenditure recorded in the cash book for the financial year; otherwise, the full amount should be refunded and paid into the University's bank account and evidence of refund submitted for inspection. The Finance Direct should include the project income and expenditure in the financial statements and all necessary disclosure made in the notes in compliance with IFRS.

#### **Official Response**

*The VC & P in his response said: "Projects' Accounts are donor funded and the donors most times prescribed their used of funds. Payments vouchers and often supporting documents are always remitted to them as one of their stern conditions."*

*We have decided and classified projects income and expenses in a separate deferred income account for each project. The reason is, these are donor funds and not University's. the donor can request for immediate repatriation of all unused funds and the University cannot expropriate the funds. Hence, accounting for projects income and expenses in the income and expenditure categories are not desirable here."*

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

The memoranda of understanding (MOUs from the six projects) were not submitted for review. A review of the revised financial statement revealed that the six projects had been included as project expenditure in the financial statement. In addition, supporting documents totalling \$25,562 were submitted and verified in respect of the Ecological Surveillance Project, leaving a balance of \$ 984,501. The amounts of Le3,354,994,241 and €25,200 were also outstanding.

#### **2.42.15. Withholding taxes not deducted**

Withholding taxes were not deducted in respect of payments made to suppliers/ contractors for goods and services totalling Le15,333,780 for the year ended 2019. Similarly, the sum of Le113,518,410 was deducted from various payments made to suppliers/ contractors, but there was no evidence in the form of receipts to show that the amount was paid to the NRA.

We recommended that the Finance Director should ensure that the sum of Le15,333,780 is recovered from various suppliers and paid to the NRA and evidence provided for audit verification. He should also provide evidence that the sum of Le113,518,410 is paid to the NRA.

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

*The VC & P in his response said: "Payment of the accrued Withholding Tax (WHT) has been effected and evidence of such is available for your confirmation. We now pay Withholding Tax (WHT) alongside with suppliers' invoices. The total withholding tax computed had also been accrued in the 2019 financial statements since it was not paid in that year rather in 2021."*

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

Out of total of Le128,852,190 regarding withholding tax deducted for the year under review, bank statements showing evidence of payment totalling Le109,010,930 were submitted and verified, leaving a difference of Le19,841,260 of withholding tax deducted but not paid to NRA. In addition, schedules of the deducted withholding taxes paid were not made available for inspection. The issue is therefore partly resolved.

#### **2.42.16. Payments Without Adequate Supporting Documents**

A review of cash book and payment vouchers revealed that payments totalling Le1,801,437,283 were made without adequate supporting documents such as receipts, back to office reports, attendance register, etc. We recommended that the Finance Director should ensure that the required supporting documents are submitted for inspection.

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

*The VC & P in his response said: "The required supporting documents are available for your inspection".*

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

From a total of Le1,801,437,283, adequate supporting documents were submitted and verified for the sum of Le951,060,708, leaving a balance of Le 850,376,575. Among these outstanding transactions, we observed that an amount of Le377,488,000 were without no supporting documents. The issue is therefore partly resolved.

#### **2.42.17. Variance in the Collection and Payment of Revenue**

A variance of Le39,256,910 was observed between revenue collected to the tune of Le257,831,775 from the University Guest House and the total sum of Le218,574,865 deposited into the bank. We recommended that the Finance Director and the Guest House Manager should provide a written explanation to justify why these amounts were not deposited into the bank accounts. In addition, monthly reconciliation should be done between the receipt books and bank statements in respect of revenues collected. In future, all revenues collected by the University should be deposited into the bank before use.

**Official Response**

*The VC & P in his response said: "The unbalanced amount was reinvested in the Guest House operations as the Guest House Manager is not a signatory to the Guest House Account. When funds are required to service Guests and the Vice Chancellor and Principal (VC & P) is out of Campus to approve the bills sent to the secretariat, they utilized the available funds. The manager reuses the cash proceeds to finance the Guest House operations. We will discontinue this practice in the future and revert to the regulations guiding revenue mobilization."*

**Auditor's Comment**

The recommendations were not implemented. The issue therefore remains unresolved.

**2.42.18. Project income not recognised and disclosed**

The University had six ongoing projects in 2019. The projects' bank statements and cash books revealed that there was income from the projects amounting to Le 12,707,451,593 which was not reported in the financial statements. In addition, letters of remittance /credit advice were not provided in respect of the projects' income. We recommended that the Finance Director should revise the financial statements to reflect the correct amount of the projects' income for 2019 and submit to the ASSL for verification. He should also submit the remittance letters/credit advice in respect of the projected income received in 2019.

**Official Response**

*The VC & P in his response said: "The correct amounts of Projects income have been accounted for in the revised Financial Statements. Letters of remittances/credits advises are not remitted upon remittances of funds for projects implementation. However, we are usually notified via credit alert by our banks on the credit of the respective projects' accounts."*

**Auditor's Comment**

Project income was reported in the revised financial statements. The letters of remittance /credit advice were however not provided during the verification. The issue was therefore partly resolved.

**2.42.19. Lease agreement**

The University entered into lease agreements with Charles Wilson Trading to operate on one of the University buildings for 50 years starting 2012 and ending in 2062 for an annual rent of \$2,000. The agreement further stated the following:

- a). 25% of the annual rent be paid annually for the first ten years.
- b). The remaining 75% shall be deducted to cover expenditures in respect of the renovation work undertaken by the Lessee.
- b) The full payment of US\$2000.00 [two thousand United States Dollars) shall be paid annually for the rest of 40 years.

There was no evidence that Charles Wilson Trading as Arc Consulting had paid the 25% lease rental fees to the University over the first ten years as required by the agreement. The arrears of lease rent of 25% amounted to \$5,000. There was also no disclosure of these arrears as receivables in the financial statements.

We recommended that the Finance Director should ensure that the lessee makes payment of the lease rent in arrear; otherwise, the University should take legal action against the lessee to recover the lease rent and damages from the lease for possible breach of the agreement. The Finance Director should also recognise the arrears in the financial statements in accordance with IFRS and make adequate disclosure in the notes. Going forward, the Finance Director should issue a reminder letter to the lessee at the start of each year for the payment of the annual lease rent for the next 40 years.

#### **Official Response**

*The VC & P in his response said: "Registrar and the Director, Physical Plant Services had written severally to the Lessee regarding this non-payment as the Lessee had abandoned the building for couple of years. We currently do not know where the Lessee resides as the written letters never get delivered because of this reason. The Registrar on another occasion wrote to our Legal Retainer for advise and possible termination of the lease agreement with the current Lessee. Evidence of these correspondences are available for your inspection and verification."*

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

Management response is noted. However, our recommendations were not implemented. Therefore, this issue remains unresolved.

#### **2.42.20. University International School receipt not issued for revenue collected**

A Review of bank statements revealed that an amount of Le138,711,501 was collected by the University International School as fees for 2018/2019. There were however no evidence that official receipts were issued by the school to the parents. We recommended that the Finance Director and the School Principal should provide a written explanation to justify why official receipts were not used to collect school fees. In future, official receipts should be issued in the collection of school fees as required by the provisions in the Public Financial Management Regulations (PFMR) of 2018. The Bursar should also do monthly reconciliation between the receipt books and bank statements of the school account.

#### **Official Response**

*The VC & P in his response said: "Official receipts were not issued to parents because the school did not receive any official receipts to be issued. Notwithstanding, payment-bank-slips from parents and bank statements were made available to your Team of Auditors during the auditing period. An official receipt will be requested to ensure that receipts are prepared and dishd out to the recipients."*

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

The recommendations were not implemented. The issue therefore remains unresolved.

#### **2.42.21. Credit transfers from partners not supported with documents**

A review of bank statements and cashbooks revealed that credit transfers totaling Le257,070,000 in 2019 were deposited into the University account at the Sierra Leone Commercial Bank. The transfers were however without supporting documents such as correspondence with partners, memorandum of understanding, transfer Letters, credit advice or bank notifications. We recommended that the DVC-Bo Campus and the SAFO Bo-Campus should provide correspondence with donor partners, the MOUs, transfer Letters and credit advice or bank notifications to the audit team to confirm the source of funding and ascertain the project requirement and the implementation of the projects.



### **Official Response**

*The VC & P in his response said: "These are cumulative transfers of smaller amounts meant for different adhoc activities on Bo Campus. Such documents requested are normally not provided on transfer of funds. However, in the future, we will request for such to be made available."*

### **Auditor's Comment**

Supporting documents such as correspondence with partners, memorandum of understanding, transfer Letters etc., were not provided during the verification. This issue remains unresolved.

#### **2.42.22.Asset not physically verified**

Physical verification of non-current assets at Bo Campus revealed that one set desktop dell computer, one set leather settee chairs, one dining table with four chairs and four 8'X4' whiteboards for classrooms with a total cost of Le21,600,000 were not made available for verification. We recommended that the SAFO, Assistant Estate Officer, the Assistant Procurement Officer, all of Bo Campus should ensure that the non-verified assets are made available for verification.

### **Official Response**

*The VC & P in his response said: "The laptop computer was held in store and not handed over to the end user who really request the procurement of it. That computer had been in that store house for couple of years depriving the end user of it use. We will ensure it is handed over to the appropriate end user and equally asset mark it with indelible mark. The others are locked in the house of one of our University's Professors whose contract was not renewed with the University and had refused to hand in the keys to the house despite several attempts made by us."*

### **Auditor's Comment**

A desktop computer, one set leather settee chairs and one dining table with four chairs valued at Le10,500,000 were not submitted and verified. Whiteboards were however submitted and verified. Therefore, this issue was partly resolved.

#### **2.42.23.No schedules and supporting documents**

A review of the Njala University financial statements revealed that an amount of Le237,097,787 was reported as Construction work-in-progress for 2019 financial year. Schedules and supporting documents to justify this amount was however not made available for audit review. We recommended that the Finance Director should liaise with the Director of Physical Plants and other stakeholders to ensure that the fair value is determined and recognised in the financial statements regarding the construction work in progress in Bo and Njala campuses. The supporting documents should also be submitted for verification.

### **Official Response**

*The VC & P in his response said: "The amount of Le237,097,787 was expended on the abandoned Education Building in an effort to make it operational and put into use. Construction of the said building commenced couple of years ago by the then Bo Teachers College before Njala University took over assets and liabilities in 2005. Hence, accounted for as work-in-progress and treated as such in the financial statements of the Bo campus until complete and put into use thereafter, reclassified and sent to Land and Buildings."*

### **Auditor's Comment**

A schedule supporting the Le237,097,787 reported as Construction work-in-progress for the 2019 financial year was submitted and verified. Supporting documents such as payment vouchers, invoices, delivery notes, receipts etc., were however not submitted for verification. The issue was therefore partly resolved.

### **2.42.24.Fixed Asset Register not updated**

The fixed asset register maintained by Njala University was not updated. Assets procured during the year (additions) valued at Le551,002,935 were not included in the assets register. We recommended that the Director of Finance should ensure that the University's assets register is updated.

### **Official Response**

*The VC & P in his response said: "Staff shortages in the finance department gave rise to that. The staff who was charged with this responsibility left the service of Njala University and was not replaced. Hence, gap existed in the workflow within the finance department leading to this effect. However, frantic efforts had been put in place in getting the Fixed Asset Register updated and made available for your inspection/verification."*

### **Auditor's Comment**

An Updated fixed assets register was not submitted for verification. This issue therefore remains unresolved.

### **2.42.25.University buildings not insured**

There was no evidence to confirm that the University insured its buildings as a result of fire incidents that occurred at the campuses to reduce the risk of a total loss of property in the event of a fire and other disasters, as stated in the University's Accounting and Financial Procedure Manual. We recommended that the VC&P should liaise with other stakeholders to ensure that the buildings are insured against fire and other natural disasters.

### **Official Response**

*The VC & P in his response said: "Plans are underway to get all the building owned by the University to get them revalued by a qualified valuator in collaboration with the Ministry of Technical and Higher Education, the Ministry of Lands, Country Planning and the Environment and the Ministry of Works and Government Assets in a cost reduction drive. Thereafter, we will arrange comfortable insurance policy with this regarding."*

### **Auditor's Comment**

There was no evidence that the University buildings had been insured against fire and other natural disasters. This issue therefore remains unresolved.

### **2.42.26.Faulty Assets**

Physical verification of the University's non-current assets revealed the following:

- 16 motor vehicles and one Kingo motorbike with registration number AHE 737 to the Secretariat and Njala Campus were faulty and not in use.
- One XL Honda 125S motorbike with registration number ABY 028 and Yamaha TVS bike with registration number AGW 675 assigned to the Bo Campus were faulty and not in use.
- Five generators owned by the Secretariat and Njala Campus were not functioning due to mechanical faults that needed urgent repairs or disposal.

- Physical verification of generators owned by the Bo Campus revealed that three generators, including 165 KVA, 200 KVA and 20 KeVA, were not functioning due to damage and mechanical fault that needed urgent repairs or disposal.
- Three motor vehicles assigned to the Bo Campus were faulty and not in use.

We recommended the following:

- The VC & P should collaborate with the Director of Physical Plant Services to ensure that the faulty vehicles and bikes are repaired, replaced or disposed-off whereas the situation permit base on laws and regulations.
- The DVC, in collaboration with the Assistant Estate Officer and the SAFO, should ensure that the non-roadworthy bikes are repaired.
- The VC & P, in collaboration with the Director of Physical Plant Services, should ensure that the non-functioning generators were repaired, replaced or disposed-off where necessary.
- The DVC of Bo Campus should collaborate with the Assistant Estate Officer, the SAFO, and other stakeholders to ensure that these generators are repaired, replaced, or disposed of according to laws and regulations.

The DVC, in collaboration with the Assistant Estate Officer and the SAFO, should ensure that the non-roadworthy vehicles are repaired, replaced or disposed-off where necessary.

#### **Official Response**

*The VC & P in his response said: "The Procurement Unit of the University had been given the task to advertise and dispose of all assets not servicing their purposes and those worthy of repair be repaired and put into use."*

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

Evidence to confirm that action has been taken to repair, replace or dispose of faulty assets was not submitted for verification. This issue therefore remains unresolved.

### **2.43. MILTON MARGAI COLLEGE OF EDUCATION AND TECHNOLOGY – 2020**

#### **2.43.1. Title Deed and Land Encroachment**

Even though a Land Title Deed was made available to the auditors for inspection, they are still concerned about the encroachment of land properties at various campuses. It was therefore recommended that the issue of Land encroachment should be settled as soon as possible.

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

*The Principal in his response said: "The College land has been resurveyed by the Ministry of Lands Housing and Country Planning. The result re-established the original land boundaries of the college land. All encroachers have been informed and called to a meeting about that. The college has taken action against some encroachers. There are several cases of litigation over the college land."*

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

Management Response in relation to Title Deed and Land Encroachment is noted. This issue will be followed up during the next audit. The issue remains unresolved

#### **2.43.2. Rent/Royalties**

We noticed that there was a receivable figure of Le300,066,000 for rent/royalties which was outstanding for 13 years (2007-2020) by Mobile Companies (Sierratel, Africell, Orange and Qcell) for communication masts/poles erected within the boundaries of the college land at Goderich campus. The said amount has still not been recovered. We recommended that the college developed a robust system for debt collection.

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

*The Principal in his response said: "The Administration has requested the college Solicitor to write to the Mobile companies requesting them to fulfil their financial obligation/ payment of royalties to the college the soonest otherwise legal action would be pursued."*

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

Management Response in relation to Rent/Royalties is noted. This issue will be followed up during the next audit. The issue remains unresolved.

#### **2.43.3. Brookfields Campus Stores**

We visited the store at the campus and noticed that some items that were donated had been distributed to various offices without an allocation/distribution list. We recommended that allocation/distribution list should be prepared before items are distributed to various offices.

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

*The Principal in his response said: "The finding is noted by Management. For subsequent audit, Management will take necessary action to prepare allocation/distribution list."*

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

Management Response in relation to Brookfield's campus stores is noted. This issue will be followed up during the next audit. The issue remains unresolved.

#### **2.43.4. Health and Safety**

Even though there were few fire extinguishers in the campuses, due to the expansion of the college, the extinguishers were no longer enough in the case of fire disaster. We recommended that management should consider the purchasing of more fire extinguishers.

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

*The Principal in his response said: "Effort has been put in place by Management to ensure that Fire Extinguishers are provided for the safety of staff and students in all the three campuses."*

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

Management Response in relation to Health and Safety is noted. This issue will be followed up during the next audit. This issue remains unresolved.

## **2.44. EASTERN POLYTECHNIC- 2020**

### **2.44.1. Term of Office of the Vice Principal**

Section 11(2) of the Polytechnic Act of 2001 states: “The tenure of a Vice Principal of a Polytechnic must be renewed after every 2-year term.” But this was not done for the Vice Principal of the Eastern Polytechnic, which is in contravention of the Polytechnics Act of 2001. It is recommended that the Council should ensure compliance with this requirement of the Act.

#### ***Official’s Response***

*The Principal in his response said: “The due process and procedures regarding the appointment of the vice principal have been under serious consideration by both the College Council and the Administration, even as the institution transforms to a university. The Administration and the University Court are in the process of doing the needful now that the Institution has been upgraded to a University status.”*

#### **Auditor’s Comment**

The college is in non-compliance with this requirement. This issue remains unresolved.

### **2.44.2. Cash and Bank**

Cheques totalling Le50,250,740 were issued but were unrepresented for more than 6 months, making them stale. They were not replaced to show good financial management practice. It was recommended that the Finance Officer should withdraw and replace the cheques.

#### ***Official’s Response***

*The Principal in his response said: “Various cheques totalling Le50,250,740 issued to various suppliers and for payment of salaries were presented to the bank, but the bank failed to debit the Eastern Polytechnic account. The bank statement has not reflected these transactions and therefore considered unrepresented.”*

#### **Auditor’s Comment**

Management should continue to inform the bank about this transaction, and ensure that all necessary adjustment is made in the reconciliations. This issue has not been resolved to date.

## **2.45. SIERRA LEONE FREE EDUCATION PROJECT - 2020**

### **2.45.1. PAYE Taxes Not Deducted and Paid to the National Revenue Authority (NRA)**

PAYE taxes on staff salaries which amounted to Le497,401,788 (US\$50,548) was supposed to be deducted and paid to the NRA for the period under review. This was in contravention of Section 3 (1&2) of the Income Tax Act of 2000.

The Project however deducted and paid to the NRA Le94,820,328 (US\$9,636) as withholding taxes on staff salaries for the period under review, instead of the PAYE, which resulted in a difference of Le402,581,460 (US\$40,912) as tax due to the NRA

The Project Coordinator, in consultation with the Financial Management Specialist, must ensure the following:

- (i) That PAYE tax of US\$40,912 which is due, is recouped from the staff involved, paid to the NRA and receipt submitted to the ASSL for verification.
- (ii) In future, income tax should be deducted as stipulated in the Income Tax Act of 2000.

### **Official's Response**

*The Project Manager in his response said: "We note your query and hereby respond as follows: We are of the opinion that as consultants with no fixed term contract (our contract are renewable annually) and with no end of service or severance benefits, we are therefore not liable to PAYE tax deductions but 5.5% withholding tax deductions."*

### **Auditor's Comment**

We note management's comment. There was no evidence to justify PAYE tax paid to the NRA. The issue therefore remains unresolved.

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

The disbursement schedule with attached supporting documents reviewed revealed the following:

- (i) Funds disbursed to the Civil Rights Coalition totalling Le150,000,000 (US\$15,117) were without evidence of retirement to justify its utilisation.
- (ii) Funds disbursed for fuel worth Le324,867,640 (US\$36,739) relating to workshop, annual school census and project secretariat, were without receipts and fuel logbook to justify utilisation.
- (iii) Total funds disbursed, which amounted to Le115,993,017 (US\$11,838) in respect of monitoring of the WASSCE in Guinea, was not factored into the project implementation manual and therefore, we could not confirm whether it was an eligible expenditure.

The Project Coordinator, in consultation with the Financial Management Specialist, must ensure the following:

- (i) The evidence of retirement/supporting documents justifying the utilisation of funds totalling Le150,000,000 (US\$15,117) and Le324,867,640 (US\$36,739), are submitted to the ASSL; otherwise, parties involved will be instructed to refund the sum expended.
- (ii) In future, funds must be expended in line with Section 4(4.1 – 4.3) of the Bank's disbursement guidelines.
- (iii) Evidence justifying the expenditure as a component or sub-component within the project implementation manual is submitted to the ASSL; otherwise, parties involved will be instructed to refund the sum expended.

### **Official's Response**

*The Project Coordinator in his response said following:*

- (i) *"We note your comment. These were however advances made for workshops and was filed in a different folder when funds were retired. We wish to confirm that they are now available for verification. The log books are also available for review and clearance.*
- (ii) *We acknowledge the fact that supporting documents were not attached to some vouchers at the time of review. This was because some retirements were bulky to be attached to the payment vouchers; hence, they were filed separately. We have however attached these for your verification.*
- (iii) *This was an emergency procurement; hence the bank did not provide a written "No Objection" statement as done for other activities. The procurement method was approved on STEP, the WB procurement platform."*

### **Auditor's Comment**

- (i) Evidence of retirement to justify the utilisation of funds disbursed to the Civil Rights Coalition totalling Le140,900,000 was provided and verified leaving a balance retirement of Le9,100,000.

- (ii) Receipts and fuel logbooks to justify the utilisation of fuel amounting to Le324,867,640 (US\$36,739) were not provided for verification.
- (iii) Evidence justifying the expenditure relating to the monitoring of WASSCE in Guinea was not submitted for inspection. Our recommendation was not implemented. The issue therefore remains unresolved.

## **2.46. PUBLIC FINANCIAL MANAGEMENT IMPROVEMENT AND CONSOLIDATED PROJECT – 2020**

### **2.46.1. PAYE Taxes on Project Staff Salaries Not Deducted and Paid to the NRA**

PAYE taxes on staff salaries amounting to US\$104,404 was not deducted and paid to the NRA for the period under review. This was in contravention of Section 3 (1&2) of the Income Tax Act of 2000. This issue was reported in previous audits, but the project management team had not acted on the audit recommendation. The emolument paid to the project staff was categorised as employment income as defined by Section 23 of the Income Tax Act of 2000. Instead of the PAYE tax, the Project however deducted and paid to the NRA, an amount totalling US\$20,446 as withholding taxes on staff salaries for the period under review, which gives a difference of US\$83,958 (Le849,130,222.50) as tax due to the NRA.

We recommended that the Project Manager, in consultation with the Financial Management Specialist, must ensure the following:

- That PAYE taxes due totalling US\$83,958 are recouped from staff involved, paid to the NRA, and receipt submitted to the ASSL for verification.
- In future, income tax is deducted as stipulated in the Income Tax Act of 2000.

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

*The Team Lead in his response said: "This is a portfolio issue that cuts across donor funded projects in Sierra Leone and discussions are ongoing between the Government and the Bank to address this issue. Salaries for project staff are currently maintained as per signed contractual terms pending the outcome of the discussions."*

### **Auditor's Comment**

We note management comments. Section 3(1&2) of the Income Tax Act of 2000 however stipulates for PAYE taxes to be deducted on staff salaries and paid to the NRA. Our recommendation was not implemented. The issue therefore remains unresolved.

## **2.47. SIERRA LEONE FINANCIAL INCLUSION PROJECT – 2020**

### **2.47.1. Irregularities Found in the Procurement Processes**

From our review of procurement documents in connection with the contract for the supply and installation of a National Switch to aid inter-bank transfers awarded to BPC, we observed the following:

- BCP's readout bid price indicated in the opening minutes was US\$2,700,000, whilst the agreed signed contract amount was US\$3,900,000. This resulted in a price difference of US\$1,200,000.

- Further scrutiny of the contract price revealed that it was inclusive of US\$600,000 for future scope cost, whilst the amount evaluated as per the evaluation report was US\$2,700,000. We could not ascertain 'future scope' pricing requirements when we reviewed the standard bidding documents, as there was no clause in the bidding documents that required bidders to provide costings for future scope.
- We were also unable to justify the extra US\$600,000 i.e., US\$3,900,000 - (US\$2,700,000+ US\$600,000).
- We also noted that one of the bidders, Interswitch, with a bid price of US\$3,505,400, was disqualified on the grounds that it is a joint venture with Visionary Solutions (another bidder). This was noted through a review of a letter of response from PFMU to Interswitch. Amongst the complaint made by Interswitch was that it had no joint venture agreement with Visionary Solutions. Further review of bid documents belonging to Visionary Solutions revealed that the evaluators did not sign pages of the bid. We however noted that the evaluators signed the bidding documents of other bidders. We therefore could not confirm the authenticity of the Visionary Solutions bid for audit. As a result, we could not substantiate the claims made by PFMU that Interswitch had a joint venture with Visionary Solutions, and could also not determine whether the procurement process was conducted in an open, transparent and competitive manner.

The donor in collaboration with the Ministry of Finance should undertake a review of the procurement process for this service to determine whether the process was done in line with the relevant procurement laws and regulations.

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

*The Team Lead in his response said the following:*

- *"On the difference of prices between letter of bid and evaluated price: The bid opening readout price as per the letter of bid was US\$2,700,000. At the detailed financial evaluation stage, it was realised that the price schedule total was US\$3,720,000 plus US\$180,000 for recurrent cost which therefore brought the total bid price to US\$3,900,000 as stated in the contract.*
- *According to Article 32 of the RFB on "Correction of Arithmetical Errors", specifically Clause 32.1 which reads as: Provided that the bid is substantially responsive, the purchaser shall correct arithmetical errors on the following basis:*
  - (a) where there are errors between the total of the amounts given under the column for the price breakdown and the amount given under the total price, the former shall prevail and the latter will be corrected accordingly;*
  - (b) where there are errors between the total of the amounts of Schedule Nos. 1 to 5 and the amount given in Schedule No. 6 (Grand Summary), the former shall prevail and the latter will be corrected accordingly; and*
  - (c) if there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject to (a) and (b) above.*

*These ITBs provided in the RFB are World Bank standard procurement processes. The World Bank reviewed these reports, provided their No Objection on the Financial Evaluation Report, and the Draft Contract agreement.*



- *On the future scope cost inclusion note: it is not clear from where this was derived. Nothing has been from the future scope in the evaluation process. The winning bidder has provided few items from the future scope free of charge. These free of charge items were considered as part of the contract.*
- *On the Contract Variation note: The bidder has offered support and maintenance for eight years, while the RFB requested only five years. Therefore, the cost of the additional three years was discounted to reflect what the RFB has mandated.*
- *On the Interswitch / Visionary note: During the preliminary evaluation, the Evaluation Committee observed that the Joint Venture of Visionary Solutions with Interswitch Ltd. had one member appearing in another bid as a sole bidder, breaching ITB 4.3. This breach is evident from inspection of both bids where Interswitch legal registration documents as well as the technical/company profiles are found in both bids.”*

### **Auditor’s Comment**

We have reviewed Management’s response and wish to make the following clarifications:

- There were disparities between the prices quoted in the letter of bid and the price schedules. The bid price quoted in the letter of bid was US\$2,700,000 and US\$600,000 for the mandatory and future scopes, respectively. In contrast, the amounts quoted on the price schedule were US\$3,900,000 for the mandatory scope and US\$500,000 for the future scope.
  - ❖ ITB 28.1 states - “To assist in the examination, evaluation and comparison of the bids, and qualification of the bidders, the purchaser may, at its discretion, ask any bidder for a clarification of its bid. Any clarification submitted by a bidder that is not in response to a request by the purchaser shall not be considered. The purchaser’s request for clarification and the response shall be in writing. No change in the prices or substance of the bid shall be sought, offered, or permitted, except to confirm the correction of arithmetic errors discovered by the purchaser in the evaluation of the bids, in accordance with ITB 32.”
  - ❖ ITB 32.2 further requires - ‘a bidder shall be requested to accept the correction of arithmetical errors. Failure to accept the correction in accordance with ITB 32.1 shall result in the rejection of the bid.’
  - ❖ For the matter relating to the discrepancies between the amounts stated in the letter of bid and the price schedule, we would have expected that the Evaluation Committee to have requested the bidder to accept the corrected price (as required by ITB32.2), especially when the evaluated price is different from the readout price. We also note that the representative of the bidder did not contest the readout price during the bid opening meeting.
- The issue of the future scope is clearly stated in both the technical proposal and the financial proposal submitted by the bidder. As earlier stated, the future cost indicated on the letter of bid was US\$600,000, whilst the amount stated on the price schedules was US\$500,000.
- ITB 4 ‘Eligible Bidders’ states - that ‘a bidder may be a firm that is a private entity, a state-owned enterprise or institution subject to ITB 4.6, or any combination of such entities in the form of a joint venture (JV) under an existing agreement or with the intent to enter into such an agreement supported by a letter of intent. In the case of a joint venture, all members shall be jointly and severally liable for the execution of the contract in accordance with the contract terms. The JV shall nominate a representative who shall have the authority to conduct all businesses for and on behalf of any and all the members of the JV during the bidding process

and, in the event the JV is awarded the contract, during contract execution. Unless specified in the BDS, there is no limit on the number of members in a JV.’ We could not find a joint venture agreement or a letter of intent to form a JV signed by the relevant parties to the joint venture from the bid documents reviewed. We could also not find a document nominating Visionary Systems and Technologies as representative who shall have the authority to conduct all businesses for and on behalf of any and all the members of the JV during the bidding process. We could not ascertain whether the joint venture between Visionary Systems Technology, Development Expert Consortium Ltd. and Interswitch Ltd. legally existed in the absence of these documents.

- The issues reported are based on our professional judgment and should be given due consideration by the Project Implementation Unit for this contract and future contracts.

#### **2.47.2. PAYE taxes on Project Staff Salaries Not Deducted and Paid to the National Revenue Authority**

PAYE taxes on staff salaries amounting to US\$14,160 was not deducted and paid to the NRA for the period under review. This was in contravention of Section 3 (1&2) of the Income Tax Act of 2000. This issue was reported in previous audits, but the project management team has not acted on the audit recommendation. The emolument paid to the project staff is categorised as employment income as defined by Section 23 of the Income Tax Act of 2000. Instead of the deducting PAYE, the Project deducted and paid to the NRA an amount totalling US\$6,640 as withholding tax on staff salaries for the period under review, which gives a difference of US\$11,520 (Le 116,510,400) as taxes due to the NRA. The following recommendations were made:

- In consultation with the Financial Management Specialist, the Team Lead must ensure that going forward, income tax is deducted as stipulated in the Income Tax Act of 2000.
- That PAYE taxes due totalling US\$11,520 is recouped from staff involved, paid to the NRA and receipt submitted to the Audit Service for verification.

#### ***Official’s Response***

*The Team Lead in his response said: “The Government of Sierra Leone and the World Bank are yet to finalise the PAYE tax issue for project staff. Project staff earn composite fees, and that they do not benefit from NASSIT, medical, housing, leave allowance etc. Project staff are considered as Local Technical Assistants (LTAs) with annual contracts renewable based on satisfactory performance, and their salaries are consulting fees subject to withholding tax. We hope that the PAYE issue will be resolved by the Bank and the Government soon.”*

#### **Auditor’s Comment**

We note management’s comments. Section 3(1&2) of the Income Tax Act of 2000 however stipulates for PAYE taxes to be deducted on staff salaries and paid to the NRA. Our recommendation was not implemented. The issue remains unresolved.

### **2.48. SIERRA LEONE AGROPROCESSING COMPETITIVENESS PROJECT – 2020**

#### **2.48.1. PAYE Taxes on Project Staff Salaries Not Deducted and Paid to the NRA**

In reviewing the payroll of the SLAPCP, we observed that PAYE taxes on staff salaries amounting to Le999,855,701 (US\$101,537) was not deducted and paid to the NRA for the period under review.

PAYE not deducted was in contravention of Section 3 (1&2) of the Income Tax Act of 2000. We reported the non-deduction of PAYE in the previous audits, but the project management team has not acted on the audit recommendation.

Section 23 of the Income Tax Act of 2000 categorised compensation paid to project staff as employment income. Instead of deducting the PAYE tax, a 5.5% withholding tax of Le192,491,878 (US\$19,547) was however deducted on staff salaries for the period under review. A difference of Le807,363,822 (US\$81,990) was noted as tax due to the NRA.

The following recommendations were made:

- In consultation with the Financial Management Specialist, the Project Manager must ensure that going forward, income tax is deducted as stipulated in the Income Tax Act of 2000.
- That PAYE tax due totalling Le807,363,822 (US\$81,990) is recouped from staff involved, paid to the NRA and receipt submitted to the ASSL for inspection.

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

*The Team Lead in his response said: "This is a portfolio issue that cuts across donor funded projects in Sierra Leone and discussions are ongoing between the Government and the Bank to address this issue. Salaries for project staff are currently maintained as per signed contractual terms pending the outcome of the discussions."*

### **Auditor's Comment**

We note management's comments. Our recommendation was however not implemented. The issue therefore remains unresolved.

## **2.49. FREETOWN WASH AND AQUATIC ENVIRONMENTAL REVAMPING PROJECT: 1ST AUGUST – DECEMBER, 2020**

### **2.49.1. Ineligible Expenditures**

A review of payment vouchers and relevant supporting documents revealed that US\$36,548 was withdrawn in September, November and December, from the counterpart fund account and paid to some of the project officers as a loan. There had been no repayment of the loan to the project counterpart fund account. The project fund was meant to be utilised on project-related activities and not otherwise. An amount withdrawn and paid to project team members could be classified as an ineligible expenditure.

We recommended that the Project Manager should ensure that the loan is recouped from staff and paid back into the counterpart fund account. In addition, deposit slips and bank statement in support of payment made are submitted to the ASSL. In future, funds must be utilised specifically for project activities.

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

*The Project Manager in his response said: "The auditors' comment is well noted. The Project Management has put in place mechanism in order to recoup the said loans given to these Technical Assistants. The necessary documents would be made available upon request."*

### **Auditor's Comment**

Evidence supporting that loans disbursed to project officers had been recouped was not submitted for verification. The issue therefore remains unresolved.

## **2.50. WEST AFRICA REGIONAL FISHERIES PROJECT – 2020**

### **2.50.1. Payroll Tax Not Properly Computed**

In reviewing the payroll of WARFP, we observed that Pay-As-You-Earn (PAYE) taxes on staff salaries which amounted to Le220,655,000 (US\$18,727) was not deducted and paid to the National Revenue Authority (NRA) for the period under review. Failure to deduct PAYE was in contravention of Section 3 (1&2) of the Income Tax Act of 2000. Section 23 of the Income Tax Act of 2000 categorised compensation paid to project staff as employment income. Instead of deducting the PAYE, a 5.5% withholding tax which amounted to Le50,298,380 (US\$5,121) was however deducted from staff salaries for the period under review. A difference of Le170,356,620 (US\$17,346) was noted as tax due to NRA.

The following recommendations were made:

- In consultation with the Financial Management Specialist, the Project Manager must ensure that going forward, income tax is deducted as stipulated in the Income Tax Act of 2000.
- That PAYE taxes due totalling US\$17,346 is recouped from staff involved, paid to the NRA and receipt submitted to the Audit Service for verification.

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

*The Team Lead in his response said: "This is a portfolio issue that cuts across donor funded projects in Sierra Leone and discussions are ongoing between the Government and the Bank to address this issue. Salaries for project staff are currently maintained as per signed contractual terms pending the outcome of the discussions."*

### **Auditor's Comment**

We noted management comments. Section 3(1&2) of the Income Tax Act of 2000 however stipulates for Pay-As-You-Earn (PAYE) taxes to be deducted from staff salaries and paid to the NRA. Our recommendation was not implemented. The issue remains unresolved.

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## MAIN POINTS

### What We Examined

The audit of Ministries and Departments is 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. Our audit objective is to determine compliance with relevant laws, regulations and policies, as well as to establish whether assets are protected and the financial records fairly reflect the financial position, and the result from operations of the selected Ministries and Departments.

### Why It is Important

The audit leads to accountability, enforcement of financial discipline, promotes best practices and assists in achieving good governance.

Every year, Parliament passes budget into law which requires governments to collect revenues and make expenditures as authorised by Acts of Parliament. The passage of the budget into law is supreme and must remain the same; and any expenditure made for a purpose other than that intended by Parliament is contrary to the law. A breach in this law erodes the confidence of stakeholders; especially civil societies and donor partners. This will also have an adverse effect on the integrity of government.

### What We Found

Infractions and financial indiscipline continued on the part of Ministries and Departments. We have highlighted several irregularities in this report. The irregularities point out the extent of non-compliance with relevant public financial management laws, rules and regulations developed to guide the use of public resources. The identified irregularities are as a result of poor records management which includes requested documents not submitted for audit purpose etc. In some other instances, it was as a result of savings that could have been made, if accountable officials had duly complied with the provisions in the public financial management framework guiding the use of public resources.

### Summary of significant findings and recommendations

We have grouped the irregularities under eight broad categories as follows:

- Tax Irregularities
- Inventory/Stores Irregularities
- Irregularities in Revenue Management and Control
- Unretired Imprest or Funds Allocated for Specific Purposes
- Unsupported Payments
- Payroll Irregularities
- Irregularities in Contract Management
- Cash Irregularities

The overall financial impact of the weaknesses and irregularities identified amounted to **Le42,331,970,853.30** (Le3,684,711,590, Le5,635,177,560.91 and Le33,012,081,702.39 in 2018, 2019 and 2020 respectively).

The main composition is summarized in **Table 4.1**, while an analysis of the irregularities per Ministries and Departments is provided in **Table 4.1**.



Table 4.1				
Nature of Loss	Total Amount (Le)	2020 Amount (Le)	2019 Amount (Le)	2018 Amount (Le)
Tax Irregularities	837,068,923.81	623,035,835.86	184,799,267.95	29,233,820.00
Inventory/Stores Irregularities	658,862,700.00	250,521,200.00	231,724,500.00	176,617,000.00
Irregularities in Revenue Management and Control	3,591,771,116.00	3,591,771,116.00	-	-
Unretired Imprest or Funds Allocated for Specific Purposes	12,023,240,478.00	8,242,590,476.00	1,563,779,472.00	2,216,870,530.00
Unsupported Payments	13,271,047,125.68	10,080,945,171.68	2,057,267,954.00	1,132,834,000.00
Payroll Irregularities	4,968,452,813.00	4,968,452,813.00	-	-
Contract Irregularities	2,023,627,786.00	2,023,627,786.00	-	-
Cash Irregularities	4,957,899,910.81	3,231,137,303.85	1,597,606,366.96	129,156,240.00
<b>Total</b>	<b>42,331,970,853.30</b>	<b>33,012,081,702.39</b>	<b>5,635,177,560.91</b>	<b>3,684,711,590.00</b>

Despite our recommendations in previous years, we still continue to observed several significant breaches of the procurement laws and regulations in the procurement of goods, works and services. In this report, we have highlighted a sample of irregularities in the procurement cycles. Of most importance in the cycle, is the failure by Ministries and Department to either maintain or submit requested procurement records for audit inspection. This might have been due to lack of commitment on the part of Ministries and Departments to ensure compliance with the rules and legislations governing the procurement process. This practice does not ensure transparency in the procurement process.

### Overall Conclusion

Ministries and Departments were materially not compliant with laws, rules and regulations in the management of public funds. We therefore continue to urge the Ministry of Finance, which is responsible for the administration of the public purse, to ensure that Ministries and Departments comply with the Public Financial Management legal regulatory framework. They must also ensure that defaulting clients address lapses and recommendations contained in this report.

### **3.1. MINISTRY OF FINANCE – 2020**

#### **3.1.1. Withdrawals from the Imprest Account without Internal Payment Vouchers and Relevant Supporting Documents**

The following were observed:

- We reviewed and observed that several withdrawals from the Ministry's Imprest Account totalling Le6,642,908,418 were made without internal payment vouchers and the relevant supporting documents.
- We also observed that internal payment vouchers totalling Le253,734,450 were provided but without adequate supporting documents.

These were in contravention of Section 121(5) of the Public Financial Management Regulations of 2018. There is a risk that these payments were made for goods and services that were not actually delivered to the Ministry. Therefore, it was recommended that all transactions from inception to completion be supported by the relevant documentary evidence, which must be retained for audit and reference purposes.

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

*The Deputy Financial Secretary responsible for Administration in his response said:*

*"The ASSL's comments are noted, and documents are available for verification."*

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

On the issue of the internal payment vouchers and supporting documents relating to Le6,642,908,418 withdrawn from the imprest accounts, we observed the following:

- The sum of Le2,831,870,656 were still without Internal payment vouchers and supporting documents.
- Out of the sum of Le 3,811,037, 762, internal payment vouchers to the tune of Le1,140,788,750 were provided but without supporting documents.
- Withdrawals totalling Le457,663,662 from the imprest account were without adequate supporting documents.
- Internal payment vouchers relating to Le253,734,450 were still without adequate supporting documents.

The issues therefore remain partly resolved.

#### **3.1.2. Withdrawals by a Non-member of Staff of the Ministry**

It was observed that withdrawals amounting to Le5,157,290,520 were made from the imprest account by a person, who is neither a permanent staff nor a contract staff of the Ministry of Finance. Several of these withdrawals were without relevant supporting documents. There is a risk that the said fund may not have been used for its intended purpose. We recommended that the Deputy Financial Secretary responsible for Administration provide an explanation with documentary evidence why a person, who was not a staff of the Ministry, was withdrawing funds from the said account.

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

*The Deputy Financial Secretary responsible for Administration in his response said: "The ASSL's comments are noted; however, Mr. Sheku Bangura was a former staff attached to the Accounting Unit of the Ministry of Finance. He was given a short term contract to fill the gap whilst the process for his replacement was going on."*

*To swiftly address the observed issue, Mr. Conteh was transferred from Budget Bureau to occupy Mr. Sheku Bangura's position."*

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

We note Management's comment but the issue raised above were not addressed. We were not provided with documentary evidence to confirm that Mr. Sheku Bangura was on a short term contract, neither a permanent staff of the Ministry, and some withdrawals made by him were without relevant supporting documents. Therefore, the issue remains unresolved.

#### **3.1.3. Payments Made from the Imprest Account to Persons Other than the Requesting Party**

We observed that payments totalling Le4,830,310,115 were withdrawn from the imprest account by persons other than the requesting party or vendor. There is the risk that the said payment may not have been used for the purpose for which the transaction was initiated. Therefore, we recommended that the Deputy Financial Secretary responsible for Administration explain with documentary evidence why persons withdrawing from the account were different from the requesting party or vendor.

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

*The Deputy Financial Secretary responsible for Administration in his response said: "On the issue of third party withdrawals, the payees gave the order to a third party to do the withdrawals on their behalf. Copies of letters of authorities and photocopies of ID cards are maintained at the Bank of Sierra Leone, so we advise the audit team to seek third party confirmation from the Central Bank."*

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

We note Management's comment but the issue raised was not addressed. Therefore, the audit team concluded that there is no need to request copies of the authorisation letters and identification cards to confirm third party withdrawals from the Bank of Sierra Leone, since the payees on the cheques were not the names of concern to the auditors. Hence, the issue remains unresolved.

#### **3.1.4. Special Imprest Outflows were without Supporting Documents**

We noted that 19 special imprest inflows amounting to Le4,650,860,167 were paid into the Ministry's imprest account. Audit work was carried out to trace these inflows directly to their respective outflows. There is a risk that the said funds have not been used to address issues relating to the Ministry. Therefore, we recommended that the Deputy Financial Secretary for Administration provide all relevant documents in respect of special imprest allocated to the Ministry and submit to the Audit Service for verification, otherwise, the said fund should be refunded to the Consolidated Fund.

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

*The Deputy Financial Secretary responsible for Administration in his response said: "The ASSL's comments are noted. However, documents for the Le4,650,860,167 are available for verification."*

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

Our recommendation was not fully acted upon as supporting documents totalling Le1,439,145,167 was submitted and verified, leaving a balance of Le3,211,715,000 not accounted for. Therefore, the issue is partly resolved.

### **3.1.5. Payments Made to Security Personnel without Contractual Agreement**

Payments amounting to Le220,840,000 were made from the imprest account, for which supporting documents indicated that these were allowances paid to security personnel. We however requested the contract but was not presented for verification to determine the transactions between the Ministry of Finance and the Sierra Leone Police.

It was recommended that the Deputy Financial Secretary Administration provide all relevant documents (contractual agreement) in respect of special imprest allocated to the Ministry and submit them to the Audit Service for verification, otherwise, the said fund should be refunded into the Consolidated Fund.

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

*The Deputy Financial Secretary responsible for Administration in his response said: "It is an incentive which was approved for payment to OSD personnel attached at various offices occupied by staff of the Ministry of Finance. This payment is to motivate the OSD staff. Documents relating to these payments are available for verification."*

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

During the verification exercise, we were provided with internal payment vouchers and payroll vouchers relating to the said payment. Since we were not provided with the contract between the Ministry of Finance and the Sierra Leone Police to justify the allowances paid to the security personnel, we therefore concluded that the issue remains unresolved.

### **3.1.6. Withdrawals from the Imprest Account above Le100 Million Used for Petty Cash Transactions**

We noted that withdrawals were made from the imprest account above Le100 million, aggregated to Le4.1 billion, which the auditors did not deem as petty cash transactions. We could not ascertain the Ministry's limit in determining petty transactions.

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

*The Deputy Financial Secretary responsible for Administration in his response said:*

*"The Ministry has an internal policy for withdrawals of such nature which is available for inspection."*

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

Management did not submit the internal policy on petty cash transactions for audit verification. Instead, a memorandum was submitted, which was written by the Deputy Financial Secretary responsible for Administration, stating that there is no limit in withdrawing money from the imprest account, especially concerning special imprest. We therefore noted Management's response of not having a limit on withdrawals relating to special imprest, hence transactions are being processed for amounts that cannot be defined as petty transactions.

Since it was difficult to distinguish between standing and special imprest withdrawals, as separate spreadsheets were not maintained for special imprest transactions, the issue remains unresolved.

### **3.1.7. Payments Splitting**

We further noted several payments to Sierra Light House, Country Lodge, Another Line Investment and NASSIT which amounted to Le1,458,110,930 but were divided into parts. These were cheques that were paid to the same institutions on the same date for the same activities, and the aggregate amount exceeded

the Le60 million threshold. Evidence was not submitted to justify why the Ministry was using cheques instead of bank transfer letters for these transactions.

### **Official's Response**

*The Deputy Financial Secretary responsible for Administration in his response said: 'The ASSL's comments are noted for future payment transactions. The split payment was as a result of the Bank of Sierra Leone withdrawal policy for transactions from Le50,000,000 and above. Going forward, the Ministry is instituting a bank transfer policy for payments from Le50,000,000 and above.'*

### **Auditor's Comment**

We note Management's response on the issue of split payments and will be followed up during next year's audit. The issue is still outstanding.

### **3.1.8. Some Procurement Documents not Submitted for Contract Awarded**

On 1st September 2020, a sole source contract was signed between the Ministry of Finance and the New Africa Magazine and Communication Enterprise for the preparation, publication and distribution of magazines on 'The Government's Achievements in the Fight Against Covid-19' with a contract sum of Le425,000,000.

Upon review of the documents submitted, we observed that there was no evidence of minutes of negotiation and report to the Procurement Committee as required in the Public Procurement Regulations of 2020. In addition, the evaluation report submitted for review was not signed by members of the Evaluation Committee, so the auditors could not ascertain whether the details and recommendations in the evaluation report were authentic.

We recommended that the Deputy Financial Secretary responsible for Administration ensure that all relevant procurement documents regarding the sole sourcing agreement between the Ministry and the New Africa Magazine and Communication Enterprise are submitted to the Audit Service for verification.

### **Official's Response**

*The Deputy Financial Secretary responsible for Administration in his response said: "The documents regarding the New Africa Magazine and Communication Enterprise are available for audit inspection."*

### **Auditor's Comment**

The documents submitted for verification did not contain evidence of minutes of negotiation or report to the Procurement Committee. Also, an evaluation report was not submitted for review. Therefore, the issue is still outstanding.

### **3.1.9. Documents Relating to the Budget Processes not Submitted for Inspection**

We requested the Ministry's budget proposal for FY2020, but it was not submitted. As a result, the auditors cannot ascertain whether revenue and expenditure estimates included in the approved budget totalling Le530,000,000 and Le164,000,365,700 respectively were in line with the requirement of the Regulations.

In addition, the minutes of the Budget Committee meeting for FY2020 was not submitted; as a result, the auditors cannot ascertain whether the budget process was participatory.

We therefore recommended the following:

- In future, revenue and expenditure estimates in the Ministry's budget are in line with the requirement of the Act, and the budgetary process is participatory.

- Minutes of the Budget Committee meeting and budget proposal for FY2020 are submitted to the Audit Service for verification.

### **Official's Response**

*The Deputy Financial Secretary responsible for Administration in his response said the following:*

- "The budget proposal of the Ministry of Finance for FY2020 is available for verification.*
- The minutes of the Budget Committee of the Ministry of Finance is available for inspection."*

### **Auditor's Comment**

During the verification exercise, we were provided with the minutes of the Budget Committee meetings. The budget proposal of the Ministry of Finance for the FY2020 was however not submitted. Therefore, it is partly resolved.

#### **3.1.10. Budget Overrun in the Ministry of Finance**

The amount budgeted for recurrent and capital expenditure during the period under review was Le164,000,365,700 and the amount spent was Le270,660,333,882 as per the expense analysis system (IFMIS) and payroll vouchers. This resulted in a budget overrun of Le106,659,968,182 in the Ministry of Finance.

We therefore recommended that the Deputy Financial Secretary responsible for Administration, in collaboration with the Budget Department, should ensure that in future, the Ministry prepare an appropriate budget considering all the activities from the different divisions and avoid undertaking activities not in the budget. Also, budget overruns must be factored into the supplementary budgeting process.

### **Official's Response**

*The Deputy Financial Secretary responsible for Administration in his response said:*

- "Following the inception of the New Direction Government in 2018. A management and functional review of the Ministry of Finance was undertaken (led by the Minister of Finance). The main objective of the review was to identify capacity gaps at the Ministry of Finance.*
- The management and functional review resulted in the expansion of the organogram and creation of new divisions and directorates in the Ministry. Subsequently, recruitment of officials at various levels was done in FY2020 which therefore accounts for the overrun observed in the Ministry of Finance's payroll budget. The exact details of the recruitment will be communicated as soon as possible, given that the Human Resources Department is having issues with power outage for the past four days. When this is sorted out, we will provide you with the statistics relating to the overrun."*

### **Auditor's Comment**

We note Management's response as a list of new staff was submitted to the auditors. The list was however insufficient to address the overspending that occurred on the payroll because no evidence was submitted to address the overspending in respect of recurrent and capital expenditures. Therefore, the issue is still unresolved.

#### **3.1.11. Transactions Posted without Evidence of Consultations/Approvals**

We observed that transactions totalling Le9,851,201,400, Le2,306,610,996 and Le18,198,998,457 were posted under Contingencies Fund, Special Warrant to the President and Unallocated Head of Expenditure

respectively. Evidence of recommendations/consultations and approvals by the Cabinet Budget Committee as stated in the Public Financial Management Act of 2016 and Public Financial Management Regulation of 2018 was however not provided for audit inspection.

We therefore recommended that the Deputy Financial Secretary responsible for Administration, in collaboration with the Budget Department, should ensure the following:

- In future, the Minister should obtain approval from the Cabinet Budget Committee before undertaking transactions under these expenditure heads.
- The Minister submit to the Audit Service for verification, evidence of recommendations/consultations and approvals by the Cabinet Budget Committee for FY2020 Financial.

### **Official's Response**

*The Deputy Financial Secretary responsible for Administration in his response said:*

*"The Minister of Finance is the Chairman for the Cabinet Budget Committee. All approvals for transactions under contingencies fund pass through his office."*

### **Auditor's Comment**

During the verification exercise, we reviewed payment vouchers and supporting documents that the Minister of Finance had approved, totalling Le26.97 billion. Transactions totalling Le3.23 billion were however without any evidence of the Minister of Finance's approval. Therefore, the issue was not fully resolved.

### **3.1.12. Government's Contribution to Defray the Cost of Funeral Expenses without Any Regulations/Policy**

Funds which amounted to Le650,000,000 were disclosed under "Unallocated Expenditure Head (612)" to defray the cost of funeral expenses for some government and public officers who had passed away without any regulations, policy or other legal instruments to justify the stated disbursement. This was however done without any regulations, policy or other legal instruments to justify the stated disbursement. In the absence of a legal instrument, such disbursement could be considered ineligible.

### **Official's Response**

*The Deputy Financial Secretary responsible for Administration in his response said: "The Draft Funeral Policy is available for inspection."*

### **Auditor's Comment**

A regulation/policy in respect of funeral expenses was not available. Such payments are therefore considered ineligible expenditure until the policy is finalised and operationalised.

The issue remains unresolved.

### **3.1.13. Employees in the Ministry Receiving Salaries but not on the Approved Staff List**

We compared the names of employees on the Ministry's staff list and the names on the monthly payrolls in 2019. We observed that the names of 6 employees were on the payroll vouchers who received salaries and other allowances (gross pay) totalling Le387,184,538, but these names were not on the staff list provided by the Ministry.

We recommended that the Deputy Financial Secretary responsible for Administration, in collaboration with the Human Resources Management Office, explain the circumstances for the additions. All the relevant documents validating the reasons should be submitted to the Audit Service for verification.

### **Official's Response**

*The Deputy Financial Secretary responsible for Administration in his response said: "The six names are not staff of the Ministry, and so a memo has been sent to the Director General HRMO for these names to be verified and also removed from the MOF payroll."*

### **Auditor's Comment**

During the verification exercise, we were provided with evidence of a memorandum written by the Ministry of Finance to the Director General HRMO for these names to be verified and also removed from the Ministry of Finance's payroll. We have concluded that this issue would be followed up in future audits, and if staff were paid under the Ministry and if regular reconciliation had been done, this would not have occurred. Therefore, the issue is still outstanding.

### **3.1.14. Seven Staff in the Ministry's Payroll but not Physically Verified**

We conducted a physical staff verification exercise for staff members on the Ministry's staff list. We observed that seven staff in the payroll were not verified and salaries paid to them amounted to Le105,196,909.

There is a risk of loss of government revenue. We therefore recommended that the Deputy Financial Secretary responsible for Administration collaborate with the Human Resources Management Office and provide an explanation with documentary evidence on circumstances for the staff in the payroll but not physically verified and that all relevant documents substantiating the reasons were to be submitted to the ASSL for verification.

### **Official's Response**

*The Deputy Financial Secretary responsible for Administration in his response said: "Evidence of the Procurement Officer namely Ibrahim Sorie Sawaneh and Josephine Kargbo are available for verification."*

### **Auditor's Comment**

During the verification exercise, we physically verified two staff as stated by the Deputy Financial Secretary responsible for Administration in his response, and the total amount paid to those staff was Le33,979,424, leaving a balance of Le71,217,485 paid to five staff as salaries but could not be physically verified. Therefore, the issue is not fully resolved.

### **3.1.15. NASSIT Deductions were not Made for Some Staff of the Ministry**

We noted a number of personnel in the Ministry's general payroll, for whom no statutory deductions in the form of NASSIT were made during the period under review. Computation of the unpaid NASSIT (5% of basic) amounted to Le33.15 million.

There is a risk of breach of the NASSIT Act of 2001. We recommended that the Deputy Financial Secretary responsible for Administration should ensure that the outstanding amounts of Le33,153,883 are paid to NASSIT, and receipts are forwarded to the Audit Service for verification. Going forward, all statutory deductions must be paid on or before the 15th day following the month in which deductions were made.



### **Official's Response**

*The Deputy Financial Secretary responsible for Administration in his response said: "These deductions are made by the Accountant General, and a memorandum has been written to the Accountant General for necessary action."*

### **Auditor's Comment**

A memorandum written to the Accountant General was submitted during the verification exercise. Based on the discussion with the Accountant General's Department's Payroll Division personnel, a memorandum has been sent to the HRMO to provide necessary responses since they are responsible for deducting NASSIT contributions. As of 22nd June 2021, no response had been received from the HRMO on this issue. Computation of the unpaid NASSIT (5% of basic) amounted to Le33,153,883. Therefore, the issue is outstanding.

### **3.1.16. Contract/Files not Provided for Payments Made to Contract Staff**

We observed that six persons were categorised as consultants (contract staff) in the Ministry's payroll, and the amount paid to them totalled Le1,304,715,851 and requested for their contract.

There is a risk that government's revenue has been paid to persons for which no work had been done. We recommended that the Deputy Financial Secretary responsible for Administration, in collaboration with the Human Resources Management Office, ensure that all the relevant documents regarding contract personnel are submitted to the Audit Service Office for verification.

### **Official's Response**

*The Deputy Financial Secretary responsible for Administration in his response said the following:*

- (i) Albaji Kuyateh and Bockarie Koroma are staff of the Ministry of Finance, they were contract staff, but the process of mainstreaming/ making them permanent is ongoing.*
- (ii) Albaji has been mainstreamed (see letter attached), Bockarie Koroma's mainstreaming was submitted to the HRMO and would soon materialise (submission letter is attached for verification), and Emmanuel Komba was a contract staff but now retired (contract letter is available for verification).*
- (iii) Memunatu Bernadette Bangura, Patrick Ajuno Sesay and Marian Robinson are not staff of the Ministry of Finance. A memo to the HRMO has been submitted for them to be verified and deleted from the MOF payroll (see attached)."*

### **Auditor's Comment**

During the verification exercise, we were provided with a contract for one consultant leaving the remaining five consultants' contracts not submitted, and annual gross salaries paid to these consultants amounted to Le964,088,861. Therefore, the issue is not fully resolved.

### **3.1.17. Expense Analysis Transactions without Payment Vouchers and Supporting Documents**

A review of the transactions recorded in the expense analysis revealed that transactions totalling Le4,128,309,536 were without payment vouchers and the relevant supporting documents.

We therefore recommended that the Deputy Financial Secretary responsible for Administration, in collaboration with the Principal Accountant, should ensure that in future, all transactions from inception to completion should be supported by the relevant documentary evidence, which must be retained for audit and reference purposes.

### **Official's Response**

*The Deputy Financial Secretary responsible for Administration in his response said: "The documents are available for inspection."*

### **Auditor's Comment**

We were provided with payment vouchers and supporting documents totalling Le 3,260,229,536, leaving a balance of Le868,080,000 in respect of payment for 40 motorbikes by the Inspector General of Police for which payment vouchers and supporting documents were not submitted for review. As a result, the issue is not fully resolved.

#### **3.1.18. Payments Made to Suppliers without Adequate Supporting Documents**

We observed that payments totalling Le3,118,057,086 were made to various suppliers for the supply of goods and services rendered to the Ministry without adequate supporting documents/information.

It was difficult to conclude whether the said payments had followed the proper procedures. We therefore recommended that all relevant supporting documents for the sum of Le3.1 billion are submitted to the Audit Service for verification.

### **Official's Response**

*The Deputy Financial Secretary responsible for Administration in his response said: "The documents are available for inspection."*

### **Auditor's Comment**

During the verification exercise, some documents were submitted totalling Le950,864,361, leaving a balance of Le2,167,192,725 without adequate supporting documents. Our recommendation was not implemented. Therefore, the issue remains outstanding.

#### **3.1.19. Payments of Consultancy Fees without Some Documentary Evidence**

Payments totalling Le167,074,769 were made as consultancy fees, but there was no evidence of work schedule and certificate of services rendered to justify the payment.

We therefore recommended that work schedule or certificate of completion for the sum of Le167,074,769 are submitted to the Audit Service for verification.

### **Official's Response**

*The Deputy Financial Secretary responsible for Administration in his response said: "The documents are available for verification."*

### **Auditor's Comment**

The relevant documents were not submitted for review. Therefore, the issue remains outstanding.

#### **3.1.20. Suppliers Invoice Inclusive of GST but not Paid to the NRA**

We took a sample of selected suppliers and observed that there were suppliers whose invoices were inclusive of Goods and Services Tax (GST) amounting to Le142,007,571. These suppliers however failed to use GST invoices as required by the Act, and as such, the auditors cannot ascertain whether the GST charged was paid to the National Revenue Authority.

We therefore recommended that the Deputy Financial Secretary responsible for Administration ensure that all GST registered suppliers should issue GST invoices for every transaction in the future. In addition,

GST invoices for the sum of Le142,007,571 are submitted to the Audit Service for verification, otherwise, the whole amount should be refunded to the Consolidated Fund.

### **Official's Response**

*The Deputy Financial Secretary responsible for Administration in his response said: "The documents are available for inspection."*

### **Auditor's Comment**

The relevant documents were not submitted for audit review. Therefore, the issue is still outstanding.

#### **3.1.21. Assets Bought not Traced in the Ministry**

The Ministry submitted an inventory of assets. Pertinent information that should be disclosed in the assets register was not captured in the inventory of assets, such as the date of purchase, value of the assets, etc. It was therefore difficult to trace the assets bought, which totalled Le2,929,089,500 to the inventory of assets. In addition, some assets were not coded with unique identification codes.

We therefore recommended that the Deputy Financial Secretary responsible for Administration should ensure the following:

- All relevant information relating to assets purchased must be recorded in the assets register.
- The evidence of the existence of all assets purchased in 2020 worth Le2.93 billion is submitted for verification, otherwise, those expenditures may be deemed ineligible.
- All Ministry-owned and controlled assets must be marked with unique identification codes and details appropriately recorded in the assets register.

### **Official's Response**

*The Deputy Financial Secretary responsible for Administration in his response said the following:*

- (i) *"Details about all assets procured are entered in the allocated store ledger and other stores accountable documents; the allocated store ledger will give information about all the assets procured during the year under review.*
- (ii) *The Store and Inventory Officer is now in a position to join the audit team for physical verification of all assets in the Ministry.*
- (iii) *The assets register will be updated after the coding of all the assets.*
- (iv) *The Ministry is in the advanced stage of hiring a firm to undertake the coding of all assets in the Ministry; please see signed minutes requesting for the Procurement to Commence."*

### **Auditor's Comment**

Our recommendation was not implemented. Therefore, the issue is still outstanding.

## **3.2. MINISTRY OF PLANNING AND ECONOMIC DEVELOPMENT - 2020**

### **3.2.1. Procurement Activities Undertaken but not in the Procurement Plan and Supporting Documents not Provided**

We observed that the National Council for Civic Education and Development (NaCCED) undertook some procurement activities valued at Le1,953,707,426 but were not included in the procurement plan, and supporting documents were also not provided for audit inspection.

We recommended that the Senior Procurement Officer, in collaboration with the Chairman of NaCCED should provide an explanation with documentary evidence why the activities undertaken were not included in the procurement plan, and why supporting documents were not provided for verification.

### **Official's Response**

*The Development Secretary in his response said: "The initial procurement plan for FY2020 was prepared as part of the submissions for the MTEF FY2020 budget and was based mainly on routine procurement activities anticipated for the year. A number of activities and projects undertaken during the year were not anticipated during the planning stage. However, the procurement plan was updated at various times during the year to reflect upcoming activities. Some of the activities in these appendices were factored in the updated plans."*

### **Auditor's Comment**

We note Management's comments as an updated procurement plan for 2020 was provided for verification. Upon review of the plan, we were able to see in the plan procurement activities to the tune Le1,658,812,450, and supporting documents were provided to that effect. Procurement activities totalling Le294,894,976 were not in the plan, and supporting documents were not provided. Therefore, the issue is partly resolved.

### **3.2.2. Procurements Activities Undertaken by NaMED without Adequate Supporting Documents**

We observed that procurement activities valued at Le597,693,285 were undertaken by the National Monitoring and Evaluation Directorate (NaMED), but were without adequate supporting documents. We recommended that the Senior Procurement Officer, in collaboration with the Director of NaMED should provide an explanation with documentary evidence why the activities undertaken were without the necessary documentation.

### **Official's Response**

*The Development Secretary in his response said: "In consultation with the Senior Procurement Officer, we can confirm that LPOs were issued for all procurement activities listed in Appendices A1 and A2. The LPOs are still available for verification."*

### **Auditor's Comment**

During the verification exercise, we were provided with supporting documents totalling Le554,542,723, leaving a balance of Le43,150,562 without adequate supporting documents. Therefore, the issue is partly resolved.

### **3.2.3. Splitting of Procurement Activities to Avoid the National Competition Bidding (NCB) Method**

We observed that procurement splitting was done by the National Council for Civic Education (NaCCED) for the procurement of office furniture worth Le137,025,000 on 25th October, 2020 (valued at Le86,940,000) and 25th November, 2020 (valued at Le50,085,000).

We recommended that the Senior Procurement Officer, in collaboration with the Chairman of NaCCED provide for verification an explanation with documentary evidence why procurement splitting was undertaken in order to avoid competition.

### **Official's Response**

*The Development Secretary in his response said: "The said activities were not done in splits. The Procurement Unit merely responded to requests as they were received. The requests for the activities were obtained one month apart. This indicates that needs-based procurements were undertaken, and the needs for these activities arose in different periods."*

### **Auditor's Comment**

We note Management's response and have also recommended that Management consider using a framework contract for goods that are required frequently. The issue is still outstanding, considering the timing of the procurements.

### **3.2.4. Fuel Consumption by NaCCED not Recorded in the Vehicle Logbook**

We reviewed payment vouchers for the supply of fuel and observed that payments amounting to Le44,445,500 in respect of fuel consumption of NaCCED official vehicle AJX 022 with card number 11532 was without the appropriate supporting documents (vehicle logbook) to track mileage for fuel and card consumption statement. It is recommended that the Chairman should ensure that vehicle logbook and fuel consumption statements are provided for audit inspection.

### **Official's Response**

*The Development Secretary in his response said following:*

- (i) *"Vehicle with registration number AJX 022 is the only vehicle that provides utility services to the entire organisation. This vehicle was allocated to the NaCCED with a faulty dashboard. The mileage meter and other indicators on the dashboard are not functional."*
- (ii) *"Efforts to replace the faulty dashboard has not been successful. This information was provided to the auditors in response to Audit Query 1. Management however made available to the auditors, spreadsheets on monthly fuel consumption from Tom Card No. 11532 for the period under review. Going forward, we will obtain a vehicle logbook, and all vehicle movements will be appropriately logged in".*

### **Auditor's Comment**

We note Management's comment, but the spreadsheet on the monthly fuel consumption was not provided for verification. Therefore, the issue remains unresolved.

### **3.2.5. Payments Made by NaMED without Appropriate Supporting Documents**

We reviewed payment vouchers on disbursement and observed that payments amounting to Le17,805,610 in respect of expenses for the NaMED were without the appropriate supporting documents. We recommended that the Director of NaMED ensure that the relevant supporting documents to justify the said payments are provided for audit inspection otherwise, the said fund should be surcharged and disallowed.

### **Official's Response**

*The Development Secretary in his response said: "The Le17,805,610 is a cumulative of underspent funds from three different activities conducted in late 2020 and partially in 2021. As of the time of audit, a full financial report on the activities had not been completed. After the report, whatever unspent money that will remain will be paid into the NaMED Account held at the Bank of Sierra Leone."*

### **Auditor's Comment**

The audit exercise was concluded almost nine months after the end of the financial year. This is more than a reasonable time for the activities to have been completed and retired accordingly. The retirement details were not provided. Therefore, the issue remains unresolved.

### **3.2.6. Payments Made by NaCCED without Relevant Supporting Documents**

We reviewed various expenses totalling Le93,308,213.60 made by the National Council for Civic Education Development, and we observed that payments were not supported by the relevant documents. It was recommended that the Chairman of NaCCED provide the relevant supporting documents for verification.

### **Official's Response**

*The Development Secretary in his response said:*

- (i) *"1st July, 2020 - Cash Payment - Francis Kobie Le40,000,000 - The car rental services were contacted at the peak of the COVID-19 emergency. Business for them was booming during the peak of the COVID-19 in the country. So we decided to search for the minimum at that time which was Le1,000,000 per day and Adam's Car Rental was willing to accept the said amount. We did obtain the required 3 pro-forma invoices for these services and they are available for audit review.*
- (ii) *4th December, 2020 - Cash Withdrawal - Kalilu Totangi Le18,448,271.52 - This issue came up in Audit Query 2 where Management was requested to produce the letter of invitation to the meeting in Dakar, Senegal, which we did. The return water taxi ticket was inadvertently misplaced.*
- (iii) *14th February, 2020 - Cash Withdrawal Francis Kobie Le170,250,000.00 - This withdrawal was in connection with the second segment of the NRA funded SME Taxpayer Assessment. All receipts, vouchers and other relevant documents were submitted for audit purposes. We are submitting them again for verification.*
- (iv) *30th July, 2020 - Cash Payment - Maiteh Kamara - Le35,00,000.00 - We did obtain the required 3 pro-forma invoices for these services and they are available for audit inspection."*

### **Auditor's Comment**

We note Management's response. Out of the Le93,308,213.60, we were provided with evidence of supporting documents totalling Le75,808,213.60 and a balance of evidence for payments totalling Le17,500,000 relating to Daily Subsistence Allowance was not submitted for verification. Therefore, the issue is partly resolved.

### **3.2.7. Poor Management of Imprest at the Ministry**

Upon review of imprest allocated to the Ministry, we observed the following poor management of imprest as follows:

- A monthly imprest of Le75 million is given to the Ministry. When this fund is received, the entire amount is withdrawn from the bank and kept in a safe.
- There was no petty cash book maintained to show how these monies kept in the safe are utilised.
- The Ministry did not disburse funds upon receipt of a certified imprest payment voucher as stipulated by Section 121(5)(a) of the Public Financial Management Regulation of 2018.
- The Ministry, in their response to the audit query, indicated that funds are disbursed to the various units within the Ministry upon withdrawal from the imprest account, but there was no evidence seen to substantiate this explanation.

- The only form of supporting documents seen were receipts for goods bought and, in cases where DSA were given to staff, a list indicating the names of staff and the amount received.

We therefore recommended that the Development Secretary, in collaboration with the Senior Accountant, should ensure the following:

- Discontinue the practice of withdrawing the entire imprest allocation from the imprest account and keeping same in a safe.
- Ensure that all future payments from the imprest account are paid by cheque or a bank transfer as stipulated by the PFM Regulation of 2018.
- Provide to the audit team within 15 days upon receipt of the draft audit report, a summary showing all payments made from the standing imprest for the period under review.

### **Official's Response**

*The Development Secretary in his response said: "The monthly imprest provided to the Ministry is allocated to the various divisions and units within the Ministry to enable them meet various petty cash expenses in the running of the offices, for which it would not be reasonable to prepare full vouchers for each and every one of them. Therefore, as mentioned earlier, the entire amount withdrawn is distributed accordingly. Copies of signed receipt vouchers detailing these distributions are available for audit inspection as well as summary and retirement details for the use of these funds."*

### **Auditor's Comment**

We note Management's response. We were provided with evidence to show that imprest received was allocated to various divisions and units within the Ministry. internal PVs were not used as prescribed by the PFM Regulations of 2018. Therefore, the issue is partially resolved.

### **3.2.8. Salaries Paid to Six Staff of the Ministry without Documentary Evidence**

We observed that 10 staff were added to the payroll of the Ministry. Total salaries of Le158,222,599 were paid to them. We however requested evidence of appointment letters for the said staff but were not provided for audit inspection.

We recommended that the Senior Human Resources Manager, in collaboration with the Development Secretary, should provide the relevant documentary evidence to justify the salaries paid and submit to the Audit Service for verification.

### **Official's Response**

*The Development Secretary in his response said: "Nine out of the ten staff listed in Appendix G are newly recruited by the PSC for NaMED. The appointment letters in respect of these staff are available for audit inspection. The remaining staff, namely John Sesay, is not a new addition to the payroll. He is an Assistant Director who was designated from the position of Principal Planning Officer. His appointment letter is available for audit inspection."*

### **Auditor's Comment**

We note Management's response. Only four staff appointment letters were submitted during the verification for review. Therefore, an amount of Le135,859,495 was paid to six staff whose appointment letters were not submitted. As a result, the issue is partly resolved.

### **3.2.9. Two Staff of the Ministry Deleted from the Payroll but were Paid Salaries**

Upon observation of the payroll, we discovered that two staff (Allieu Conteh with pin code: 138686 and Gabriel Janneh with pin code: 138688) were deleted from the payroll in July 2020, and salaries paid to

them in July 2020 amounted to Le2,992,197 and Le2,992,197 respectively. We however noted that for both payments, transfer letters, retirement and resignation letters which could be part of the process, were not provided to support the said payments.

We therefore recommended that the Senior Human Resources Manager provide documentary evidence to justify why the two staff were deleted from the payroll but were still paid salaries.

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

*The Development Secretary in his response said: "The two staff were temporarily removed from the payroll by the HRMO because of the non-availability of NASSIT numbers. This was a routine exercise carried out by the HRMO. They have however been subsequently reinstated into the payroll upon provision of their NASSIT numbers."*

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

We note Management's response but the issue raised had not been addressed. Documentary evidence was however not provided for verification. Therefore, the issue is outstanding.

#### **3.2.10. Salaries Paid to Two Staff of the Ministry without Documentary Evidence**

Upon observing the payroll, we discovered that Le9,563,198 and Le997,399 were paid to two staff in April and September 2020 as Salary Arrears. We however noted that for both payments, salary amendment forms, approved salary amendment letters, and recalculation sheets that should be part of the payment process were not provided to support the said payments.

Therefore, we recommended that the Senior Human Resources Manager provide documentary evidence and submit it to Audit Service, otherwise, the said fund should be refunded to the Consolidated Fund.

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

*The Development Secretary in his response said: "The salary arrears paid to the said staff were duly approved. All relevant supporting documents are available for audit inspection."*

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

During the verification exercise, evidence was not submitted to justify the payments of the said salary arrears. Therefore, the issue remains unresolved.

#### **3.2.11. Ineligible Leave Allowances Paid to Contract Staff of NaCCED**

Upon review of the payroll, we discovered that a total of Le281,298,133 was paid as leave allowances to the contract staff of NaCCED. The basis cited for the payment of the leave allowances to these contract staff is the terms and conditions of service of all trade group workers below the supervisory level in the Republic of Sierra Leone, published in the Sierra Leone Gazette on 11th July, 2011. In our professional opinion, these staff are not covered under this agreement.

We therefore recommended that the Chairman of NaCCED should provide documentary evidence for the said payroll payments and submit to the Audit Service for verification, otherwise, the said fund should be refunded into the Consolidated Fund.

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

*The Development Secretary in his response said:*

- (i) *"Employment and Social Security, the Regulation of Wages and Industrial Relations Act No.18 of 1971 published in the Sierra Leone Gazette (Extraordinary) Vol. CXLII on Monday 11th July, 2011 provides that*



*all 26 staff of NaCCED fall under the definition of “Worker”. As such, they are entitled to leave and leave allowance after each completed year of service.*

- (ii) *The Management of NaCCED did not pay leave allowances to staff but requested the approval of relevant authorities at the Ministry of Finance for the payment of leave allowance to the staff concerned after completing one year of service as provided for in the above-mentioned Act. If in the professional opinion of the auditors, the staff of NaCCED are not covered by the above-mentioned Act and they are not civil servants, it will be appreciated if the auditors may advise on which category NaCCED staff fall into as a subvented agency.”*

#### **Auditor’s Comment**

Evidence to justify leave allowances paid to contract staff of NaCCED was not submitted for verification. Therefore, the issue remains unresolved.

#### **3.2.12. Salaries Paid to Eight Staff in the Ministry but Could not be Physically Verified**

We conducted a staff verification exercise for staff of the Ministry, and we noted that 19 staff and 22 staff of the Ministry and the NaCCED received salaries totalling Le2,728,365,765 and Le2,203,852,476 respectively, but did not avail themselves to the audit team for physical verification.

We recommended that the Senior Human Resources Manager of the Ministry ensure that staff avail themselves for physical verification.

#### **Official’s Response**

*The Development Secretary in his response said: “On the issue of physical verification of NaCCED staff, Management did request the auditors to please visit the NaCCED HQ at 21 Steward Street Freetown, but the auditors insisted that all staff should go to MoPED for verification. This was viewed as an unfair demand, considering the time it will take and logistics involved in conveying the staff. NaCCED staff are always available for verification in compliance with audit regulations. If given ample notification, Management will ensure that staff at the regional offices are also present for this exercise.”*

#### **Auditor’s Comment**

During the verification exercise, we physically verified 11 staff, and the remaining eight staff of the Ministry did not avail themselves for physical verification, and salaries paid to those staff totalled Le1,051,963,048. Therefore, the issue is not fully resolved. On the issue of the 22 NaCCED staff, all of the staff were physically verified.

#### **3.2.13. Letters of Recommendation not Provided for 11 Contract Staff of NaCCED**

Upon review of the payroll, we requested the recommendation letter from the Public Service Commission, which mandates the Chairman of the NaCCED to give the letters of appointment to eleven contract staff. We further noted that net salaries paid to these staff amounted to Le621,609,960.

The recommendation letter was not provided for audit verification.

In collaboration with the Chairman of NaCCED, we recommended that the Development Secretary provide documentary evidence for the said payroll payments, otherwise, the said fund should be refunded into the Consolidated Fund.

#### **Official’s Response**

*The Development Secretary, in his response said: “The appointment of all relevant staff of NaCCED followed the relevant procedures. After receiving executive clearance, the Chairman engaged the Public Service Commission (PSC) who advertised and conducted interviews for all approved positions. Another letter dated 28th June 2019 ref: P.S.C.1169/6 was sent to the*

*Chairman of NaCCED to issue appointment letters to the selected candidates. The requested document was submitted to the auditors for verification in response to Audit Query 1. Recommendation letter is available for verification.”*

#### **Auditor’s Comment**

The listed staff were not part of the recommendation letter ref: P.S.C 1169/6. Hence, the evidence submitted was not adequate. Therefore, the issue is still outstanding.

### **3.3. MINISTRY OF DEFENCE, HEADQUARTERS - 2020**

#### **3.3.1. Procurement Irregularities in the Procurement of Light & Heavy Weight Vehicles**

Several procurement irregularities were observed in the procurement of Light and Heavy weight vehicles which were divided into two lots, amounting to US\$4,809,810 (Le47,420,878,752), using the International Competitive Bidding (ICB) method. There was no evidence that the Ministry seeks approval from the Ministry of Transport and Aviation (MTA) and that the Sierra Leone Roads Safety Authority (SLRSA) was not involved in providing technical advice for the procurement of these vehicles. We also noted that the technical specifications in the bidding documents did not meet the specification of the originating unit or end users request and that recommendations from the Law Officer’s Department were not adhered to. These violate several sections of the Procurement Act of 2016, Clause 10.5 and 11 of the Vehicle Fleet Policy and Clause 6.11.14 of the Public Procurement Manual of 2020.

We recommended that the procurement unit submit evidence of approval and technical advice from the Ministry of Transport & Aviation and the Sierra Leone Road Safety Authority, evidence of compliance with the specifications of the originating unit, copies of notifications sent to unsuccessful bidders and evidence of acting on the recommendations of the Law Officer’s Department.

#### **Official’s Response**

*The Director General states: “Management noted the recommendation and promise to endeavour to comply in the future; and that notification to unsuccessful bidders were now ready for inspection.”*

#### **Auditor’s Comment**

We confirmed notifications to unsuccessful bidders. Concurrence from the MTA, compliance with specifications of the originating unit and acting on recommendations from the Law Officers’ Department were not addressed. Therefore, the issue is partly resolved.

#### **3.3.2. Inadequate Controls over the Disposal of Government Vehicles**

In violation of Sections 66 (1,2&3) and 67(10), we noted that 20 government vehicles were put on disposal without following the relevant procurement procedures. The technical evaluation was only conducted on 15 vehicles and the NRA receipts were not submitted to confirm payment of proceeds from disposals amounting to Le86,550,000.

We recommended that evidence of technical evaluation for outstanding vehicles and the payment of the total proceeds are submitted for verification.

#### **Official’s Response**

*The Director General states: “We will endeavour to follow required procedure in the future.”*

### **Auditor's Comment**

The technical evaluation was submitted for two out of the five outstanding vehicles. Additionally, from a total of Le86,550,000, NRA receipts were not submitted for Le27,100,000 and SLRSA valuation reports were also not submitted for three vehicles. Therefore, the issue is partly resolved.

### **3.3.3. Allowance for Overseas Training**

Contrary to Section 2(a) of the Defence Council Instruction (DCI); Principles and Assumptions, Le3, 800,719,447 was paid to officers and other ranks for overseas training without expenditure returns such as course certificate, stamped passport, debriefing form etc. Additionally, we noted inconsistencies in the payment of allowance to beneficiaries. Some beneficiaries were either underpaid or overpaid without justification. Le30, 202,357 was overpaid and Le472,328,752 underpaid to beneficiaries.

We recommended that all allowances paid to personnel that were not inclusive in the Defence Council Instruction (DCI) and the entire overpaid amount should therefore be recovered and paid back into the Consolidated Fund and receipt forwarded for audit reviews.

### **Official's Response**

*The Director General in his response said: "Management notes the concerns and commits to comply with requirements set out in the DCI."*

### **Auditor's Comment**

There was no evidence that the issues identified were addressed by Management.

### **3.3.4. Service Delivery**

Contrary to Section 13 (1) of the Public Financial Management Act of 2016, we noted the following:

- The Human Resources of the Ministry were not utilised in an effective manner, so as to ensure the maximum use of the available resources. There was no evidence that the technical wing (Electrical and Mechanical Engineering Unit (EME) and the Engineering Regiment) in the RSLAF were being utilised to their potentials. For instance, normal routine maintenance of vehicles (i.e. changing of oil and fuel fitter, changing of tyres etc.) and civil works were outsourced. These jobs would have been carried out by these personnel. These activities were undertaken without due consideration as to what those technical skilled personnel in the RSLAF a bid to saving cost.
- The storage facilities were poor across the MOD. Major diagnostic equipment such as X-ray machine, computerised tomography scan (CT scan), magnetic resonance imaging (MRI), ultrasound sonography were not available at the Diagnostic Centre at the 34 Military Hospital.

The Assistance Chief of Defence Staff (ACDS,) Support and Logistics should ensure effective use of the technical wing of the RSLAF in a bid to save cost. We also recommended improvement in the storage facilities and an immediate provision of the necessary equipment for the effective function of the Diagnostic Centre.

### **Auditor's Comment**

There was no official response or evidence that the issues were addressed by Management.

### **3.4. MINISTRY OF DEFENCE (4TH INFANTRY BRIGADE), MAKENI – 2020**

#### **3.4.1. Lack of Maintenance of Quarters**

We conducted interviews with key personnel of the 4th Infantry Brigade, reviewed the terms of reference of the Estate Policy of the MoD/RSLAF 2014 and conducted a physical inspection of the military quarters of the Teko Barracks. We observed the following:

- Some serving personnel are not accommodated in the quarters. This was due mainly to the lack of maintenance of the rundown structures within the barracks, including officers' quarters, which could have housed dozens of personnel. The lack of renovation of officers' damaged quarters has resulted in officers occupying quarters belonging to other ranks'. Moreover, most of the quarters were renovated by the occupying personnel out of their meagre monthly salaries.
- Some of the toilets used by the personnel were in dilapidated, unbearable and unhealthy state. When the issue was raised during the audit, we were informed by the Brigade Medical Officer (BMO) that there had been overwhelming complaints of cholera, diarrhoea, typhoid, worm and skin infections. This could have been the result of the overcrowding and poor toilet facilities.

We recommended that the Quarter Master, in collaboration with the Brigade Commander and JFC/HQ should ensure that the dilapidated quarters are repaired to provide suitable accommodation for the serving personnel.

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

*The Brigade Commander in his response said: "The bills of quantity for all dilapidated quarters had been submitted to Headquarters and frequent reminders sent. It depends on the availability of funds to undertake the renovation. The Brigade would continue to raise the issue for appropriate action. Provision has been made to improve the current sanitation by weekly disinfestations of the toilet system of the Barracks by the public health officials from the JLU of the RSLAF. Moreover, this Unit has undertaken a refurbishment to improve the existing toilet structure to enhance the adequate availability of the toilet system."*

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

Management's response is noted. The issue remains unresolved.

#### **3.4.2. Inadequate Medical Facilities and Equipment**

The team of auditors conducted physical verification of the 4th Brigade's Medical Inspection (MI) Room to assess the general condition of the facility and observed the following:

- The MI Room did not have basic and modern medical facilities. For instance, the MI Room, which is responsible for all referral cases from the 4th Battalion in Makeni, 9th Battalion in Kono and 12th Battalion in Kabala, had only two wards with a total bed capacity of 10.
- The MI Room did not receive drugs on time. For instance, delivery notes of drugs to the 4th Battalion revealed that drug supply for November 2018 was received on 11th March 2020, and drug supply for January 2020 was received on 5th September 2020. Moreover, there was no evidence to show that drugs were received for October and December 2018, 2019 and October to December, 2020.
- The small store for drugs did not have enough shelves to accommodate all the drugs. As a result, some drugs were lying on the bare floor, while others were stored in wooden boxes.
- The MI Room has no water facility, air conditioner, dressing equipment (such as forceps, scissors, etc.), BP machine, freezer and cleaning materials.

- The wards had dilapidated beds and mattresses.
- The MI Room is without nursing staff.
- There is no functioning standby generator in the Medical Intelligence (MI) Room. Power outages could obstruct service, especially at night when patients are under observation or during emergencies.
- The MI Room depends only on one pit latrine, which is situated outside the building.  
We therefore recommended as follows:
  - The Joint Medical Unit (JMU) HQ should ensure that drugs are supplied on time to facilitate efficient service delivery to patients within the Brigade. In addition, efforts should be made to improve the storage conditions at the medical store, staffing, water, sanitation and provide the MI Room with the required medical equipment and reagents.
  - The Brigade Medical Officer and the Regimental Medical Officer should collaborate with the Brigade Commander to ensure that the standby generator in the MI Room is repaired or another is procured to serve as a backup, should there be power outage.

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

*The Brigade Commander in his response said: "The inconsistent supply of drugs is as a result of the procurement and irregular payment to the supplier. This issue rests with the Ministry of Defence, and efforts are being made to address it, as they are now receiving monthly drug supply for the past 3 to 4 months. On the status of the medical store and storage facilities, the Brigade, with the support of the Joint Force Command, is currently constructing a Field Hospital that will provide adequate and appropriate storage facilities for drugs. The project will be completed in early 2022."*

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

Management's response is noted. The issues remain unresolved.

### **3.5. MINISTRY OF HEALTH AND SANITATION, HEADQUARTERS – 2020**

#### **3.5.1. Activities Undertaken outside the Approved Procurement Plan**

Contrary to the provisions in Section 29(1) of the Public Procurement Act of 2016 and Section 28(1,2&3) of the Public Procurement Regulations of 2020, the Ministry in FY2020 undertook procurement activities when the Cuban and Nigerian personnel were brought into the country to support the fight against COVID-19. The Ministry procured goods and services which amounted to Le4,141,596,800 that were not initially planned for, and were also not updated in the procurement plan for FY2020. Additionally, there was no evidence of Procurement Committee's authorisation for these procurement activities.

The Senior Procurement Officer should submit the updated 2020 procurement plan and Procurement Committee's authorisation for audit inspection.

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

*The PS responded that an addendum to the initially approved Procurement Plan for FY 2020 has been updated and approved by the Procurement Committee.*

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

During verification, an addendum to the procurement plan along with the relevant Procurement Committee minutes were submitted. The decision by the Procurement Committee to amend the 2020

procurement plan on 27th September 2021, however defeated the very purpose of revising and updating procurement plans as prescribed in Section 28(3) of the PPR of 2020.

### **3.5.2. Competitive Procedures not Followed for the Procurement of Dietary Supplies and Cleaning Services**

During 2020, the Ministry undertook procurement for the supply of diet and cleaning services for government hospitals. The total value of the procurement was Le1,562,623,809.00 but did not adhere to competitive procurement procedures, contrary to Section 37 of the Public Procurement Act of 2016.

The Permanent Secretary should be held responsible for authorising contracts for procurement not done in compliance with the relevant provisions of the Public Procurement Act of 2016.

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

*The PS in his response said: "The Procurement Committee of the Ministry approved the use of sole-source procurement method."*

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

The minutes of the Procurement Committee's resolution for the use of sole-sourcing procurement method was submitted. The reasons proffered by Management for this line of action cannot be accepted, owing to the fact that cleaning and dietary services are major annual procurement activities of the Ministry. Therefore, the issue is unresolved.

### **3.5.3. Irregular Addenda to the Original Contracts for Supply of Diets, Sundry Items and Cleaning Services to Hospitals**

A total of 19 addenda to the original contracts with a total value of Le5,893,951,949 were granted to previous suppliers for the supply of diets, sundry items and cleaning services to various hospitals. Our review of the addenda indicated that modification to the original contract value was increased by 75%. This surpassed the maximum threshold of 25% and was not treated as a new procurement requirement, contrary to Section 149(7) of the Public Procurement Regulations of 2020.

Value-for-money may not have been achieved because of these actions. The Permanent Secretary should provide written justification for not complying with the required provisions of the Public Procurement Regulations of 2020.

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

*The PS in his response said: "Management indicated that the issue of exceeding 25% was as a result of an oversight by the Procurement Officer, rather than a flagrant violation of the Public Procurement Act and Regulations."*

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

Management's comment is noted. The issue is however still outstanding.

### **3.5.4. Contract for Hotel Accommodation**

The Ministry awarded contract worth Le492,660,000 to Leisure Lodge Hotel Garden Bar and Restaurant for accommodation services for the Cuban personnel for 30 days when they arrived in Sierra Leone. The hotel, in its invoice, included Le64,260,000 in respect of goods and services tax (GST). A GST invoice was not issued and the receipt was also not a GST receipt indicating the possibility of non-payment of this amount to the NRA.

This may have resulted in loss of public funds. Evidence of the payment of GST amount to the NRA should be submitted. We therefore recommended for a submission of evidence of payment of the GST.

**Official's Response**

*The PS in his response said: "The GST invoice and receipt for the said amount were available for audit verification."*

**Auditor's Comment**

GST receipt indicating evidence of payment to the NRA was not submitted. This issue is therefore unresolved.

**3.5.5. Proceeds from Sale of Bids not Banked**

Contrary to Section 58(5) of the Public Procurement Regulations of 2020, revenue generated from sale of bidding documents to the tune of Le101,750,000 was not paid into the Consolidated Fund (CF).

We recommended that this amount is immediately paid into the CF.

**Official's Response**

*The PS in his response said: "The bid proceeds was not banked but held in the safe and accessed through the same internal procedures applicable to accessing the proceeds if it were banked. He said that because of the need to facilitate the procurement process necessary for the award of contracts for the rehabilitation of district hospitals and for the provision of diet and cleaning services in all tertiary hospitals, the bid proceeds were kept in the safe and utilised on procurement related expenses."*

**Auditor's Comment**

The relevant supporting documents in respect of the utilisation of the said funds were submitted and verified. Their failure to bank the bid revenue constitutes a material breach of applicable financial management provisions. Therefore, the issue is still unresolved.

**3.5.6. Payments of Medical Fees to Patients**

Overseas medical treatment and expenses which cost a total of Le2,762,037,215 for 25 patients were recommended by the Medical Board during 2020. The audit team was unable to ascertain the basis used to determine the said cost, as the said amounts were paid directly to the beneficiaries, rather than into the accounts of either the hospitals or the Sierra Leone embassy/high commission in the country the patients were to receive treatment.

**Official's Response**

*The PS in his response said "There is an existing policy for accessing overseas medical treatment. The practice is that medical bills are normally paid into the embassy's account in the country the patient is seeking treatment, except where there is no embassy or high commission. Management also stated that there is currently a review process of the policy which will address all necessary anomalies identified in the policy."*

**Auditor's Comment**

Management's response is noted. There was however no evidence that the query was addressed by Management. Therefore, the issue remains unresolved.

**3.5.7. Unretired Payments for Overseas Medical Bills**

A review of payment vouchers revealed that Le6,059,500,355 was paid by the Ministry for overseas medical bills for 35 patients (with the exception of air tickets and DSA) for which retirement details such as hospital receipts and discharge cards, were not submitted for audit inspection.

We recommended that the retirements as identified be made available for audit inspection.

**Official's Response**

*The PS in his response said: "All patients who have not submitted their retirements have been contacted to do so and all such retirements once submitted will be forwarded to in due course. For those who have submitted, copies are however available for audit verification."*

**Auditor's Comment**

During verification, copies of retirement documents for a total amount of Le808,271,980 in respect of seven of 35 beneficiaries were submitted and verified, leaving a balance of Le5,251,228,375 without the necessary retirement details. The issue is therefore partly resolved.

**3.5.8. Expenditure on Air Tickets not Adequately Supported**

A total amount of Le1,284,003,000 was spent to purchase air tickets for patients and accompanying relatives to travel for overseas medical treatments. There were no adequate supporting documents such as invoices, itinerary of patients and relatives, photocopied passport, etc. attached to payment vouchers.

**Official's Response**

*The PS in his response said: "All patients who have not submitted their retirements have been contacted to do so, and all such retirements once submitted will be forwarded to in due course. For those who have submitted, copies are however available for audit verification."*

**Auditor's Comment**

Relevant supporting documents for Le220,494,000 were submitted and verified, from a total payment of Le1,284,003,000 for cost of air tickets. The balance of Le1,063,509,000 was still without adequate supporting documents. The issue is therefore partly resolved.

**3.5.9. Management of Funds for Cooperation Agreement Programmes**

Contrary to Sections 13(1) and 30(1) of the Public Financial Management Regulations of 2018, there was inadequate control over management of funds for cooperation agreement programmes in respect of the Cuban and Nigerian health personnel during the fight against the COVID-19 pandemic.

We observed the following:

- A total amount of Le257,586,000 was overspent on goods and services procured without authority.
- From the sum of Le6,490,000,000 remitted to the Ministry, Le5,434,016,178 was retired leaving a balance of Le1,055,983,822 not retired or paid back into the Consolidated Fund.
- The payment records also showed a loan of Le130,000,000 for the clearing of a 40 feet shipping container without the required authority, and there was no evidence of repayment of this loan.
- Additionally, from the funds for the Technical Aid Corps (TAC), we verified repayment of loan of Le600,000,000 without authorisation and evidence of the initial loan and how the amount was spent.

**Official's Response**

*The PS in his response said:*

- (i) *"On the issue of the overspent Le257,586,000, see attached comments."*



- (ii) *The decision to repurpose, the remaining amount of Le1,055,983,822 was paid by the Executive Management Committee of the Ministry. This was followed by a formal request made by the Ministry of Health and Sanitation to the Ministry of Finance. Evidence of such is available for audit inspection.*
- (iii) *The loan amount of Le130,000,000 was given to facilitate the clearing of a 40 feet container said to contain nutritional supplement for children under 5 years that was short in supply in-country. Request for refund of this amount has been forwarded to the Director of Finance for immediate action. Evidence is available for audit inspection.*
- (iv) *The Le600,000,000 quoted by the auditors is not a loan, but a transaction error which was reversed immediately. Evidence is available for audit inspection."*

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

Despite the responses received from Management, no evidence was submitted for audit inspection. Therefore, the issue remains unresolved.

#### **3.5.10. Payments without Supporting Documents**

Withdrawals of Le3,870,760,085.00 from the Ministry's Imprest Bank Account No. 0112008316 held at the Bank of Sierra Leone were without payment vouchers and other supporting documents.

We therefore recommended that the payment records as identified be made available for audit inspection.

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

*The PS in his response said: "The relevant supporting documents are available for verification."*

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

From the total expenditure of Le3,870,760,085.00, payments vouchers and the relevant supporting documents to the tune of Le3,732,227,585 were submitted leaving a balance of Le138,532,500 without supporting documents. Additionally, of the Le3,732,227,585 submitted for verification, payments to the tune of Le123,635,000 were not adequately supported with the required documents. This issue is partly resolved.

#### **3.5.11. Irregularities in the Recruitment of Junior Medical Personnel**

We noted irregularities in the recruitment of junior medical personnel during 2020. The required quota arrangement by district was not complied with in most instances. Upon review of sampled requests from the districts and the comprehensive list prepared by the Ministry's Human Resources Directorate, we discovered that all the names are not incorporated into the comprehensive list. The basis used to select the names to be included in the comprehensive list sent to the HRMO was not submitted for audit inspection which may suggest that the recruitment and selection process was not fair and based on merits, contrary to Rule 2.4 of the Civil Service Code, Regulations and Rules, 2011.

The Director of Human Resources should submit evidence of the basis to prepare the comprehensive list.

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

Despite the recommendation, a written explanations or additional documents were not submitted for the non-compliance with the Civil Service Code, Regulations and Rules of 2011 on the recruitment of medical personnel, especially nurses. The issue is therefore unresolved.

### **3.5.12. Staff on Payroll and not in the Nominal Roll**

During our review of payroll and the nominal roll submitted for 2020, we observed that the names of 201 staff on the payroll who received a total salary of Le2,394,009,890 during 2020 were not included on the nominal roll.

We therefore recommended that the Human Resource Director update the nominal roll with immediate effect.

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

*The PS in his response said: "Of the 201 staff, 32 are not staff of the Ministry and that the names of a total of 171 staff were inadvertently omitted."*

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

During verification, a list containing the names of 32 staff was submitted as not being part of the Ministry of Health and Sanitation, without any justification why their names were in the Ministry's payroll. Additionally, evidence of the updated nominal roll was not submitted during verification; rather, a list of 174 staff instead of 171, as stated in the management response was submitted. Therefore, the issue is partly resolved.

### **3.5.13. Payment of Salaries to Former Staff**

The names of 11 staff who have either resigned, retired, died or been dismissed during the period under review were still maintained on the payroll until November 2020, and received a total salary of Le85,740,659.

This might have resulted in the loss of public funds. We therefore recommended for the removal of these names from the payroll and where possible, recoveries of amount paid. Evidence of this must be submitted.

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

*The PS in his response said: "The Ministry promptly reports all deaths of its personnel to the HRMO for deletion from the payroll and that the Accountant General's Department always deduct from death gratuity or end-service-benefit of staff who continue to receive salary after death and, or retirement."*

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

Evidence of removal of the names of the 11 staff and deduction from the death gratuity or end-service-benefit for staff who continued to receive salary after death and, or retirement was not submitted for audit inspection. The issue therefore remains unresolved.

### **3.5.14. Revenue Generated from Issuance of Export Health Certificates not Transferred into the Consolidated Fund**

During 2020, amounts collected as fees totalling Le152,080,655.00 for issuance of export health certificates by the Ministry was not paid into the Consolidated Fund, contrary to Section 13(1) of the Public Financial Management Regulations of 2018.

This might have resulted in a loss of public funds. We recommended that the Director of Financial Resources transfer this revenue into the Consolidated Fund with immediate effect and evidence of such transfer submitted for audit inspection.

### **Official's Response**

*The PS in his response said: "Of a total of Le152,080,665 deposited in 2020, a total of Le93,400,000 has been transferred to the Consolidated Fund, leaving a balance of Le58,680,665 which will be remitted into the CF as soon as possible. evidence of transfer is available for audit inspection."*

### **Auditor's Comment**

We verified evidence of transfer of Le93,400,010 from the Ministry's imprest account to the CF, leaving a balance of Le58,680,655. The issue is therefore partly resolved.

## **3.6. DISTRICT HEALTH MANAGEMENT TEAM, BO - 2020**

### **3.6.1. Fixed Assets not Properly Maintained**

Interview with key personnel, review of documents and physical verification of assets revealed that there were 21 vehicles assigned to the District Health Management Team (DHMT), Bo. Out of the 21 vehicles, only five were functional, the remaining 16 vehicles were not functional and have been grounded for a long period and no action had been taken to either repair or dispose of them. There is a risk that the vehicles may lose their values and become scrap, or if they are not repaired soon, they will incur high maintenance costs. This may also lead to ineffective service delivery.

We also noted that 11 motor bikes were yet to be licensed and insured by the DHMT, Bo. This may lead to fines or penalties levied on the DHMT by the appropriate law enforcement bodies.

We therefore recommended that the DMO should do the following:

- Collaborate with other authorities to ensure that non-functional vehicles are repaired or disposed of through the appropriate procedures. The DMO should notify the ASSL of action taken.
- Liaise with other relevant stakeholders to ensure that all vehicles and motor bikes owned by the DHMT are licensed and insured.

### **Official's Response**

*The DMO in his response said the following:*

- (i) *"It is true that the DHMT currently has five working vehicles for the entire District. This pose a huge challenge in responding to emergency healthcare issues and also affect the day-to-day operations of the DHMT. However, for the 16 scrap vehicles, most of these vehicles are grounded and wear beyond repairs. Meanwhile, Management will collaborate with other government ministries and agencies for disposal of them and this will take some time as it requires the approval of certain authorities. The DHMT will ensure that all necessary procedures are followed in the case of disposal."*
- (ii) *"These bikes were donated by the EPI & Child Healthcare Programme of the Ministry of Health and Sanitation (MOHS) who supposed to have licensed them before donation. The 11 motorbikes in question were donated without life cards. So it will be very difficult to insure and license these bikes without the life cards. However, the DMO and the DOO1 have asked the supporting partners to insure and license these motorbikes for the PHU staff and it is a work-in-progress in Freetown by the EPI/Child Healthcare Programme."*

### **Auditor's Comment**

- There was no evidence to confirm that action had been taken to repair or dispose of non-functional vehicles. This issue remains unresolved.

- The 11 motorbikes are yet to be licensed and insured by the DHMT, Bo. This issue remains unresolved.

### **3.6.2. Fuel Management**

DHMT Bo did not reconcile its fuel records with the records of the fuel dealer which would have enabled them to detect and correct any discrepancies that may arise between the two records. Failure to reconcile the two records may cause errors and omissions to go undetected and corrected.

This may lead to misappropriation of fuel, and inaccurate fuel balance at the end of the year. We therefore recommended that the Accountant must ensure that the DHMT's fuel records are reconciled with the records of the fuel dealer and evidence of reconciliation forwarded to the ASSL for verification.

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

*The DMO in his response said: "The DMO has given directives to the Accountant and the Fuel Clerk to ensure that the DHMT engages in monthly reconciliation of its fuel records with that of the fuel dealer to detect and correct any discrepancies that may arise between the two records. Moving forward, proper internal controls will be maintained in fuel management at the DHMT."*

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

No evidence of fuel reconciliation submitted for verification. Therefore, this issue remains unresolved.

### **3.6.3. Insufficient Medical Materials and Equipment to Enhance Medical Service Delivery**

We observed the following:

- The general medical materials and equipment that support the effectiveness of healthcare facilities such as catheter, vacuum extractor machine, HB machine, weighing scale, height board, gloves, dressing materials, couch and beds were in short supply and some not even available in the PHUs visited.
- The necessary lining materials such as bed sheets, pillows, towels, blankets, buckets, soaps, bath bins and bin liners were not in sufficient quantity and some not available in the PHUs visited.

The public may not receive the needed healthcare services. Also, staff and patients may be exposed to risk of contracting other diseases. We therefore recommended that the DMO should collaborate with the councils and other stakeholders to ensure the following:

- General medical materials and equipment needed by various PHUs of the DHMT are made available to enhance effective healthcare services.
- Necessary lining materials needed by the various PHUs are made available to enhance effective healthcare services.

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

*The DMO in his response said: "The DHMT in collaboration with the councils and partners are procuring drugs, medical equipment and other medical consumables to support clients in the free medical categories. The National Medical Supply Agency (NMSA) will soon supply Quarter 3 of the Free Healthcare Delivery supplies and drugs for malaria, tuberculosis and HIV/ AIDs for all patients irrespective of age. These supplies will start reaching the health facilities latest 20th October, 2021."*

### **Auditor's Comment**

- During verification, further investigation revealed that the general medical materials and equipment were still in short supply and some not even available in the PHUs visited. This issue remains unresolved.
- We also noted that the necessary lining materials were still not in sufficient quantity and some not available in the PHUs visited. This issue remains unresolved.

### **3.6.4. Non-reliable and Non-Sustainable Electricity and Water Supply**

Interviews with in-charge nurses of PHUs and physical verification of sample of PHUs in the District revealed that electricity supply was a key challenge for most of the PHUs. The in-charge nurses disclosed that the non-availability of electricity supply has led most of them to store vaccines at other PHUs even though they were very far from their PHUs. Lack of electricity may seriously prevent the effective delivery of healthcare services at the various PHUs.

Basic water, sanitation and hygiene (WASH) facilities such as boreholes/hand pumps and toilets are a serious concern in the PHUs visited, as there were no WASH facilities in some of these PHUs.

We recommended that the DMO in collaboration with the Council and other stakeholders should provide the PHUs with generators or solar energy that can supply sufficient electricity to the PHUs, and basic WASH facilities are provided to the affected PHUs to enhance effective healthcare service delivery.

### **Official's Response**

*The DMO in his response said the following:*

- (i) *"To support the electricity system at the PHUs, 84 solar suit cases have been provided by CUAAM and have been installed at 84 healthcare facilities through the DHMT. The DHMT in collaboration with the Council has provided Cash to the PHUs/facilities to support outreach services, fuel for generator at the DHMT and minor maintenance at the PHUs."*
- (ii) *The DHMT in collaboration with the councils and partners has established WASH facilities in many PHUs across the District. There is pending maintenance of water wells by both councils and partners at six PHUs. Health partners have just finished drilling boreholes at four PHUs."*

### **Auditor's Comment**

- During the verification, it was noted that electricity supply was still a key challenge for most of the PHUs. This issue remains unresolved.
- It was also noted that the basic WASH facilities such as boreholes/hand pumps and toilets were still a serious concern in the PHUs visited. This issue remains unresolved.

### **3.6.5. Inadequate Environmental Management Process**

The general and medical waste management materials such as wheelbarrows, bins for liquid were not in sufficient quantity to ensure good waste management practices at the PHUs. It was observed that the PHUs lack proper functioning incinerators, placenta pits and burning or ash pits. It was further noted that open burnings were done for the general and medical waste in the PHUs visited.

This will create waste pollution which may lead to health hazard. This may expose the community to a possible outbreak of diseases.

We recommended the following:

- The DMO in collaboration with the councils should ensure that the necessary waste management materials are provided to the PHUs.
- The DMO in collaboration with the councils and other stakeholders should ensure that waste zones with standard incinerators, placenta pits and burning or ash pits are provided to all PHUs.

### **Official's Response**

*The DMO in his response said: "There is regular maintenance of refrigerators with funds/support from the councils. The National CH/EPI programme in the Ministry of Health and Sanitation through partners has provided 24 brand new B-medical refrigerators which have been installed at 24 PHUs. Additionally, the CH/EPI programme and partners (UNICEF/GAVI/WHO) have provided three brand new freezers to support the Cold Chain system in the District."*

### **Auditor's Comment**

- The general and medical waste management materials were still not in sufficient quantity to ensure good waste management practices at the PHUs. This issue remains unresolved.
- The PHUs lacked proper functioning incinerators, placenta pits and burning or ash pits. This issue remains unresolved.

### **3.6.6. Inadequate Infrastructure within the DHMT**

During physical verification, we noted the following:

- Some PHU buildings were with damaged ceilings, doors, windows, etc.
- There were insufficient spaces within the facilities for patients who were admitted in these PHUs.
- There were no staff quarters for staff of the PHUs visited, and staff had serious accommodation problem.

There is a risk of poor healthcare service delivery. Staff may not be motivated to deliver quality healthcare service. We therefore recommended that the DMO should collaborate with the following:

- Chief Administrators of the councils and other stakeholders to ensure that rehabilitations are done to the affected PHUs.
- PS in the Ministry of Health and Sanitation and donor partners to ensure that quarters are provided to staff of the PHUs in the District.

### **Official's Response**

*The DMO in his response said the following:*

- "The DHMT in collaboration with councils and partners has rehabilitated six PHUs. There is pending rehabilitation for two more."*
- "The DMO is considering writing up a project proposal to councils, partners and well-wishers to construct staff quarters at some facilities to help address the accommodation issues for healthcare workers."*

### **Auditor's Comment**

- During verification, it was noted that some PHUs have been rehabilitated. There were still however some PHUs that needed to be rehabilitated. This issue was partly resolved.
- It was also noted that there were still no staff quarters for staff of the PHUs visited. This issue remains unresolved.

### **3.6.7. Inadequate Healthcare Personnel to Enhance Quality Healthcare Service**

Review of staff list presented revealed that there were many volunteers in the DHMT without pin codes. We observed that the DHMT Bo had a total of 1,066 staff, out of which, there were 428 volunteers which is approximately 40% of the total number of staff. If these volunteer staff are not recruited on permanent basis, they may not be motivated to deliver high-quality healthcare services.

Also, the DHMT did not have a District Logistics Officer for the District Medical Store. The absence of core staff at the DHMT may hinder effective performance of duties. This may also undermine effective service delivery.

We recommended the following:

- The Human Resources Officer in collaboration with the DMO should communicate with the Ministry of Health and Sanitation and other stakeholders to ensure that these volunteers are either given monthly stipend or recruited as permanent staff by the Ministry.
- The DMO should collaborate with the Permanent Secretary (PS) in the Ministry of Health and Sanitation for a competent and qualified personnel to be recruited/transferred to fill this vacant position.

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

*The DMO in his response said: "By way of response to the audit findings and or recommendations, special emphasis can be made to findings relating to the alarming rate of volunteer healthcare workers.*

*Please note that the MOHS is a professional institution where personnel are expected to have thorough practical experience during which period, they are expected to be certified as practically oriented which serves as prerequisite for the award of license. This has contributed immensely to the high number of volunteers in the District, and by extension the limited government budgetary allocation for new recruitment, hence we have had three successful recruitments of healthcare workers since the New Direction Administration assumed governance.*

*Recruitment will soon commence after verification of all staff nationwide as directed by the HRMO. Volunteers within the District were posted by the MoHS headquarters for horsemanship or post basic vocational training.*

*A letter has been written to headquarters for the posting or recruitment of designated Logistics Officer/DLO since the last one posted is on studies.*

*The DHMT is fully consulted in the recruitment of staff. The names of these volunteers will be promptly submitted to the HRMO through the Directorate of Human Resources (DHRH) for recruitment."*

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

- The volunteers are still not given monthly stipend or recruited permanently by the Ministry. This issue remains unresolved.
- There was no evidence that a District Logistics Officer has been recruited for the District Medical Store. This issue remains unresolved.

### **3.7. DISTRICT HEALTH MANAGEMENT TEAM, BOMBALI - 2020**

#### **3.7.1. Poor Records Management**

We observed poor records management at the District Health Management Team (DHMT). In this regard, we noted that the requests were separated from the budget breakdown, and related supporting documents which were all maintained separately. This made it very difficult to relate the schedules to the supporting

documents. We recommended that the District Medical Officer (DMO) should ensure that a proper filing system is put in place to enable the easy identification and retrieval of documents.

### **Official's Response**

*The DMO in his response stated: "The DHMT has recently constructed a cabinet to file all documents in the Finance Unit."*

### **Auditor's Comment**

Management's response is noted. The issue remains the same.

### **3.7.2. Inadequate Staffing and Facilities**

The audit team noted the following during the verification exercise of some health facilities within the District:

- Gross understaffing was noticed in most of the medical facilities visited.
- Several volunteer nurses were handling critical roles in some facilities.
- The Terms of Reference for four contract staff attached to the DHMT were not provided for audit review.
- The computer hosting the District Health Management Information System (DHIS2) was without any form of antivirus.
- The Monitoring and Evaluation (M&E) Officer had no designated office, no filing cabinet, no data storage facility and no reliable internet facility to facilitate the timely remittance of DHIS2 data to head office in Freetown.
- A sample of PHUs visited revealed a number of inadequacies:
  - Some of the buildings were not in good condition as there were leaking roofs and damaged ceilings.
  - There was an acute shortage of general-purpose drugs.
  - No running tap or alternative source of water
  - The buildings were not fenced, increasing the risk of theft.
  - Drugs were sometimes delivered almost expired.

We therefore recommended that for the health system to run as it should, the authorities in the headquarters should ensure that the staffing matter is addressed, so as to enhance the effective operations of the health systems in the District. Furthermore, the DMO should ensure that antivirus software is provided for the computer hosting the DHIS2. The DMO should also provide a designated office space together with working tools for the M&E Officer to enable him discharge his functions effectively.

### **Official's Response**

*The DMO in his response said:*

- (i) *"It is the Government's responsibility to recruit staff and assignment of pin-codes to various nurses to undertake critical roles at the DHMT facilities.*
- (ii) *The DHMT would inform the Ministry for additional support staff.*
- (iii) *The DHMT had contacted IHPAU/MOHS for the Terms of Reference for all four contract staff attached to the DHMT."*

### **Auditor's Comment**

The issue of lack of adequate staffing in the health facilities is still unresolved. Out of the four contract staff, Terms of Reference was provided for only one staff.



### 3.7.3. Inadequate Control over the Management of Assets

We observed the following:

- Some assets owned and controlled by the Bombali DHMT were not recorded in the assets register.
- A significant number of assets were not coded with durable identification marks.
- Several vehicles and motorbikes were without life cards and registration numbers.
- Assets belonging to the DHMT but domiciled with the 80 PHUs within the District were not recorded in the assets register. This omission included high-value assets such as refrigerators, buildings, solar panels, etc.

We recommended the following:

- A comprehensive fixed assets register, including those of the PHU is maintained.
- In collaboration with the DMO, the Transport Officer should ensure that all the vehicles and motorbikes belonging to the DHMT are registered with the Sierra Leone Roads Safety Authority and insured.
- Assets are coded to prevent them from being misappropriated.

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

*The DMO in his response said: "The assets register was updated and asset coding by the DHMT Finance Unit in collaboration with the Councils' internal auditors. Some motor vehicles and bikes have life cards."*

#### **Auditor's Comments**

The updated fixed assets register and life cards for vehicles and motorbikes were not provided during the verification exercise. All other issues relating to fixed assets management remain unresolved.

### 3.7.4. Maternal Child Health (MCH) Aid Nursing School

A review of the training curriculum revealed that the School was established with support from UNICEF, providing allowances to facilitators and students, uniforms (including brown shoes) and teaching and learning materials. The School was supposed to have adequate and well-ventilated classrooms for 50 trainees, a well-equipped library, clinical skills laboratory (demonstration room), utility vehicles, bus for field trips and supervision, material resources and equipment for demonstration such as flip charts, markers, whiteboard, audio-visual projector screens, etc. The following were observed:

#### **General Administration**

- Interviews with key personnel at the School revealed that UNICEF withdrew its support to the School for the current cohort of 142 students that are expected to complete their course in May 2021. As a result, the effective operations of the School became questionable due to inadequate funding.
- The School did not have a library, clinical skills laboratory, utility vehicles, bus for field trips and supervision, Liquid Crystal Display (LCD) projectors, video and television, material resources and equipment for demonstration such as flip charts, markers, white board, audio-visual projector screens, etc.
- Interviews with a cross-section of students revealed that the students are now providing their own uniforms, teaching and learning materials such as stationery (A4 paper), white board makers, toiletries, desk-chairs to sit and write on, pelvic bone, foetal skull, placental, window mesh and curtains, repairing broken tiles and damaged fans in the classes, and even paid for the cleaning of

the School when all these are supposed to be provided by the Government of Sierra Leone through the DHMT.

- Staff toilet facility at the School was faulty, and there is no internet facility.
- A request for the Memorandum of Understanding (MOU)/ Project Agreement between the Government and UNICEF regarding the setting up and operations of the School, delivery note for all teaching and learning materials received from the national office and correspondence between the national office and the management of the School were not made available for audit review.
- Records of application forms sold and examination fees collected from students were not made available for review. In this regard, we observed that the School did not issue out receipts to students and a separate bank to account for all revenues generated was not maintained.
- No evidence was submitted to indicate how the amounts collected were transferred to the head office (the Directorate of Maternal and Child Health/Expanded Programme on Immunisation at the Ministry of Health and Sanitation) or utilised. In some instances, we discovered that some amount of money was transferred through orange money instead of making a direct deposit into a designated account of the Ministry of Health.

We therefore recommended that the DMO should engage the relevant authorities to enhance the learning environment at the School. Furthermore, appropriate financial management controls should be instituted to ensure that revenues are accounted for accordingly. In this regard, a separate account should be opened for the operations of the MCH Aid Nursing School, where all revenues collected are deposited.

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

There was no management's response and no evidence that the recommendation was implemented. The issues therefore remain unresolved.

### **3.8. DISTRICT HEALTH MANAGEMENT TEAM, KENEMA – 2020**

#### **3.8.1. Inadequate Control over the Management of Stores**

The following were observed during the period under review.

- Contrary to Section 183 (1&2) of the FMR of 2018, there was no officer-in-charge who regularly inspects the stores and conducts on-the-spot physical count of store items. There is the risk that store items may go missing or used for personal reason.
- During store verification, it was observed that World Food Programme (WFP) food items for children supplied at the various PHUs did not go through the store, and as a result, they were not taken on charge by the storekeeper. This was in contravention of Section 182(1) of the PFMR of 2018.
- During the audit, it was observed that essential drugs and medical consumables ran out of stock for an unreasonable time before another acquisition was made. This puts the lives of those patients at risk, as drugs unavailability may cause death. This was in contrary to Section 179(2) of the PFMR of 2018.

The DMO should therefore ensure the following:

- An officer is appointed to adequately perform regular monitoring and inspection of the store.
- The Medical Superintendent takes all drugs and medical items on charge on the stock cards before issuing them out.

- The hospital is provided with the essential drugs and medical consumables on time in order to enhance the sustainability of quality health service delivery to the populace.

### **Official's Response**

*The DMO in his response said:*

- (i) *"We are sorry that at the time of the audit, the responsible individual was not available. The designated personnel are available and has been doing his inspection."*
- (ii) *"The DMO as a vote controller ensures that channel system is being maintained and continued for an effective and efficient service delivery system within the District."*
- (iii) *"Drugs and other medical commodities are supplied on a quarterly basis. Management will discuss the matter with officials at the Ministry's headquarters for the early supply and distribution of drugs and medical items to the District for onward supplies to the PHUs."*

### **Auditor's Comment**

Our recommendations were not implemented. There was no evidence to show that an officer to regularly inspect all stores was appointed by the DMO, WFP food items for children supplied to the various PHUs did not go through the store and essential drugs and medical items ran out of stock for an unreasonable time before another acquisition was made. These issues are therefore unresolved.

## **3.9. DISTRICT HEALTH MANAGEMENT TEAM, KAILAHUN – 2020**

### **3.9.1. Stores Management**

There was inadequate control over the management of stores. The following were observed during the period under review.

- Contrary to Section 183 (1&2) of the FMR of 2018, there was no officer-in-charge who regularly inspects the stores and conducts on-the-spot physical count of store items. There is the risk that store items may go missing or used for personal reason.
- During the audit, it was observed that essential drugs and medical consumables ran out of stock for an unreasonable time before another acquisition was made. This puts the lives of those patients at risk, as drugs unavailability may cause death. This was in contrary to Section 179(2) of the PFMR of 2018.

The DMO should therefore ensure the following:

- An officer is appointed to make regular inspection of all stores records and to test comparison made between physical stocks at hand and the ledger balance.
- The hospital is provided with the essential drugs and medical consumables on time in order to enhance the sustainability of quality health service delivery to the populace.

### **Auditor's Comment**

There was no response from management or evidence that the recommendations were implemented. This issue is unresolved.

### **3.10. DISTRICT HEALTH MEDICAL TEAM (DHMT), MOYAMBA - 2018 & 2019**

#### **3.10.1. Inadequate Control over Expenditure Management and Control**

- Out of a total expenditure of Le81,000,000 in 2018, supporting documents submitted amounted to Le18,000,000. This resulted in a significant difference of Le63,000,000.00 not accounted for. There is a risk that funds may have been used for purposes that they were not meant for, leading to waste of government resources.
- NRA receipts and schedules were not submitted to confirm withholding tax payments amounting to Le18,984,350 (Le18,920,000 and Le64,350). In addition, there was no evidence that withholding tax was deducted and paid to the NRA in respect of payment made for catering services amounting to Le186,354,000. This may lead to the loss of government much needed revenue.

We recommended the following:

- The DMO, the Accountant and the former Finance Officer should fully account for the balance Le63,000,000; otherwise, they should refund the amount into the DHMT account. All evidence should be submitted to the ASSL for verification.
- The DMO and former Finance Officer should produce the NRA receipts and schedules to confirm the payment of withholding taxes to the ASSL for verification.

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

*The DMO in his response:*

- (i) *“Audit findings on accountability and documentation are well noted. Management will ensure proper accountability and availability of relevant documents for verification for all activities implemented. Audit findings are well noted. The former DMO and Finance Officer have been contacted to produce the relevant supporting documents for verification by the audit team or refund the said amount to the DHMT account.*
- (ii) *“At the time of Audit, evidence of payment to the NRA amounting to Le18,920,000 and Le64,350 were not seen. Evidence of payments has been discovered and now available for verification. Additionally, the former DMO and Finance Officer have been contacted for evidence of payment to the NRA for catering services amounting to Le186,354,000, which they said was paid but receipt has not been seen. Management is still following up in Freetown for the original documents to ensure that the receipt is available for verification”.*

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

- Supporting documents were not presented during the verification. Therefore, this issue remains unresolved.
- The NRA receipts were not provided during the verification in respect of withholding taxes amounting to Le29,233,820.00. Therefore, this issue remains unresolved.

#### **3.10.2. Assessment of Service Delivery**

We observed the following:

- A review of the human resource data of the DHMT revealed that there were 112 MCH Aide Nurses trained in Moyamba District but not on payroll. There is a risk that these volunteers may not be effective in delivering healthcare services since they were not made substantive by the MoHS.

- Physical verification of three PHUs revealed that two of the PHUs are facing significant challenges in accessing water supply. According to the in-charge of Falaba MCHP, they had to travel to the near-by stream to fetch water, as the community pump opposite the PHU was not functioning. In addition, all the three PHUs visited had no electricity supply.  
The solar panels that were installed in the PHUs were only used by the refrigerators for the vaccines. Further enquiries also revealed that some of the deliveries at these PHUs take place at night and torch lights have to be used. This may prevent the DHMT from achieving its set objectives, especially in delivering quality healthcare services in the District.
- The PHUs visited were without staff quarters. Further enquiries from the Human Resources Officer revealed that staff quarters were inadequate as not all PHU staff were residing in the quarters; some of these staff reside in houses that are not up to standard within the communities. This may affect the operations of the PHUs as staff will not be located close to these healthcare facilities to address emergency issues.

We recommended the following:

- The DMO and the Permanent Secretary of the Ministry of Health should collaborate with other stakeholders to regularise these positions.
- The DMO, the Chief Administrator and the Permanent Secretary of the Ministry of Health should ensure that accommodation (quarters), water and electricity are provided to the PHUs in the District.

### **Official's Response**

*The DMO in his response said:*

- (i) *"A comprehensive data base of all MCH nurses has been prepared, PSC forms completed and submitted to the Ministry for recruitment.*
- (ii) *The DMO, the Council and the Ministry of Health would continue to advocate to partners and other stakeholders for the provision of water and electricity in PHUs to enhance effective and efficient service delivery.*
- (iii) *The DHMT has identified facilities without staff quarters. The DHMT and the Council would continue to liaise with partners and other key stakeholders to provide support for the construction of staff quarters."*

### **Auditor's Comment**

- (i) There was no evidence that the DMO collaborated with other stakeholders to ensure that the unapproved nurses in the district are regularised or recruited by the Ministry of Health and Sanitation's headquarters. Therefore, this issue remains unresolved.
- (ii) There was no evidence to confirm that water and electricity were provided to all the PHUs in the District. Therefore, this issue remains unresolved.
- (iii) The DHMT is challenged with staff quarters. Therefore, this issue remains unresolved.

### **3.10.3. Cash and Bank**

Cashbook and supporting documents were not submitted for a bank account maintained at the Rokel Commercial Bank. The total income and withdrawal from this account as per bank statement amounted to Le25,125,000.00 and Le1,107,654,000.00 respectively. Bank reconciliation statements were also not submitted.

Errors in the bank statements and/or cashbook may not be easily detected and corrected. We therefore recommended the following:

- The DMO and the former Finance Officer should provide the cashbook and supporting documents in respect of the account for the years under review. All evidence should be submitted to the ASSL for verification.
- The DMO should ensure that bank reconciliation statement for this account are prepared and forwarded to the ASSL for verification.

### **Official's Response**

*The DMO in his response:*

- (i) *"The DMO and Accountant will ensure that in future, all transactions from inception to completion are supported with the relevant documentary evidence which will be retained at the DHMT for audit and reference purposes. At the time of the audit, the said documents were not seen because part of the activities were implemented in 2017 and rolled over to 2018. The required documents are now available for verification.*
- (ii) *The DMO and the Accountant will ensure that bank reconciliation statements are prepared and submitted for audit purposes. At the time of the audit, the bank reconciliation statements and the cashbook were not seen but are however available now for verification."*

### **Auditor's Comment**

- Cashbook was not submitted during the verification. In addition, supporting documents were provided leaving an outstanding balance of Le511,434,000 without supporting documents. This issue was partly resolved.
- Bank reconciliation statements were not submitted during the verification. Therefore, this issue remains unresolved.

## **3.11. DISTRICT HEALTH MANAGEMENT TEAM (DHMT), PUJEHUN DISTRICT - 2019**

### **3.11.1. Fuel Management**

There was no fuel policy to define how fuel should be processed. It was therefore impossible to determine whether fuel was used wholly and exclusively for its intended purpose.

We recommended that the DMO should ensure that a fuel policy is developed which clearly defines how fuel should be processed. The policy should include the quantity of fuel allocated to an activity and the number of litres of fuel senior personnel are entitle to. A copy of this policy should be submitted to the ASSL for verification.

### **Official's Response**

*The DMO in his response said: "Management acknowledges the finding.*

*The District Health Management Team has a fuel policy that has been fully operational and is available for verification."*

### **Auditor's Comment**

During verification, fuel policy was not made available. This issue is unresolved.

### 3.11.2. Assessment of Service Delivery

The table below gives an analysis of issues identified:

No	Details	Observations	Official's Response	Auditor's Comment
1	Facility Unit	The PHUs visited were without incinerators and waste deposit sites. We recommended that the District Medical Officer in collaboration with the Council and other stakeholders should ensure that waste deposit sites are available in the PHUs.	The DMO states: <i>"DHMT will liaise with the CMS for supply and delivery of essential drugs and waste bins to the health facilities."</i>	During verification, there was no evidence to justify that there were available waste deposit sites within the PHUs. This issue is unresolved.
2	Water and Electricity Supply	Physical verification conducted in four PHUs revealed that PHUs were without adequate water and electricity supply. Interview with the officers-in-charge in these PHUs revealed that these units were without generators and highly dependent on solar power which in most cases do not have the required capacity to fully supply the whole units. This makes it difficult to help deliver babies at night. We recommended that the District Medical Officer should liaise with the Ministry of Health and Sanitation and other stakeholders to help in the provision of water and electricity to facilitate the smooth running of the PHUs.	The DMO in his response said: <i>"Management acknowledges the finding, and will advocate and liaise with the MoHS, health partners and other stakeholders to provide water and electricity for the affected facilities."</i>	During verification, there was no evidence submitted to confirm that the DHMT-Pujehun has collaborated with other stakeholders for the provision of water and electricity to PHUs. This issue is unresolved.
3	Human Resources Management	Interview with the various officers- in-charge of PHUs revealed that there were many volunteers without pin code and stipend. We recommended that the Human Resources Officer and the DMO should liaise with the Ministry of Health and Sanitation and other stakeholders to ensure that	<i>The District Medical Officer in his response: "Management acknowledges the findings, and will advocate and liaise with the MoHS, Pujehun District Council, health partners and other stakeholders to provide stipends or recruitment</i>	During verification, there was no evidence provided to confirm that the DHMT, Pujehun has liaised with other stakeholders to ensure that volunteers at PHUs are either provided with stipends or

No	Details	Observations	Official's Response	Auditor's Comment
		these volunteers at PHUs are either provided with stipends or recruited permanently by the Ministry.	<i>volunteers on permanent basis at the PHUs."</i>	recruited permanently by the Ministry. This issue is unresolved.

### 3.12. DISTRICT HEALTH MANAGEMENT TEAM, BONTHE DISTRICT - 2018 & 2019

#### 3.12.1. Expenditures without Sufficient and Appropriate Evidence

Payments totalling Le319,326,864.00.00 and Le389,221,000.00.00, recorded in the main cashbook for 2018 and 2019 respectively, in respect of various activities implemented were without relevant supporting documents such as receipts, invoices, beneficiary lists, reports, etc.

We recommended that the DMO should ensure that supporting documents are made available to the audit team for inspection.

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

*The DMO in his response said: "With regard this, ninety percent of this documents is in place.*

*Some of these were over casted by the auditors, and some were due to poor filing system. Sir, every item of expenditure and proper documentation are now in place."*

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

From the Le319,326,864 for which adequate supporting documents were not submitted for 2018, additional supporting documents amounting to Le237,986,864.00 were submitted and verified, leaving a balance of Le81,340,000.00. Similarly, from Le389,221,000, missing supporting documents for 2019, additional supporting documents amounting to Le318,121,000.00 were submitted and verified, leaving a balance of Le71,100,000.00. This issue was partly resolved.

#### 3.12.2. Inadequate Control over Fuel Management

Fuel records were not properly maintained. The requisitions submitted were not serially numbered. The serial numbers of the fuel chits were not posted in the fuel register for fuel utilised. It will be difficult to track the utilisation of fuel by the DHMT. This may also lead to duplication of fuel transactions in the fuel records.

We also noted that fuel register was not submitted for FY2019 to enable the team determine whether fuel was exclusively utilised for its intended purpose. In addition, vehicle log books and generator logbooks were not submitted for the years under review. There is the risk that DHMT vehicles may be used for unauthorised purposes.

We therefore recommended the following:

- In the future, the DMO and the Accountant should ensure that fuel requisitions are serially numbered. In addition, the fuel chit numbers should be recorded in the fuel ledger to easily track the fuel utilised.



- The DMO should ensure that a fuel register is maintained with immediate effect. It should record the dates, quantities of fuel litres issued, vehicle number and the names of the beneficiaries and fuel balances. In the future, the DMO and Accountant should ensure that all accountable documents should be retained for audit and reference purposes. The fuel ledger for FY2019 should be submitted to the audit team for verification.

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

*The DMO in his response said the following:*

- (i) *"The fuel chit and register are now in place, and a monthly reconciliation will start immediately as per recommendation by the auditors.*
- (ii) *Fuel register is now maintained with all element of what you requested for."*

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

During the verification exercise, requisitions were not submitted and verified. Therefore, this issue is unresolved.

### **3.12.3. Assets and Medical Equipment**

We observed the following:

- The DHMT did not maintain a proper fixed assets register to capture relevant information of the assets such as cost of the assets and sources of acquisition.
- Inventory lists were not displayed in the offices of the DHMT and the three PHUs visited.
- One vehicle and two motorbikes were not seen and verified.

We recommended the following:

- The Finance Office should ensure that a fixed assets register is properly maintained to capture all relevant information of the assets such as the costs and sources of acquisition.
- The DMO should ensure that lists of assets within each office in the DHMT and PHUs are displayed for ease of identification and monitoring.
- The DMO and M&E Officer should ensure that the vehicle and motorbikes are made available for verification; otherwise, the staff to whom these bikes were allocated should be reported for further investigations.

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

*The DMO in his response said the following:*

- (i) *"With regard this, the finance office was in transition and an assets register is now in place. In relation to the cost of the assets, it is difficult to know because most of these assets are sent by headquarters with no cost.*
- (ii) *A list of assets at each office or PHU is now displayed.*
- (iii) *The individual responsible for the vehicle and the bike has been informed and asked to produce them soonest. The bike is now available but grounded."*

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

- During the verification exercise, updated fixed assets register was not submitted and verified. Therefore, this issue is unresolved.
- Inventory lists were displayed in the three PHUs visited. Inventory lists are yet to be displayed in all the different units in the DHMT offices. Therefore, this issue is partly unresolved.
- The motor vehicle and motorbikes were not made available for physical verification. Therefore, this issue is unresolved.

#### **3.12.4. Assessment of Service Delivery**

We identified the following during an assessment service delivery by the DHMT:

- There were 277 volunteers working in the various health facilities (hospital, DHMT, CHC, CHP, MCHP) within the District.
- There was no Human Resources Officer, so the M&E Officer was acting in the capacity of the Human Resources Officer.
- In three PHUs visited, we noted that the staff quarters cannot accommodate all the staff in post. Further enquiries from the in-charge revealed that majority of the staff were residing in houses not up to standard in the communities.
- Physical verification revealed that the toilet at the Sierra Leone Red Cross Society (SLRCS) CHP-Mattru Jong has collapsed and needs urgent repairs. There were no alternative toilet facilities and the in-charge revealed that the staff and patient had to use toilets in the community.

We recommended that the DMO in collaboration with the Council and other stakeholders in the Ministry's headquarters should ensure the following:

- That these volunteers at the DHMT and the PHUs are either provided with stipends or are recruited permanently by the Ministry.
- A Human Resources Officer is recruited or transferred to the District for the effective management of staff matters.
- The DMO should collaborate with the Council and other stakeholders and ensure that staff quarters are constructed for the PHUs. Evidence of action taken should be submitted to the ASSL for verification.
- That the toilet at the SLRCS CHP, Mattru Jong is immediately repaired.

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

*The DMO in his response said the following:*

- *“Recruitment is intermittently done by the Ministry, the DHMT has recommended, but recruitment of staff is a process.*
- *There is an existing human resources office in the District and assistance who are manning staff affairs.*
- *The DHMT is soliciting funds for the rehabilitation of the SLRCS.”*

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

- There was no evidence that the volunteers have been approved by the Ministry's headquarters. Therefore, this issue remains unresolved.
- There was no evidence that a substantive Human Resources Officer has been posted to the DHMT Bonthe. Therefore, this issue remains unresolved.
- As at the time of the verification, the DHMT Bonthe was still challenged with staff accommodation. This issue remains unresolved.
- There was no evidence that the toilet at the SLRCS CHP, Mattru Jong has been rehabilitated. This issue remains unresolved.

#### **3.12.5. Bank Confirmation not Received**

A request was made through the DMO to the Sierra Leone Commercial Bank, the Rokel Commercial Bank, the Mattru Community Bank and the Union Trust Bank to confirm the bank accounts of DHMT

and their balances as at 31st December, 2018 and 2019. The team did not receive the bank confirmation replies from these banks in respect of the DHMT.

We recommended that the DMO and the Accountant must ensure that the banks send their replies to the auditors' requests for confirmation of account balances.

### **Official's Response**

*The DMO in his response said: "With regard the change of account from savings to current, we have sent letters to the bank and the Ministry of Finance for a prompt action. The DMO has already approved all the bank statements for the period under review. Bank statements have already been prepared and are awaiting verification by the ASSL."*

### **Auditor's Comment**

During the verification exercise, bank confirmation replies for the DHMT Bonthe were yet to be received by the auditors. The DHMT has sent reminder letters to their bankers with instruction to forward the DHMT bank confirmation to their auditors. Therefore, this issue remains unresolved.

### **3.12.6. Inadequate Control over the Management of Stores**

We observed the following:

- The Bonthe District Medical Store was not using the Microsoft (MS) supply software for the management of drugs and medical supplies received and distributed, instead, the channel software was still used by the DHMT.
- Expired drugs, were still kept at the District Medical Store (DMS). These drugs have not been collected or destroyed by the authorised officials, thereby affecting the storage facility of the current and useful drugs.
- There were delays in the supply and delivery of medical supplies from the Ministry's headquarters. As at the time of the audit, medical supplies especially essential drugs were short in the District Medical Store and this has resulted in stock out of drugs in the three PHUs that were visited by the audit team.
- Inventory control cards were not submitted for therapeutics diet/spread received and distributed in 2018.

We therefore recommended the following:

- The DMO and the District Pharmacist should collaborate with the Ministry's headquarters to ensure that the MS software is applied in stores management in the District Medical Store.
- The DMO should ensure that a list of the expired drugs is compiled and sent to the Central Medical Stores for immediate collection and destruction, so that they are not administered to patients or recycled to the public.
- The DMO should collaborate with the Central Medical Store to ensure that medical supplies needed by various PHUs are made available to enhance effective healthcare services.
- The DMO and the District Pharmacist should provide the inventory control cards for verification.

### **Official's Response**

*The DMO in his response said: "Matrix for therapeutics spread was submitted and is available for the month in question. The July quantity was part of the total quantity distributed in August 2018 and was included in the August 2018 matrix. The waybill distribution matrix and invoice are available at the DMS."*

### **Auditor's Response**

Management's response is noted. The following was observed during the verification exercise:

- There was no evidence that the MS software is applied in stores management in the District Medical Store. Therefore, this issue remains unresolved.
- A copy of a letter addressed to the DMSS at the Central Medical Store, requesting for disposal of expired drugs from the DMS was submitted and verified. The expired drugs were not yet withdrawn by the Central Medical Stores for disposal. Therefore, this issue remains unresolved.
- There was no evidence that the needed drugs have been supplied to the various PHUs. Therefore, this issue remains unresolved.
- Inventory control cards were not submitted during the verification. Therefore, this issue remains unresolved.

### **3.13. BO GOVERNMENT HOSPITAL - 2020**

#### **3.13.1. Assessment of Service Delivery**

We physically verified the hospital facilities and observed that the Bo Government Hospital was seriously challenged with the supply of electricity from the Electricity Distribution and Supply Authority (EDSA) and running water from the Sierra Leone Water Company (SALWACO).

Even though there were standby generators, they were most often not switched on due to the inadequate or late supply of fuel. Relatives of patients had to resort to either buying water or fetch water from their homes. This continues to hinder effective service delivery leading to loss of lives.

We recommended that the Medical Superintendent (MS) should liaise with stakeholders including the MOHS headquarters, the Head of the EDSA in Bo, the Head of SALWACO in Bo and donor partners to ensure that there is improvement in the supply of electricity and water to the Bo Government Hospital to enhance effective healthcare service delivery.

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

*The Medical Superintendent stated the following:*

- (i) *"Power supply to the Hospital is improving. EDSA has installed a transformer at the hospital and promised to connect it after it has been fenced by the Hospital."*
- (ii) *"A new borehole with a solar powered submersible water pump is providing running water to the Hospital. The broken submersible water pumps will be replaced when the Hospital receives its allocation. SALWACO said that the Hospital should buy fuel for the bowser to supply water to the hospital."*

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

During the verification, we observed the following:

- The Hospital was challenged with electricity supply. Additionally, due to the late remittance of government allocation, the Hospital continues to find it difficult to buy fuel and operate the standby generator. This issue remains unresolved.
- The newly constructed solar powered borehole has improved water supply to the Hospital and its facilities. The other non-functioning boreholes should be rehabilitated to ease the burden on patients. This issue has been partly resolved.

### 3.13.2. Inadequate Control over the Management of Stores

Essential pharmacy equipment such as tablet counter; cool chain and thermo hygrometer, were not adequate in the Pharmaceutical Unit. We also observed that the Free Healthcare drugs were often in short supply at the Hospital. Our investigation revealed that when the Pharmacist requested for supply of these drugs, there were delays in the delivery of these drugs to the hospital. Additionally, the number of patients being treated at the Hospital has outgrown the quantity of drugs supplied.

These lead to frequent stock out of essential drugs at the store.

We recommended the following:

- The Medical Superintendent and the Pharmacist should collaborate with other stakeholders at the MOHS headquarters to ensure that the necessary essential pharmacy equipment such as tablet counters; cool chain and thermo hygrometer, are procured and supplied to the Bo Government Hospital Store.
- The Pharmacist and the Medical Superintendent should collaborate with the Management of the Central Medical Stores and other stakeholders at the MOHS headquarters, to ensure that there is adequate supply of drugs in a timely manner to avoid stock out and other eventualities.

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

*The Medical Superintendent in his response said the following:*

- *“Requisitions for medicines, medical consumables and other related items were done some time ago.*
- *Supply of medicine for the 4th quarter has been received.”*

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

During the verification, no evidence was submitted to indicate that:

- essential pharmacy equipment such as tablet counter; cool chain and thermo hygrometer, were supplied to the Hospital to address the current challenge. This issue remains unresolved, and
- supply of essential drugs such as Free Healthcare drugs have been increased to cater for the growing number of patients. This issue remains unresolved.

### 3.13.3. Medical Equipment

The Hospital lacked adequate essential equipment such as X-ray machines, surgical beds, appendicitis set, laparotomy set, thermometers, glucometer, standing scale, height board, beds, mattresses, BP machines, trolley, wheel chairs, manual vacuum aspirator (MVA), etc. to carry out basic and major health functions that would enhance the effectiveness of healthcare service delivery in the Bo Government Hospital.

Additionally, there were insufficient electrical and mechanical tools to enable the Facility Officer carry out routine maintenance and repairs of equipment and assets at the Bo Government Hospital.

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

The Medical Superintendent in his response said the following:

- *“Requisition for the supply of various equipment to the hospital has been presented to the MoHS.*
- *Working tools for the maintenance will be bought when the GoSL funds are available.”*

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

- We observed that even though a requisition for the supply of various equipment had been prepared and sent by the Medical Superintendent of the Hospital to the MoHS, there was no

evidence that all the medical equipment requested had been supplied to the Hospital. This issue remains unresolved.

- There was no evidence that tools had been supplied to the Facility Officer to enable him carry out his work. This issue remains unresolved.

#### **3.13.4. General Hospital Units**

General medical consumable materials that support the effectiveness of healthcare facilities were in short supplies. These include: gloves, aprons, examination kits, digital films, feeding tubes, reagents, filling materials, face mask and protective gowns. We also noted that the necessary lining materials such as bed sheets, pillows, towels, blankets, buckets, soaps and boots, were not in sufficient quantities for the lining management.

We therefore recommended the following:

- The Medical Superintendent should collaborate with other stakeholders at the MOHS headquarters to ensure that the essential medical consumable materials needed by various units are available to enhance effective healthcare services.
- The Medical Superintendent and the Matron should ensure that the necessary general lining materials are provided to enhance effective lining management and a safe environment.

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

*The Medical Superintendent in his response said: "Request for supply of medical consumables has been sent to the MoHS."*

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

There was no evidence to indicate the following:

- Essential medical consumable materials needed by various units have been supplied to the Hospital to enhance effective healthcare service delivery. This issue remains unresolved.
- Lining materials such as bed sheets, pillows, towels, blankets, buckets, soaps and boots have been supplied to the Hospital to enhance effective lining management and a safe environment. This issue remains unresolved.

#### **3.13.5. Payments without Supporting Documents**

Supporting documents in respect of bank withdrawals amounting to Le229,812,932 from the Bo Government Hospital Account held at the Union Trust Bank (UTB) were not submitted for audit verification. We also observed that payments valued at Le41,185,250 were made from the internally generated revenue account held at the Sierra Leone Commercial Bank without adequate supporting documents such as requests, payment vouchers, receipts, delivery notes, etc.

We recommended the following:

- The Medical Superintendent (MS) and the Accountant should collaborate with the former Finance Officer (FO) to ensure that the documentary evidence in support of the bank withdrawals amounting to Le229,812,932 is submitted for verification, otherwise, the queried amount withdrawn will be disallowed and the MS and the former FO should pay back the sum involved into the Bo Government Hospital Account at the Union Trust Bank.
- The Medical Superintendent (MS) should collaborate with the Matron, the Hospital Secretary (HS), the Accountant and the former Finance Officer (FO) to ensure that the relevant and

adequate documents in support of the amount expended must be submitted to the ASSL for verification, otherwise, the payments of Le41,185,250 will be disallowed and the responsible officers listed above will urged to pay back the amount involved into the Hospital's account.

- In future, the MS must ensure that all transactions from inception to completion should be supported by the relevant documentary evidence which must be retained for audit and reference purposes.

### **Official's Response**

*The Medical Superintendent in his response said: "The documents are now available for verification."*

### **Auditor's Comment**

During the verification, the following were observed:

- Supporting documents valued at Le66,000,000 were submitted and verified. Bank withdrawals without supporting documents now stands at Le163,812,932. We therefore recommended that the outstanding amount be disallowed and the responsible officers should pay back the amount involved into the Hospital Account. This issue has been partly resolved.
- Supporting documents in respect of the queried amount of Le41,185,250 were not submitted. We therefore recommended that these payments be disallowed and the responsible officers should pay back the amount involved into the Hospital Account. This issue remains unresolved.

### **3.13.6. Withholding Taxes not Deducted and Paid over to the NRA**

Review of payment vouchers and other supporting documents revealed that withholding taxes valued at Le13,156,054 were not deducted from the payments made to suppliers and contractors for goods, works and services in 2020. The non-deduction of withholding taxes may lead to the loss of government's much needed revenue.

We recommended that the Medical Superintendent and the Accountant should collaborate with the former Finance Officer to ensure that the total amount of Le13,156,054 in respect of withholding taxes are immediately recovered and paid to the NRA by the Accountant and the former Finance Officer and evidence of payment forwarded to the ASSL for verification.

### **Official's Response**

*The Medical Superintendent in his response said: "We thought withholding tax was deducted on contractors' payments only."*

### **Auditor's Comment**

The NRA receipt(s) in respect of withholding taxes valued at Le13,156,054 was not submitted for verification. This issue remains unresolved.

### **3.13.7. Management of Diet Supply**

Our review of management of diet supply to the Hospital during the period revealed the following:

- We physically verified the hospital kitchen on 6th September, 2021 and observed that food was not distributed to patients who were supposed to benefit from daily food supplies and this has been the case for the past three days. Enquiries from the contractor revealed that the delay in the supply was due to delay in the payment of backlog which the Government owed her in respect of monthly food and condiments supplied to the Hospital for 2020 and 2021. Additionally, it was

observed that the contractor did not supply food and other condiments to the Hospital during the months of July and August, 2020 respectively.

- Comparison of the patient count and the ledger maintained for diet received revealed insufficient supply of diet items such as rice, bread, fish, etc. to serve the required number of patient counts per month for 2020. There is a risk that patients may not receive the required quality and quantity of healthy food they need to be healthier.
- We observed that the hospital kitchen needs urgent rehabilitation/facelift to look like a modern kitchen space. Even the spaces for serving and to prepare food for patients and storage facilities to store food items in the Hospital were not decent. We further observed that majority of cooking utensils had worn out and needed to be replaced.

We therefore recommended the following:

- The Medical Superintendent (MS) should liaise with the Permanent Secretary (PS) at the Ministry of Health and Sanitation (MOHS), the Director of Financial Resources (DFR) at the MoHS and other stakeholders including officials at the Ministry of Finance (MoF) and the contractor to ensure that diets are supplied to the Hospital for the provision of daily meal for the patients.
- The Medical Superintendent (MS) and the Clinical Nutritionist (CN) should collaborate with the PS at the MoHS headquarters in Freetown and other stakeholders including officials at the MoF to ensure that adequate supply of diet is available within the hospital to cater for the amount of patients available for feeding.
- The MS should liaise with other stakeholders at the MoHS headquarters to ensure that the hospital kitchen is rehabilitated and regularly fumigated for the preparation and also storage of food items. Brand new cooking utensils should also be supplied to the hospital kitchen to be used for preparing food for patients.

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

*The Medical Superintendent in his response said the following:*

- (i) *"The contractor suspended the supply of food and condiments due to lack of payment for more than a year.*
- (ii) *The MoHS has been written on this matter.*
- (iii) *Fumigation of the canteen and purchase of kitchen utensils will be done when the GoSL funds are available."*

### **Auditor's Comment**

- During the verification, we observed that the contractor had resumed the supply of diet to the Bo Government Hospital for the provision of daily meal for the patients. There was however no evidence that the contractor had made backlog supplies for the months of July and August, 2020. This issue has been partly resolved.
- There was no evidence submitted to the auditors to indicate that our recommendation was implemented. This issue remains unresolved.
- No evidence was submitted to indicate that action had been taken to rehabilitate the hospital kitchen. Furthermore, no evidence was submitted to indicate that brand new cooking utensils were supplied to the hospital kitchen to be used for preparing food for patients. This issue remains unresolved.



### **3.13.8. No Contract or Agreement for the Management of the Hospital Canteen**

No receipt and written agreement were submitted for audit to indicate that there was a contract between the Hospital and the proprietress of the management of the hospital canteen, even though in 2020, the proprietress had paid to the former Finance Officer the sum of Le10,500,000 (Le3,500,000 per year) for three years.

We recommended that the Medical Superintendent should collaborate with the Accountant, the HS and the Matron to ensure that actions are taken to prepare a contract or agreement between the proprietress of the canteen and the Bo Government Hospital management. Also, receipt(s) should be given to the proprietress for any payments made to the Accountant in respect of the hospital canteen. This will help to account for revenues generated from the management of the hospital canteen. Evidence of this action must also be submitted for verification.

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

*The MS in his response said: "The contract between the proprietress of the canteen and the Hospital has been signed."*

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

No evidence such as a contract or an agreement between the proprietress of the canteen and the Bo Government Hospital was submitted for verification. Also, receipt(s) given to the proprietress for payment made in respect of the canteen was also not submitted for verification. This issue remains unresolved.

### **3.13.9. Private Business Established on Bo Government Hospital Land**

During the physical verification of the Hospital and its facilities, it was observed that there was a stall at the hospital entrance just after the main gate. Enquiries from the Hospital management revealed that the stall was constructed by a private individual many years ago. There was no evidence submitted for audit to indicate that there was a lease agreement between the Hospital and the individual for the use of the hospital land for the construction of the stall. Failure to control assets belonging to the Hospital including the land might lead to land grabbing by encroachers.

We recommended that the MS should collaborate with the Accountant, the HS, the Matron and other stakeholder to evaluate the presence of the stall within the hospital land and ensure that actions are taken to either retrieve the hospital land or enter into a lease agreement with the private individual for the use of the land. Also, receipt(s) should be given to the private individual for any payments made to the Accountant in respect of the hospital land where the stall was erected. This will help to boost the much needed internally generated revenues and will also provide proper security over the land belonging to the Hospital. Evidence of this action must also be submitted for verification.

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

*The Medical Superintendent in his response stated that: "Investigations on how a private individual constructed a stall in the Hospital is in progress."*

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

No evidence of action taken to either retrieve the hospital land or enter into a lease agreement with the private individual for the use of the land. This issue remains unresolved.

### **3.13.10. Lack of Specialists Medical Officers**

Review of the staff list revealed that the Hospital lacked specialists such as bone specialist, dentist, radiologist, virologist, psychiatrist, ophthalmologist, gynaecologist, paediatrician, etc. The absence of specialists and other key medical staff at the Hospital may hinder effective and specialised healthcare service in the Hospital.

We recommended that the Medical Superintendent (MS) in collaboration with the Matron and the Human Resources Assistant (HRA) should liaise with the Permanent Secretary (PS), the Chief Medical Officer and other stakeholders at the Ministry of Health and Sanitation (MoHS) to ensure that specialists and other qualified personnel are recruited and assigned to the Bo Government Hospital.

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

*The Medical Superintendent in his response said: "The MoHS is fully aware of the problem."*

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

There was no evidence on action taken to implement our recommendation as the Bo Government Hospital lacked specialists such as bone specialist, dentist, radiologist, virologist, psychiatrist, ophthalmologist, gynaecologist, paediatrician, etc. This issue remains unresolved.

### **3.13.11. Volunteer Staff not on Government Payroll**

Further review of staff list submitted for audit revealed that there were 254 volunteers in the Bo Government Hospital without pin codes. This may lead to low staff morale and other unapproved charges levied on patients since these volunteers will also need money to meet their daily needs.

We recommended that the Human Resources Assistant should collaborate with the MS, the Matron and the Hospital Secretary (HS) to communicate with the PS, the Director of Human Resources (DHR) at the MoHS and other stakeholders at the Human Resources Management Office (HRMO) and the Ministry of Finance (MoF) to ensure that these volunteers at the Hospital are either given monthly stipends or recruited permanently by the MoHS for effective service delivery.

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

*The Medical Superintendent in his response said: "A verification exercise was carried out to determine the number of staff by the National Civil Registration Authority."*

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

There was no evidence of action taken to regularise these volunteer staff not on the government payroll. This issue remains unresolved.

## **3.14. KENEMA GOVERNMENT HOSPITAL - 2020**

### **3.14.1. General Condition of the Hospital**

The medical tools, equipment and materials such as thermometers, BP machines, test kits, materials for therapy, etc. were lacking or inadequate in the various wards and units. In addition, the insinuator is not in use due to low voltage of electricity supply. This prevents the Hospital from providing good care for patients within the District.

The management should ensure that the Hospital is provided with these essential tools and equipment, through budgetary allocations, in order to enhance the sustainability of quality health service delivery to the populace.

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

*The Medical Superintendent in his response said: "Requests have been made to the Ministry to ensure that the Hospital is provided with this essential equipment in order to enhance the sustainability of quality health service delivery to the populace."*

### **Auditor's Comment**

Our recommendation was not implemented. There was no evidence of a request sent to the Directorate of Hospital and Laboratory Services. This issue remains unresolved.

### **3.14.2. Inadequate Control over Revenue Management**

Contrary to Section 45(5) of the PFMF of 2018, we observed the following in the revenue management and control of the hospital:

- Revenue records were not provided for mortuary, pharmacy and physio-therapy departments.
- According to the senior attendant in the Mortuary Unit, there was no in-charge in the Mortuary Unit that is responsible to collect revenue; the former in-charge is holding dead bodies in the mortuary without the consent of the Hospital Management.
- Delivery notes and accountable documents register for receipt books were not provided for verification.

The following were recommended:

- To collect and bank all revenue immediately after collection.
- The documentary evidence in support of the amount not banked should be submitted to the Audit Service or the amount is refunded.
- The various revenue units should start paying revenues to the Finance Unit immediately.
- The Medical Superintendent and the Finance Officer should ensure that there is proper control over the printing and custody of general receipt books.

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

*The MS in his response said:*

- (i) "We will ensure all revenue records are provided for mortuary, pharmacy and physio-therapy department during verification."*
- (ii) The matter of the Senior Attendant saying that there is no one in charge in the Mortuary Department that is responsible to collect revenue and the former in-charge having dead bodies in the mortuary without the consent of the Hospital Management will be looked into seriously and ensure the situation is resolved."*
- (iii) We have ensured that there is a contract for the printing of all receipt books and are accompanied with delivery notes for 2020. These documents will be made available during your verification."*

### **Auditor's Comment**

- Our recommendation was partially implemented. Revenue records such as contract and bank statement for pharmacy were produced and verified with the exception of Mortuary and Physio-therapy Departments.

- Our recommendation was not implemented. The situation in the mortuary remained the same after verification. This issue is not resolved.
- Our recommendation was partially implemented. Delivery notes were made available during the verification. An accountable document register was however not maintained.

### **3.14.3. Inadequate Control over Stores Management**

An officer to regularly inspect all stores was not appointed by the Medical Superintendent. Therefore, no evidence was provided to show that the store was inspected on a regular interval during the period under review. This was contrary to Section 183 (1) of the FMR of 2018.

The Medical Superintendent should ensure that an officer is appointed to make regular inspection of all stores records and to test comparison made between physical stocks at hand and the ledger balances.

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

*The MS in his response said: "The Hospital Pharmacist is the officer in charge of the store to make regular inspection of all stores records and to test comparison made between physical stocks at hand and the ledger balance.*

*This staff will be shown to you during your verification."*

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

Our recommendation was not implemented. An officer to regularly inspect all stores was not appointed by the MS.

### **3.14.4. Payroll Management**

During audit inspection, we observed that there were qualified staff with experience but some were not given pin codes after working for more than three years. This was in contravention of Section 111(5) of the PFMR of 2018. The MS should ensure that staff with qualification and experience should be recommended for pin codes.

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

*The MS in his response said: "As management, we will continue to ensure that qualified staff are selected for recruitment but pin codes are only given by the Ministry and not the Hospital."*

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

Our recommendation was not implemented. There was no evidence of steps taken to address this issue of delay in giving pin codes to qualified and experienced staff. This issue is unresolved.

## **3.15. MAKENI REGIONAL GOVERNMENT HOSPITAL - 2020**

### **3.15.1. Inadequate Control over the Handling of Receipt Books**

We observed the following:

- Three receipts with serial numbers 1612, 2300 and 17251 were detached from their respective receipt books without a trace of their duplicates. In the same vein, original receipts with numbers: 032, 16225, and 16233 were detached and issued to the public, with duplicate receipts left blank, in contravention of section 61 (10) of the PFMR of 2018.
- Receipt book with serial numbers ranging from 16301 to 16350 issued on 7th January 2020, to a staff of the Hospital was not made available for audit review.

- Twenty-three (23) receipt books were used by the Finance Unit, for which the storekeeper who is the sole custodian of receipt books was not aware and had no record of those receipt books.

We therefore recommended that the MS, in collaboration with the Accountant, should ensure the following:

- Provide written explanation backed by documentary evidence to justify the reason for the detached receipts.
- Submit the queried receipts.
- Adequate control is instituted and enforced in the management of receipt books. Moreover, supervision and monitoring of revenue collectors should be enhanced, and proper measures are taken where revenue collectors are found wanting to suppress the much needed revenues of the Hospital.

### **Official's Response**

*The MS in his response said:*

- "Receipts with serial numbers 1612, 2300, and 17251 were not detached, but it resulted from low carbon on the stump, but that has been corrected.*
- Receipts with numbers 032, 16225, and 16233 that were detached are under investigation with management, and the report will be forwarded once investigations are completed.*
- The individual in question; Ashmia Fofanah with receipt numbers ranging from 16301 to 16350 failed to hand over the receipt book. She was queried, and after some time, we got information that she had passed away. She is now deceased, and she failed to submit the said receipt."*

### **Auditor's Comment**

The investigation report on the detached receipts was not submitted for verification. Furthermore, the issue of the missing receipt book is noted. The issue remains unresolved.

### **3.15.2. Inadequate Control over the Collection of Revenue**

Analysis of the controls on revenue generation revealed the following lapses:

- The Hospital contracted some importers of pharmaceutical products to supply cost recovery drugs on loan to sell and repay them. The Memorandum of Understanding between the Hospital and the said supplier was not made available for audit inspection. Furthermore, the revenue records such as receipt books, bank statements, etc., were not made available for review.
- The hospital revenue collection was being handled by different nurses other than the staff of the Finance Unit.

We therefore recommended as follows:

- In collaboration with the Pharmacists, the Medical Superintendent should ensure that the relevant queried documents are made available.
- The Hospital Management should ensure that contracts signed with third parties on behalf of the Government are communicated to the Ministry for their consent and approval.
- The Medical Superintendent should ensure that adequate segregation of duties is instituted and enforced in collecting revenues.

### **Official's Response**

*The MS in his response said:*

- *“The MOU between the suppliers of cost recovery drugs and the Hospital is with Management and ready for submission.*
- *Segregation of duties in the receipt and issuance of drugs has been sorted out between the Pharmacist and the Storekeeper; and eventually, all free healthcare drugs are being received by the Storekeeper, while the MS/SHS/Matron approve all requests.*
- *Receipt, invoices from importers at the cost recovery are available for clarification.”*

### **Auditor's Comment**

The MOU between the suppliers of cost recovery drugs and the Hospital was submitted for verification. Upon review of the MOU, we noted that the Hospital was to receive supplies and after sales they should repay the supplier. Nevertheless, evidence in the form of receipt, bank statements to substantiate the delivery notes of supplies received, sales made, bank statements, etc., were not submitted for verification. Management's response on the issue of the segregation of duties is noted. The issues remain unresolved.

#### **3.15.3. Contract Schedule of Requirement not Submitted**

The schedule of requirements for diet supplied to the Hospital totalling Le1,424,829,000 was not submitted for review. The absence of the schedule of requirements made it difficult for the auditors to confirm the items the actual quantities and specifications to be supplied by the contractor. Further discussions at the exit meeting revealed that members of management who are the end-users were not involved in the procurement process. In collaboration with the Nutritionist we recommended that the Medical Superintendent ensure that the contract schedule of requirement is made available for audit inspection.

### **Official's Response**

*The MS in his response said: “The Nutritionist was on a workshop in Freetown; however, the schedule of requirements would be made available later to the audit team.”*

### **Auditor's Comment**

The contract schedule of requirement was not made available for audit verification. Hence, the issue remains unresolved.

#### **3.15.4. Non-functioning Standby Generator and Oxygen Concentrators**

During the physical verification of the Hospital's facilities, we observed that there was no functioning standby generator at the Hospital to provide electricity during power outage. As a result of the power outage that took place around 4:00pm on 1st February 2021, the auditor witnessed a patient in the Intensive Care Unit (ICU) struggling for his life as there was no emergency backup generator to support the oxygen supply at the Hospital. A follow-up on the matter revealed that the patient died few hours after the power outage. Similarly, it was noted that two patients in the Paediatric Unit were also on oxygen, and a follow-up on the matter revealed that one died during the same period. When the issue was brought up during the audit, Management responded that the main standby generator was undergoing some repairs and maintenance by the GOAL Sierra Leone and that the spare parts could not be found in Makeni except in Freetown. Furthermore, we observed that there were faulty oxygen machines in the wards.

We recommended that the Medical Superintendent, in collaboration with the Hospital Secretary (HS), should ensure the following:

- Prompt action is taken to maintain the faulty standby generator.
- All faulty oxygen machines are removed from the wards for them not to be erroneously used on patients.
- Liaise with headquarters to ensure that more workable oxygen machines are provided to the Hospital.

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

*The MS in his response said: "The generator was on repairs, and it is now functional and ready for verification by the audit team. He added that the faulty oxygen concentrators had been repaired, and they are ready for verification."*

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

Management's response is noted. It is our considered view that had the Hospital administration taken prompt action to repair the generator and oxygen concentrators, it would have forestalled the unnecessary loss of lives. In this regard, Management should ensure that the standby generator and oxygen concentrators are regularly monitored and maintained to avoid such occurrences.

### **3.15.5. Inappropriate Use of Laboratory Equipment**

After close inspection of some of the Hospital's equipment, we observed that several laboratory equipment supplied to the Hospital were packed at the Laboratory Unit not used due to the absence of the relevant lab reagents needed to complement its usage. It was recommended that the Medical Superintendent liaises with headquarters to provide reagents for these equipment within the shortest possible time.

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

*The MS in his response said: "The Hospital Management has held a meeting with the Laboratory Manager from Freetown who promised to provide laboratory reagents for the equipment to be functional."*

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

Management's response is noted. The issue remains the same.

### **3.15.6. Lack of Segregation of Duties in the Management of Drugs**

A review of the store records revealed no segregation of duties in the requisition, receipt and issuance of the free healthcare drugs. Even though there is a designated storekeeper responsible for the store function, we observed that the Pharmacist was playing multiple roles; he was responsible for the requisition, receipt and issuance of the free healthcare drugs from the Central Medical Stores.

We recommended that the Medical Superintendent should ensure that there is adequate segregation of duties at the Hospital to enhance proper accountability.

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

*The MS in his response said: "Segregation of duties in the receipt and issuance of drugs had been addressed between the Pharmacist and the Storekeeper. All free healthcare drugs are being received by the storekeeper, and the MS/SHS/Matron approve all requests."*

**Auditor's Comment**

Management's response is noted. Evidence to confirm that the anomaly had been corrected was not submitted for verification. Hence, the issue remains unresolved.

**3.15.7. Drugs Supplied Close to Expiration Date**

An examination of records of deliveries of Free Healthcare drugs submitted to the auditors revealed that large quantities supplied to the Government Hospital for the period under review had less than six months to their expiry dates. Therefore, there was a tendency for drugs to reach their expiry dates much sooner and be dispensed to the general public, thereby exposing the lives of people to lots of health problems. Furthermore, the audit team was not provided with any inspection report relating to inspections of the Hospital drug stores in contravention of Section 183(2) of the PFMR of 2018.

In collaboration with the Hospital Pharmacist, we recommended that the Medical Superintendent ensure that drugs supplied to the Hospital are appropriately monitored and immediate action is taken to dispose of all expired medicines. Furthermore, regular inspections of the stores should be carried out to determine any case of loss, shortage, leakage, damage, waste, deterioration or irregularity, so that prompt and appropriate action is taken to correct any defects or deficiencies reported.

**Auditor's Comment**

No Management's response was proffered. Therefore, the issue remains unresolved.

**3.15.8. Lack of Monitoring and Supervision of Nurses on Night Shift**

The audit team visited the Hospital at night to determine the effective and efficient dispensation of medical care at night. We observed that some of the nurses failed to report for duty on time. In this regard, nurses on early shifts may be overburdened, significantly increasing the risk of administering the wrong treatment and endangering patients' lives. It was recommended that the Medical Superintendent, in collaboration with the Hospital Matron, should ensure that the supervision and monitoring of nurses are enhanced, and punitive measures taken when nurses fail to report for duty on time.

**Official's Response**

*The MS in his response said: "The HR Assistant has met with the in-charge nurses, and they have been warned of the consequences of reporting late for work."*

**Auditor's Comment**

Management's response is noted. Evidence of the meeting held with the in-charge nurses in the form of minutes was not made available for verification. Therefore, the issue remains the same.

**3.16. KAILAHUN GOVERNMENT HOSPITAL - 2020****3.16.1. General Conditions at the Hospital**

We observed that the following equipment were absent for effective laboratory operations:

- Microscopes
- Fully automated biochemical analyser
- Gas analyser for respiratory diseases
- Automated haemoglobin analyser



- Elisa test kits and reader machines for testing typhoid fever and hepatitis B
- Machine for molecular diagnostic
- Reagent to determine protein in urine, and test kit
- No enough blood bank refrigeration

The unavailability of these equipment makes diagnosing difficult which ultimately affect the quality of service

We recommended that the Director of Training, Hospital and Laboratory Services should ensure that the Hospital is provided with these essential tools and equipment, via budgets, in order to enhance the sustainability of quality health service delivery to the populace.

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

*The MS in his response said: "The Medical Superintendent and the Pharmacist/Lab Lead/HS will prepare a holistic needs assessment report for Lab and sent to the Directorate of Hospital and Laboratory services."*

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

Our recommendation was not implemented. There was no evidence of a copy of the needs assessment reports sent to the Directorate of Hospital and Laboratory services. This issue is unresolved.

### **3.16.2. Revenue Management and Control**

Contrary to Section 45(5) of the PRMR of 2018, revenue from outpatient and admission fees are banked. There was no evidence to indicate that cashbook was maintained. The cashiers only issued receipt to customers.

We additionally noted that the controls over the printing and custody of general receipt books were inadequate. There was no evidence to indicate that receipt books used for the various revenue streams within the hospital were printed by the Government Printing Department. Delivery notes and accountable document register for receipt books were not provided for verification.

The Finance Officer should ensure the following:

- Continue to collect and bank all revenue immediately after collection.
- Maintain a cashbook with the appropriate columns.
- Ensure that there is proper control over the printing and custody of general receipt books.

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

*The MS in his response said:*

- (i) *"Cashbook is maintained but was not available as at the time of audit. Kindly see photocopies of samples.*
- (ii) *Receipts are printed by local vendor. Receipts and delivery notes were not available as at the time of the audit. They are now available for review."*

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

The recommendations were not implemented. Therefore, the issues are unresolved.

### **3.16.3. Inadequate Control over Stores Management**

Contrary to Section 183(1) of the FMR of 2018, an officer to regularly inspect all stores was not appointed by the Medical Superintendent. Therefore, no evidence was provided to show that the stores were inspected on a regular interval during the period under review.

In the same vein, stock cards and issue vouchers were not submitted to ascertain whether store items were taken on charge.

The following were recommended:

- The Medical Superintendent should ensure that an officer is appointed to make regular inspection of all stores records and to test comparison made between physical stocks at hand and the ledger balance.
- The Medical Superintendent should ensure that the Storekeeper submit all stock cards and issue vouchers for audit inspection.

### **Official's Response**

*The MS in his response said:*

- (i) *"A Monitoring and Evaluation Officer has been selected by the Medical Superintendent to be monitoring the store.*
- (ii) *This happened because the storekeeper was not available as at the time of the audit, but all items are placed on stock cards."*

### **Auditor's Comment**

Our recommendation was not implemented. Stock cards and issue vouchers were not made available during the verification. This issue remains the same.

## **3.17. KOIDU GOVERNMENT HOSPITAL, KONO – 2020**

### **3.17.1. Overcrowded Wards and Limited Staff in the Hospital**

We identified that as a result of the Free Healthcare Programme, the paediatric wards were overcrowded with admission cases. It was also strange to note that there were instances where three patients with different ailments were occupying a single bed.

We therefore recommended that the Medical Superintendent should enhance the infrastructure of the facility; and also include the bed issue into the hospital budget.

### **Official's Response**

*The MS in his response said:*

- (i) *"This issue is noted with great concern to the Hospital Management. Modalities are now in place in consultation with the Ministry of Health and Sanitation and donor partners to salvage the situation with immediate effect. Minutes of discussions are now available for audit review and verification.*
- (ii) *The issue of beds for patients is also a concern to the Hospital Management but accommodation or the means of expansion of the Paediatric wards facility in the Hospital is challenging."*

### **Auditor's Comment**

The issue of overcrowding, staff shortage and bed facility in the wards will be followed up in the next audit.

### **3.17.2. General Condition of the Hospital**

The following tools and equipment were absent in for effective laboratory operations:

- Microscopes
- Fully automated biochemical analyser
- Gas analyser for respiration diseases
- Automated haemoglobin analyser

- Elisa test kits and reader machines for testing typhoid fever, and hepatitis B
- Machine for molecular diagnostic
- Reagent for the determination of protein in urine
- Enough blood bank for refrigeration

We recommended that the Director of Training, Hospital and Laboratory Services should ensure that the Hospital is provided with these essential tools and equipment, via budgets, in order to enhance the sustainability of quality health service delivery to the patients.

### **Official's Response**

*The MS in his response said:*

- (i) *“Management has resolved to factor into the next year’s budget the issues raised regarding the laboratory tools and equipment. Management should always ensure that the hospital environment is clean and patients get their normal medical treatment at the Hospital.*
- (ii) *The blood bank project is effective at the Hospital and campaign for blood donors is in progress.”*

### **Auditor's Comment**

The matter will be follow up in the next year audit.

## **3.18. MOYAMBA GOVERNMENT HOSPITAL - 2018 & 2019**

### **3.18.1. Expired Drugs Still in Store**

Physical inspection of the hospital store revealed that 133,886 assorted expired drugs were still kept in the hospital store. These drugs had not been destroyed by the authorised officials, thereby affecting the storage facility.

We recommend that the Medical Superintendent, the Hospital Pharmacist and the Store Clerk should ensure that expired drugs are compiled and sent to the Central Medical Store for destruction as soon as possible.

### **Official's Response**

*The MS in his response said: “Physical inspection conducted by your team also revealed that 133,886 assorted drugs were still kept in the hospital store thereby affecting the storage facility of drugs for which the Hospital Pharmacist has already written a letter to the Director of Drugs and Medical Supplies, notifying him on the removal of all expired drugs and commodities in the Medical Store for appropriate disposal”.*

### **Auditor's Comment**

During the verification exercise, we obtained a letter written by the Hospital Pharmacist to the Director of Drugs and Medical Supplies notifying him on the need to remove all expired drugs in store for appropriate disposal. Expired drugs were still in the hospital store. Therefore, this issue remains unresolved.

### **3.18.2. Lack of Sufficient Medical Equipment**

There was lack of essential medical equipment such as pulse oxymeter, oxygen, stethoscope, oxygen concentrator, thermometers, BP machines, wheelchairs, baby cots, baby warmers etc. to carry out basic and major health functions that would enhance the effectiveness of health delivery in the Moyamba Government Hospital. Interviews conducted in various hospital units such as the paediatric ward, maternity, male and female medical wards etc. and physical verification revealed that this equipment was

either in short supply or unavailable. The lack of this equipment may affect the quick response of healthcare service to the general service in the Hospital.

We also observed that essential working equipment such as electric extensions, electric switch, ventilators, televisions, wall clocks etc. were not present in several medical units. The lack of this equipment may affect the quick response of healthcare service to the general service in the Hospital.

We therefore recommended the following:

- The Medical Superintendent, in collaboration with other stakeholders should ensure that the necessary equipment is provided to enhance the work of the medical staff of various units and the non-functioning equipment in the hospital should be repaired or replaced where needed.
- The Medical Superintendent, in collaboration with other stakeholders should ensure that the necessary equipment are provided to enhance the work of the medical staff of various units.

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

*The MS in his response said:*

- (i) *“Provision/ supply of essential medical equipment such as pulse oxymeter, stethoscopes oxygen concentrators, infrared thermometers, BP machines, wheelchairs, baby cots, baby warmers etc. is the responsibility of the Ministry of Health and Sanitation (MoHS).*
- (ii) *Essential working materials such as electrical extensions, electric switches, televisions, wall clocks amongst many are available in most clinical units.”*

### **Auditor's Comment**

- Physical verification revealed that this medical equipment were still in short supply in the Hospital. The issue remains unresolved.
- Physical verification revealed that some of the essential working equipment are now available in several medical units. The issue is partly resolved.

### **3.18.3. Non-maintenance of Vehicles**

Physical verification revealed that there were four ambulances for the entire hospital and as at the time of the audit, only one was in use with the others faulty and in need of maintenance.

We recommended that the Medical Superintendent in collaboration with other stakeholders at the Ministry should ensure that adequate maintenance and repairs the faulty hospital ambulances are quickly done to ensure effective service delivery.

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

*The MS in his response said: “The Hospital Management has carried out maintenance on two ambulances already with the support from the GoSL funds 2019 rollover budget”.*

### **Auditor's Comment**

Physical verification revealed that two of the ambulances that were faulty have now been repaired and in use at the Hospital. The issue is therefore partly resolved.

### **3.18.4. Inadequate Office Equipment**

Essential office and working equipment such as laptop computers, printers, etc. were not present in the offices of the Matron, Human Resources Assistant, Pharmacist, Nutritionist and other administrative staff.

We recommended that the Medical Superintendent in collaboration with other stakeholders should ensure that essential office equipment are procured and placed in these administrative offices and medical units.

***Official's Response***

*The MS in his response said: "Office equipment such as desktop and laptop computers, printers, photocopier and scanner have been recently provided to some administrative offices."*

**Auditor's Comment**

Office equipment such as laptop computers and printers have been provided for some offices. Other administrative offices were still without office equipment. The issue is partly resolved.

**3.18.5. Irregular Electricity Supply**

We observed that there was no generator or electric facility to power the hospital mortuary. As at the time of the audit verification, the mortuary was not functioning. This may lead to the ineffective healthcare service at the Hospital.

We recommended that the Medical Superintendent should collaborate with other stakeholders to ensure the procurement of a new generator for the hospital mortuary.

***Official's Response***

*The MS in his response said: "With support from proposed GOAL 2020 second quarter allocation, the Hospital Management is planning to procure a 30kva generator which will be able to power the entire Hospital including the mortuary."*

**Auditor's Comment**

During the verification exercise, we observed that the hospital mortuary was still not operational and no generator had been procured to power it. This issue remains unresolved.

**3.18.6. Evaluation of Service Delivery**

The Hospital was challenged with availability of adequate doctors; there were two local medical doctors attached to the Moyamba Government Hospital. The Hospital lacks local specialist doctors that would enhance adequate quality health delivery to patients such as bone specialist, dentist, radiologist, virologist, psychiatrist and ophthalmology etc. Patients may not have the required medical healthcare due to the unavailability of local specialist doctors in the Hospital.

Most patients outside the urban centre of Moyamba District could not access ambulance services because of the distance they live and the inadequacy of the ambulances. In addition, no raingears were provided to medical personnel for referrals on emergency cases during the rainy season. This may cause patients in distant places to use other means of transportation which may not be suitable for their critical medical condition and may worsen the situation. In addition, this may put medical personnel in danger and expose them to sicknesses most especially in the raining season.

We therefore recommended the following:

- The Medical Superintendent should collaborate with the Ministry of Health to ensure that more doctors and specialists are recruited and assigned to the Hospital to meet the growing and demanding population for specialised medical services.
- The Medical Superintendent should request from the Ministry of Health and Sanitation for funding for the adequate maintenance of the faulty ambulances and also the procurement of

additional ambulances to the Hospital to extend the services to patients living in the rural settings who need emergency medical services.

### **Official's Response**

*The MS in his response said the following:*

- (i) *"It is the sole responsibility of the MoHS and not the Hospital to recruit staff (state registered midwives and nurses, doctors, pharmacists etc.) to deliver services efficiently. Staff gap analysis has been made by the Hospital Management and sent to the Ministry for action. Follow-ups are also being made. For which a medical doctor has been posted recently, bringing the number of doctors to three.*
- (ii) *The Hospital Management has carried out maintenance on two ambulances already with the support from the GoSL funds 2019 rollover budget."*

### **Auditor's Comment**

- During the verification exercise, we observed that one medical doctor has been transferred to the Hospital bringing the number of doctors to three. It still falls short of the required number of doctors and specialists that should be in the Hospital. Therefore, the issue has been partly resolved.
- Physical verification revealed that two ambulances have been repaired and currently in use. There was still no supply of raingears at the Hospital. The issue is partly resolved.

### **3.18.7. Environmental Management Issues**

We identified ineffective environmental management process in the Hospital. We observed the following:

- The necessary general and medical waste management materials such as wheelbarrows, bins for liquid and bin liners were not in sufficient quantities for the waste management.
- During physical verification, it was observed that the incinerator building had severe roof leakages.
- During physical inspection of the hospital kitchen, it was discovered that cooking gas was not in use, instead local charcoal was used for the cooking of patients' food.
- The number of security personnel in the Hospital was inadequate compared to the growing need for securing the Hospital.
- Fire drills, disaster and emergency simulations were noted to be absent. Staff needed to be familiarised with these procedures in order to prevent mayhem and unnecessary deaths in the event of any disaster.
- The Hospital did not have any environmental policies in place to control the management of environmental issues. As at the time of the audit, there was no Environmental Officer to oversee environmental issues in the Hospital.

We recommended that the Medical Superintendent and the Environmental Focal Person should ensure the following:

- That the necessary waste management materials are provided to enhance effective environmental management of the Hospital.
- Repairs should be done to the incinerator building and its roof to enhance effective waste management.
- Collaborate with headquarters and other stakeholders to ensure that cooking gas is available in the kitchen to minimise waste pollution.
- The Medical Superintendent should collaborate with other stakeholders to ensure that more security personnel are recruited to ensure adequate security of the hospital premises.

- The Medical Superintendent in collaboration with the Ministry of Health should ensure that a simulation exercise is carried out to prepare staff and patients on how to react to these types of eventualities, in case they occur.
- The Medical Superintendent in collaboration with other stakeholders should ensure that an Environmental Officer is attached to the Hospital and an environmental policy should be developed for the proper management of environmental related issues.

### **Official's Response**

*The MS in his response said the following:*

- (i) *"The limited availability of general and medical waste management materials highlighted in the audit report can be attributed to the limited supply of these items from the CMS even though the requisitions for adequate supplies have always been made.*
- (ii) *Even though the incinerator is due for rehabilitation, it was however not captured in the annual work plan for 2020 due to the tight budget ceiling. It is however a top-most priority in year 2021 budget for the Hospital.*
- (iii) *Management has submitted staff gap analysis for the Hospital to the Ministry of Health and Sanitation.*
- (iv) *The Hospital Management will do a follow-up with the National Fire Force. The Office of National Security and other line ministries to factor training on fire prevention including drills in the 2021 annual work plan.*
- (v) *The Hospital has been in strict compliance with all environmental policies of the MoHS that are operational in all hospitals across the country."*

### **Auditor's Comment**

- Our recommendations were not implemented. The issues therefore remain unresolved.

### **3.18.8. Infrastructural Issues**

We noted several infrastructural challenges in the Hospital. The following were some of the major challenges:

- The Hospital did not have a workshop to carry out repairs and maintenance of assets and equipment. Additionally, there were no supply of tools and working gadgets such as ladders, drilling machines, working overalls, boots, screw drivers, pliers, etc. to the Facility and Incinerator Division in order to carry out their work.
- The hospital quarters available were inadequate compared to the number of staff. Some of the staff quarters had leaking roofs. There were also some damaged doors and windows that needed adequate repairs. There was no water and electricity facility in the quarters at the time of the physical verification.
- During physical verification, we observed that several medical units such as paediatric, maternity, stores, etc. had leaking roofs. In addition, there was an urgent need of renovation to the hospital mortuary and construction of ward plugs in the Paediatrics Unit.
- We physically verified the various hospital wards and observed that there were damages to the toilet and drainage facilities. There were also either no, or faulty wash-hand basins in several hospital units.

We therefore recommended the following:

- The Medical Superintendent in collaboration with other stakeholders should ensure that a space is provided in the hospital premises to host a workshop for the Facilities Division. In addition,

essential tools and working equipment should be provided to ensure that effective work is always carried out.

- The Medical Superintendent should collaborate with other stakeholders to ensure that more staff quarters are built, urgent renovation is done and facilities are in good condition. Additionally, the Medical Superintendent should ensure that water and electricity facilities are provided to these quarters.
- The Medical Superintendent should collaborate with other stakeholders to ensure that maintenance and repairs are done to the roofs of these medical units and for additional ward plugs to be erected in the Paediatric Unit.
- The Medical Superintendent should collaborate with other stakeholders to ensure that adequate renovation is done to the toilet facilities of various units and for more wash-hand basins to be erected.

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

There was no official's response. The situation remained the same as at the time of the verification. The issues remain unresolved.

#### **3.18.9. Human Resources Management**

There was inadequate human resources system to enhance quality healthcare services.

We observed the following:

- A review of staff list revealed that the Hospital lacked personnel in several key positions and it was clearly understaffed to carry out effective management of the Hospital. The absence of administrative and other medical staff at the Hospital may hinder effective performance of duties. It may also undermine effective service delivery in the Hospital.
- A review of staff list presented revealed that there were several volunteers in the Hospital without pin codes. Service delivery by the Hospital might be hindered.
- We also observed that Annual Staff Appraisal was not carried out in 2018. This might create difficulty in identifying the strength and weaknesses of staff and recommendations for trainings and promotions may not have been done on merit.

We therefore recommended the following:

- The Medical Superintendent in collaboration with other stakeholders in the Ministry of Health and Sanitation should ensure that qualified personnel are recruited and assigned to the Hospital.
- The Human Resources Assistant in collaboration with the Medical Superintendent should communicate with the Ministry of Health and Sanitation and other stakeholders to ensure that these volunteers at the Hospital are either given stipends or recruited permanently by the Ministry.
- Going forward, the Human Resources Assistant and the Hospital Management must ensure that annual staff appraisals are carried out for staff of all categories. Evidence of this action must be retained for audit and other record purposes.

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

There had been no management's response on this issues and the situation was still the same. The issues remain unresolved.



### **3.19. BONTHE GOVERNMENT HOSPITAL - 2018 & 2019**

#### **3.19.1. Stores Management and Control**

There was shortage of the essential drugs in the hospital pharmacy such as adrenaline solution, diclofenac, azithromycin, atenolol, bupivacaine, ephedrine hydrochloride, hydrocortisone sodium, tramadol. These drugs are frequently needed by patients on a daily basis. Patients in the Hospital may not have the required essential drugs prescribed for them.

We recommended that the Medical Superintendent and the Pharmacist should collaborate with other stakeholders to ensure that the necessary essential drugs are made available to the pharmacy.

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

*The Medical Superintendent in his response said: "I have requested for inventory control cards and updating of movement of store items is in progress and available for your verification."*

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

Copies of delivery notes for the supply of essential drugs were submitted and verified. Even though there was need for additional supply. This issue has been partially resolved.

#### **3.19.2. Assets and Medical Equipment**

- The Hospital lacks adequate essential equipment such as X-ray machines, thermometers, wheelchairs etc. to carry out basic and major health functions that would enhance the effectiveness of health care service delivery in the Bonthe Government Hospital. Interviews conducted in various hospital units such as children's ward, maternity, male and female surgical and medical wards etc. and physical verification revealed that these equipment were either in short supply or unavailable. The lack of these essential medical equipment may undermine effective service delivery at the Hospital.
- There were only two functioning ambulances for the entire Hospital and at the time of the audit, one of the ambulances was faulty with no sign of maintenance done. In addition, it was observed that the Hospital did not have utility vehicle.
- There was no Facility Officer in the Hospital who would ensure that routine repairs and maintenance of equipment and assets of the Hospital were carried out. During physical verification, it was observed that several assets and equipment were damaged with urgent repairs needed. In addition, we observed that the Matron's official vehicle was faulty with urgent repairs needed.
- The solar facility that helped provide electricity in the Hospital was faulty. This may lead to the ineffective healthcare service at the Hospital.
- There was no evidence submitted to indicate that the Bonthe Government Hospital had a fixed assets policy for the acquisition, usage, maintenance and disposal of fixed assets. In addition, there was no evidence of a fixed assets register maintained for the period under review.
- Essential office equipment such as laptop computers, printers, etc. were not present in the offices of the Matron, Human Resources Assistant, Pharmacist, Hospital Nutritionist and other administrative staff. Additionally, essential equipment such as air conditioners/ventilation, televisions, etc. were absent in several medical units and administrative offices verified.

We therefore recommended the following:

- The Medical Superintendent should collaborate with other stakeholders to ensure that the necessary equipment are provided to enhance the work of the medical staff of various units and the non-functioning equipment in the Hospital should be repaired or replaced where needed.
- The Medical Superintendent should collaborate with the Chief Medical Officer and the PS at the Ministry of Health and Sanitation headquarters to ensure additional ambulances and utility vehicles are provided for the Bonthe Government Hospital.
- The Medical Superintendent should collaborate with other stakeholders at the Ministry to ensure the recruitment of a Facility Officer. Urgent maintenance and repair of vehicles and other equipment should also be done to ensure effective service delivery.
- The Medical Superintendent should collaborate with other stakeholders to ensure the urgent maintenance of the faulty solar facility or to replace it with a new solar facility to enhance reliable electricity supply at the Hospital.
- The Medical Superintendent should ensure that an assets policy is developed that guides the acquisition, maintenance and disposal of all assets. They should also prepare an updated assets register inclusive of all assets owned and controlled by the Hospital.
- The Medical Superintendent should collaborate with other stakeholders to ensure that essential office equipment are procured and placed in these administrative offices and medical units.

### **Official's Response**

*The MS in his response said the following:*

- (i) "The Hospital relies on allocations from the Central Government through the Council to enhance the smooth running of the Hospital thereby ensuring effective and quality service delivery. Due to late/ delay and inadequate disbursement of funds, the Hospital is challenged in ensuring adequate service delivery. We are still awaiting allocations for 2018. We hope to address these challenges of thermometers, wheelchairs X-ray machines, laptop computers, printers and air conditioners when funds are available through the Council.*
- (ii) We are yet to be provided with more ambulances or any form of vehicle. It has even grown beyond expectation as the MS is now without a vehicle. We have informed the Transport Unit about the unserviced vehicle and inspection will be done shortly.*
- (iii) We acknowledge the auditor's findings relating to maintenance of equipment and vehicles. This is due to the late/ non-remittance of funds for the running of the Hospital. These have been factored into the Hospital AWP and will be forwarded to the Council for implementation.*
- (iv) Electricity is a challenge as the solar circuits and batteries are faulty. The Medical Superintendent will continue to collaborate with the Ministry's headquarters and the Council to ensure that reliable electricity supply is available at the Hospital.*
- (v) The Medical Superintendent will continue to collaborate with the Ministry's headquarters and the Council to ensure that an assets policy is developed for the Hospital.*
- (vi) The lack of repairs and maintenance to the kitchen, male and female wards and the hospital quarters was due to the inadequate funding from the MoHS. These concerns have been communicated to the MoHS headquarters in Freetown for appropriate action."*

### **Auditor's Comment**

- Official requests made by the Medical Superintendent for the supply of X-ray and other essential equipment were submitted and verified. Some essential equipment such as thermometers and

wheelchairs had been supplied. The Hospital was still without an X-ray machine. This issue remains partly unresolved.

- The faulty ambulance has been repaired and there were two functioning ambulances as at the time of the verification. The Hospital is still without a utility vehicle. This issue remains partly unresolved.
- The Hospital was still without a Facility Officer. In addition, the Matron was without an official vehicle as at the time of the verification. This issue remains unresolved.
- During the verification, we observed that the solar facility was faulty and had not been repaired. This issue remains unresolved.
- There was no evidence of a fixed assets policy in place by the Hospital Management. In addition, fixed assets register was not submitted for verification. This issue remains unresolved.
- There was no evidence of supply of essential office equipment at the Bonthe Government Hospital. This issue remains unresolved.

### **3.19.3. Cash and Bank Management**

From the review of documents submitted and interviews held with key personnel, we were able to reveal that the Bonthe Government Hospital did not operate a bank account. Cash collected as revenues was kept in a safe at the office premise for onward payments. There is the likelihood for cash to be stolen since it is not deposited into a bank account.

We recommended that the Medical Superintendent should collaborate with the other stakeholders in the Ministry of Health and Sanitation; and the Accountant General's Department to ensure that a bank account is opened and operated by the Management of the Bonthe Government Hospital for prudent financial management. Evidence of this action must be submitted to the ASSL for verification.

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

*The MS in his response said: "The Hospital Management is working in collaboration with the Ministry of Health and Sanitation (MoHS) and other government ministries to ensure that revenue collected is deposited into the Consolidated Fund account as required by law."*

### **Auditor's Comment**

During the verification, we observed that the Management of the Bonthe Government Hospital did not operate a bank account. This issue remains unresolved.

### **3.19.4. Assessment of Service Delivery**

We observed the following during an assessment of service delivery by the Hospital:

- Essential medical consumable materials such as gloves, aprons, children's mask, ambo-bag, nasal prone, NG tube, face mask and protective gown were in short supply and sometimes not available in medical units such as maternity ward, children's ward, male and female surgical and medical wards etc. This may undermine the effective healthcare service delivery to the people.
- The labour ward did not have delivery beds. Additionally, the labour ward did not have adequate space facility to house numerous patients.
- There were two local medical doctors attached to the Bonthe Government Hospital. The Hospital lacked local specialist doctors such as bone specialist, dentist, radiologist, virologist,

psychiatrist and ophthalmology etc. that would enhance adequate quality healthcare service delivery to patients.

- There was shortage of essential drugs in the hospital pharmacy such as adrenaline solution, diclofenac, azithromycin, atenolol, bupivacaine, ephedrine hydrochloride, hydrocortisone sodium, tramadol. These drugs are frequently needed by patients on a daily basis. Patients in the hospital may not have the required essential drugs prescribed for them.

We therefore recommended the following:

- The Medical Superintendent should collaborate with other stakeholders to ensure that the essential consumable materials needed by various units are available to enhance effective healthcare service delivery.
- The Medical Superintendent should collaborate with other stakeholders (including the Ministry of Health and Sanitation) to extend the Labour Ward in the Hospital and for adequate delivery beds to be supplied. In addition, the Medical Superintendent should collaborate with other stakeholders to ensure that essential free healthcare drugs are supplied to the Hospital.
- The Medical Superintendent should collaborate with the Chief Medical Officer and other stakeholders of the Ministry of Health and Sanitation to encourage and support more doctors to specialise in fields that are not available in the Hospital. This will sustain effective medical services.
- The Medical Superintendent should ensure that the pharmacist requests for essential drugs required in the Hospital to meet patients demand.

### **Official's Response**

The MS in his response said the following:

- (i) *"The Medical Superintendent will continue to collaborate with the Ministry's headquarters and Council to ensure that adequate support is provided to the Hospital to improve its facilities.*
- (ii) *The Medical Superintendent will continue to collaborate with the Ministry's headquarters and Council to ensure that adequate support is provided to the Hospital to improve its facilities.*
- (iii) *We have some specialist medical doctors including doctors of CUAM to cover the operation of the Hospital.*
- (iv) *The Medical Superintendent will continue to collaborate with the Ministry's headquarters and Council to ensure that adequate support is provided to the Hospital to improve its facilities."*

### **Auditor's Comment**

- Delivery notes for the supply of essential medical consumable materials were submitted and verified; even though we observed that there was need for additional supply of essential medical consumable materials. This issue remains partially unresolved.
- Delivery notes for the supply of delivery beds and Free Healthcare drugs were submitted and verified; even though we observed that there was need for additional supply of Free Healthcare drugs. This issue remains partially unresolved.
- During the verification, the Medical Superintendent submitted the request for the posting of specialist doctors and other relevant hospital staff and it was verified. These staff were yet to be posted to the Hospital. This issue remains unresolved.
- Copies of delivery notes for essential drugs supplied to the hospital pharmacy were submitted and verified. We observed that there was need for additional supply of these drugs. This issue remains partly unresolved.

### 3.19.5. Environmental Management Issues

We identified the following environmental related issues:

- The necessary general and medical waste management materials such as wheelbarrows, bins for liquid and bin liners were not in sufficient quantities for the waste management.
- There were damages to the roof of the incinerator building and the placenta pit within the incinerator used for the burning of medical waste which caused leakage of minor waste pollution.
- There was inadequate provision of correct colour bags for the storage and disposal of waste.
- During physical assets verification, it was observed that cooking gas was not in use in the hospital kitchen, instead, local fire stones and woods were used for cooking.

We recommended that the Medical Superintendent and the Environmental Focal Person should ensure the following:

- That the necessary waste management materials are provided to enhance effective environmental management of the Hospital.
- Appropriate standard procedures must be followed before general waste burning.
- Repairs to be done to the placenta pits and roof within the incinerator building to enhance effective waste management.
- Procure or request for required colour bags for the storage and disposal of waste.
- Collaborate with headquarters and other stakeholders to ensure that cooking gas is available in the kitchen to minimise waste pollution.

### **Official's Response**

*The MS in his response states: "I will continue to collaborate with the Ministry's headquarters and the Council to ensure that adequate supports are provided to the Hospital to improve its facilities. A request for colour bags and cooking gas for the entire Hospital has been sent to the MoHS headquarters in Freetown for appropriate action. Meanwhile the Hospital is putting measures in place to repair the roof of the building that house the incinerator and the incinerator pit."*

### **Auditor's Comment**

- There was no evidence that additional waste management materials such as wheelbarrows and bins, etc. were supplied.
- Burning of general and medical waste was still done in the open.
- There was no evidence that coloured bags have been procured for the Hospital.
- The method of cooking had been changed from firewood to charcoal. A request had been sent by the Medical Superintendent for the supply of cooking gas, but the cooking gas had not been delivered as at the time of writing this report. This issue remains partly unresolved.

### 3.19.6. Revenue Management and Control

From September 2019 to December 2019, a total of Le10,950,000 was collected as revenue but not banked as required in the Public Financial Management Act of 2016. In addition, there was no evidence of revenues collected from January 2019 to August 2019. This might create an opportunity for revenues collected to be diverted to private use.

We recommended that the Medical Superintendent should liaise with the Chief Medical Officer, the Permanent Secretary, the Director of Financial Resources, all in the Ministry of Health and Sanitation; and the Accountant General for the opening of a bank account to be operated by the Management of the Bonthe Government Hospital. Evidence of this action to be submitted to the ASSL for verification.

### **Official's Response**

*The MS in his response said: "The revenue queried was in three categories: Consultation Fees, Operation Fees Main Theatre and Operation Fees Maternity Theatre. Due to the delay of funds from the Council, revenue generated was utilised to enhance the day-to-day operations of the Hospital. In future, all revenue collected will be banked immediately. Revenue collected from January 2019 to August 2019 was misfiled; it has been recovered and is available for inspection."*

### **Auditor's Comment**

During the verification, it was observed that the management of the Bonthe Government Hospital has not yet operated a bank account. Therefore, revenue collected was kept in an office safe to be put into use without being banked. This issue remains unresolved.

#### **3.19.7. Hospital Infrastructure**

During the physical verification of the hospital facilities, we observed the following:

- There were damages to the ceiling and the main entrance of the hospital kitchen. In addition, there was an urgent need of renovation and extension to the kitchen as its space was inadequate. There were rust and dark stains on the kitchen walls.
- The windows and toilet facilities were damaged in both the male and female medical wards. There were no wash-hand basins in the male and female medical wards, triage and maternity labour ward. In addition, during physical verification, we also observed that there was insufficient space for patients in the maternity labour ward.

The following conditions were observed at the hospital quarters occupied by the medical staff:

- Number of quarters available was inadequate compared to the number of staff
- The roofs and ceilings were damaged
- The toilets were not in good and decent conditions
- Septic tanks in the quarters were damaged and were in need of proper maintenance
- The water facility in the quarters was faulty and was not being used

We therefore recommended that the Medical Superintendent in collaboration with other stakeholders should ensure the following:

- The hospital kitchen is extended and renovated
- More staff quarters are built and that urgent renovation is done to ensure that the quarters and their toilet facilities are in good condition
- Wash-hand basins are made available, maintenance and repairs be done to damaged doors, windows and toilet facilities in these wards
- The labour ward is extended to provide space for more beds for patients

### **Official's Response**

*The Medical Superintendent in his response said: "I will continue to collaborate with the Ministry's headquarters and the Council to ensure that adequate support is provided to the Hospital to improve its facilities."*

### **Auditor's Comment**

- During the verification, we observed that rehabilitation work was in progress on the kitchen facilities. Due to the delay in the transfer of funds, the rehabilitation work was slow in progress. The issue remains partially unresolved.
- The other issues remain unresolved.

### **3.19.8. Human Resources Management**

The Hospital lacked personnel in several key positions and it was grossly under-staffed to carry out effective management. Additionally, some of the personnel acting in various positions such as the Stores, Revenue, Monitoring & Evaluation and other departments were not qualified. There were several volunteers in the Hospital without pin codes. Eight medical staff and four administrative staff were volunteers.

We also noted that administrative and support staff employed by the Hospital were not given appointment letters and annual staff appraisals were not carried out.

We therefore recommended the following:

- The Medical Superintendent in collaboration with other stakeholders in the Ministry of Health and Sanitation should ensure that qualified personnel are recruited and assigned to the Hospital.
- The Human Resources Assistant in collaboration with the Medical Superintendent should communicate with the Ministry of Health and Sanitation and other stakeholders to ensure that these volunteers are either given stipends or recruited permanently by the Ministry.
- The Hospital Management should ensure that appointment letters are given to key administrative and support staff.
- Going forward, the Human Resources Assistant and the Hospital Management must ensure that annual staff appraisals are carried out for staff of all categories. Evidence of this action must be retained for audit and other record purposes.

### **Official's Response**

*The MS in his response said:*

- (i) *“The recommendations on assigning qualified staff to the Hospital are under consideration by the MoHS headquarters in Freetown, as it is a universal issue in the health sector.*
- (ii) *With regard our volunteers, we have escalated their concerns to the Directorate on several occasions, but I guess the Human Resources Department is now working on modalities for their recruitment.*
- (iii) *The Medical Superintendent will continue to collaborate with the Ministry’s headquarters and the Council to ensure that support staff employed by the Hospital are given appointment letters.*
- (iv) *Staff appraisal form for 2019, all staff of the Hospital have been given the form to fill. Most of them have completed the first part of the form and now left with the supervisors to complete their own parts.”*

### **Auditor's Comment**

There was no evidence of action taken on our recommendations. The issues remain unresolved.

## **3.20. PUJEHUN GOVERNMENT HOSPITAL - 2019**

### **3.20.1. Pharmacy and Stores Management**

Physical inspection of the hospital store revealed that 133,886 assorted expired drugs were still kept in the hospital store. These drugs had not been destroyed by the authorised officials, thereby affecting the storage facility for drugs. It may create opportunity for these expired drugs to be circulated to the public which will be detrimental to their health. Discussion with the Store Clerk revealed that the drugs were waiting to be transferred to the Central Medical Store for destruction.

We recommended that the Medical Superintendent, the Hospital Pharmacist and the Store Clerk should ensure that expired drugs are compiled and sent to the Central Medical Store for destruction as soon as possible, and in future, ensure that drugs supplied are not close to their expiry date.

### **Official's Response**

*The MS in his response said: "Reverse logistics and onward destruction of drugs and other medical products by the Central Medical Stores is a chronic problem and the excuse has always been the same (i.e. challenges with logistics). On our part, the Hospital Pharmacist had made several requests for the expired products to be moved, but his efforts have been futile. Following the recent audit, an official letter has been sent to the CMS, requesting them to facilitate movement of the expired products from the store or to provide technical support for their destruction at district level. We are yet to receive a response. A copy of the letter can be made available for review."*

### **Auditor's Comment**

During verification, a letter written to the Director of the National Medical Supplies Agency requesting logistics for the transfer of expired drugs was made available. As at the time of verification, these expired drugs were still in the hospital store. This issue is unresolved.

### **3.20.2. Assets and Medical Equipment**

There were only two functioning ambulances in the Hospital considering the number of patients that may require ambulance services within the District. In addition, we observed that the Hospital had one utility Toyota Land Cruiser with registration number ANK 778 used by the Medical Superintendent.

We recommended that the Medical Superintendent should collaborate with the management team at the Ministry of Health and Sanitation headquarters to ensure additional ambulances and utility vehicles are provided for the Pujehun Government Hospital.

### **Official's Response**

*The MS in his response said: "Since taking up my post, I have had several engagements with the Ministry officials including the Permanent Secretary, Director of Support Services and Transport Officer, to name a few. These engagements have also been followed up an official letter (copy available for review) about the current transportation challenges and the need for the Ministry to provide at least one utility vehicle for the Hospital. Management has also considered the option of cannibalising one of the very old vehicles, to repair a vehicle that was badly damaged in an accident. The PS is open to this idea as he stresses that vehicles are hard to come by these days. A follow up letter will be conveyed in the coming days."*

### **Auditor's Comment**

During verification, a letter written to the Permanent Secretary of the Ministry of Health and Sanitation requesting for utility vehicle was made available. As at the time of verification, there were no additional ambulances and utility vehicles assigned to the Hospital. This issue is unresolved.

### **3.20.3. Assessment of Service Delivery**

We observed the following during the assessment of service delivery by the Hospital:

- Out of 1,102 patients admitted at the Maternity Ward in 2019, it was observed that 619 (56%) of the patients had normal delivery, 412 (37%) patients delivered by caesarean section and 71 (7%) had assisted delivery.
- There were insufficient bed spaces in the Maternity Ward. A review of the monitoring and evaluation data revealed that the Maternity Ward had 36 beds with an average admission of 127



patients per month. This indicated overcrowding of the Ward, and it is a possible avenue for spreading of communicable diseases.

We recommended the following:

- The Medical Superintendent should collaborate with other stakeholders and the Ministry of Health and Sanitation to put measures in place to improve antenatal facilities and support that will drastically reduce the number of caesarean section delivery at the Hospital.
- The Medical Superintendent should request from the Ministry and Central Medical Stores for additional beds to accommodate more patients.

### **Official's Response**

*The MS in his response said the following:*

- (i) *"The recommendation to collaborate with other stakeholders to reduce the number of caesarean sections is well noted. It should also be noted that the District Hospital is a referral hospital and as such, the vast majority of referred obstetric cases are emergencies and are likely to receive emergency care, the most common being a caesarean section.*
- (ii) *The issue of bed space is that which Management has little control over. The catchment population covered by the facility grows annually and so does the demand for care and ultimately bed space. The Ministry of Health and Sanitation through the Directorate of Hospitals and Ambulance Services sent a memo to all medical superintendents on it plan for the rehabilitation and possible extension of district hospitals. The memo indicated the availability of funds and this has been followed up by sending an architectural/construction firm to do a survey of the hospital premises. This survey was conducted about one month ago. The supporting partner in the Hospital (CUAMM) is also on the verge of rehabilitating the maternity, using funds from the Saving Lives II Project."*

### **Auditor's Comment**

During verification, there was no evidence provided to confirm collaboration with other stakeholders to put measures in place to improve antenatal facilities. This issue is unresolved.

### **3.20.4. Environmental Management Issues**

The necessary bedding materials such as bed sheets, pillows and blankets for patients were not available for the bedding management.

We recommended that the Medical Superintendent and the Environmental Focal Person should ensure that the necessary general lining materials are provided to enhance effective environmental management.

### **Official's Response**

*The Medical Superintendent in his response said: "Bed linens and accessories are few of the very difficult assets to manage as these are procured frequently but often carted away by patients or their relatives as they discharge. There is already an activity line in the 2020 budget for bed linens and this will be prioritised when the next tranche of government allocation is received."*

### **Auditor's Comment**

The hospital was still in short of bed linens. This issue is unresolved.

### 3.20.5. Hospital Infrastructure Issues

The Hospital was faced with the following infrastructural challenges:

Unit	Challenges	Recommendations	Official's Response	Auditor's Comment
(i) Midwives Quarters	<ul style="list-style-type: none"> <li>▪ The ceilings were damaged and with rust.</li> <li>▪ There were three midwives in each of the rooms with only two rooms occupying six midwives.</li> <li>▪ Both entrance doors of the quarters were damaged and unable to lock.</li> </ul>	<p>The Medical Superintendent in collaboration with other stakeholders should ensure the following:</p> <ul style="list-style-type: none"> <li>▪ The midwives' quarters are renovated and institute plan to ensure that there is no overcrowding in a single rooms.</li> <li>▪ There is availability of space and facility in hospital units.</li> <li>▪ The Ministry of Health and Sanitation headquarters is seriously engaged for the construction or availability of office space for key medical facilities within the Hospital.</li> <li>▪ The Ministry of Health and Sanitation headquarters is seriously engaged for medical units such as x-ray and dental.</li> <li>▪ The Medical Superintendent should collaborate with other stakeholders to ensure that there is space for corpses before handing over to other funeral</li> </ul>	<p>The Medical Superintendent in his response said:</p> <p>(i) <i>"The Medical Superintendent wrote a proposal to CUAMM for the rehabilitation of the midwives' quarters. The proposal has been approved and work should commence anytime from now. The Matron has identified a more spacious and vacant quarters that will be used to temporarily host the midwives and also to decongest the current quarters after rehabilitation."</i></p> <p>(ii) <i>Rehabilitation of SCBU has been completed, with provision made to accommodate patients and lactating mothers. Proposal for</i></p>	<p>During verification, a proposal written to CUAMM for the rehabilitation of the midwives' quarters was made available; but, these midwives' quarters have not yet been renovated. This issue is unresolved.</p>
(ii) Hospital Units/Department	<ul style="list-style-type: none"> <li>▪ There were limited space facilities to cater for patients in several units including the maternity labour ward, out patients and special baby care unit.</li> <li>▪ Both the male and female medical and surgical wards admitted patients with medical and surgical illnesses within the same ward. Discussion with the ward in-charges revealed that there were</li> </ul>	<p>The Medical Superintendent in collaboration with other stakeholders should ensure the following:</p> <ul style="list-style-type: none"> <li>▪ The midwives' quarters are renovated and institute plan to ensure that there is no overcrowding in a single rooms.</li> <li>▪ There is availability of space and facility in hospital units.</li> <li>▪ The Ministry of Health and Sanitation headquarters is seriously engaged for the construction or availability of office space for key medical facilities within the Hospital.</li> <li>▪ The Ministry of Health and Sanitation headquarters is seriously engaged for medical units such as x-ray and dental.</li> <li>▪ The Medical Superintendent should collaborate with other stakeholders to ensure that there is space for corpses before handing over to other funeral</li> </ul>	<p>The Medical Superintendent in his response said:</p> <p>(i) <i>"The Medical Superintendent wrote a proposal to CUAMM for the rehabilitation of the midwives' quarters. The proposal has been approved and work should commence anytime from now. The Matron has identified a more spacious and vacant quarters that will be used to temporarily host the midwives and also to decongest the current quarters after rehabilitation."</i></p> <p>(ii) <i>Rehabilitation of SCBU has been completed, with provision made to accommodate patients and lactating mothers. Proposal for</i></p>	<p>During verification, it was observed the following:</p> <ul style="list-style-type: none"> <li>▪ Rehabilitation was done to the Special Care Baby Unit. In addition, concept note for the rehabilitation of the Maternity Unit was made available. This issue was partly resolved.</li> <li>▪ both the male and female medical and surgical wards still admitted patients with medical and surgical</li> </ul>

Unit	Challenges	Recommendations	Official's Response	Auditor's Comment
	<p>limited infrastructural buildings to accommodate patients separately.</p> <ul style="list-style-type: none"> <li>▪ The x-ray and dental units are not available in the Hospital. These are vital units for a Hospital located in the District. Their absence will force patients to travel long distances to seek medical attention.</li> </ul>	agencies or for burial purpose.	<p><i>rehabilitating the Labour Ward has already been approved and work to commence anytime from now. The rehabilitation will be funded by the DFID Saving Lives Project II, through CUAMM.</i></p> <p><i>(iii) This is a perennial problem and the Medical Superintendent on behalf of the Hospital Management has used every opportunity they had with the leadership of the Ministry of Health to overcome this challenge. While space to expand remains one of the huge challenges, an innovative approach can be used to manage the little space available to add at least two new wards.</i></p>	<p>illnesses. This issue is unresolved.</p> <ul style="list-style-type: none"> <li>▪ there was no medical unit such as x-ray and dental within the Hospital. This issue is unresolved.</li> </ul>
<b>(iii) Mortuary</b>	There was insufficient space and facilities in the hospital mortuary. There was only one room that can take up to two corpses.			As at the time of verification, there was inadequate availability of holding space for corpses in the mortuary. This issue is unresolved.

Unit	Challenges	Recommendations	Official's Response	Auditor's Comment
			<p>Management will continue to engage the Ministry to ensure that these additions are made during the rehabilitation of district hospitals.</p> <p>(iv) The above concerns have already been forwarded to the Ministry of Health through the Directorate of Hospital and Ambulance Services. Once the rehabilitation of district hospitals kicks off, these units will be established.</p> <p>(v) Another perennial problem for which the Hospital Management has been assiduously engaging the Ministry on is those important non-functioning units that were submitted to the Ministry through the Directorate of Hospital and Ambulance</p>	

Unit	Challenges	Recommendations	Official's Response	Auditor's Comment
			Services. Management is hopeful that once the Ministry led rehabilitation process commences, the mortuary will be rehabilitated and brought to standard.	

### 3.20.6. Human Resources Management

A review of staff list revealed that there were 18 volunteers in the Hospital without pin codes.

Discussion with the Human Resources Assistant revealed that names had been submitted to the Ministry for pin codes but they were yet to be given.

We recommended that the Human Resources Assistant should communicate with the Ministry of Health and Sanitation and other stakeholders to ensure that these volunteers at the Hospital are recruited permanently by the Ministry.

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

*The Medical Superintendent in his response said: "The Government through the MoHS has recently embarked on massive enrolment of health workers across the country, from which Pujehun benefited. The names in the appendix were not fortunate because the recruitment was done per quota basis. The MoHS has promised another recruitment of about 3000 staff. While all cadres of staff will be considered in this recruitment, more attention will be paid to the non-technical group."*

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

As at the time of verification, we observed that the volunteers had not been given pin codes. This issue is unresolved.

## 3.21. MINISTRY OF BASIC AND SENIOR SECONDARY EDUCATION (HEADQUARTERS) - 2020

### 3.21.1. Procurement Irregularities in the Management of Contracts for the Supply of Teaching and Learning Materials

The following procurement irregularities were identified during the review of the bidding process, leading to the award of contracts for the supply of teaching and learning materials:

- The Evaluation Committee's recommendations for a contract to be awarded to a successful bidder in respect of Lot 5 (with a bid price of Le7,120,000,000) was not complied with; instead, the contract was awarded to the second responsive bidder (with a bid price of Le6,785,030,000), that initially failed pre-qualification stage in the bidding process, without justification or evidence of

approval from the Procurement Committee. This was contrary to Section 13(c) of the Public Procurement Act of 2016.

- Contrary to Section 29 (1) of the Public Procurement Act of 2016, there was no evidence that a proper needs assessment was done before embarking on the procurement of various sporting items for a contract amount of Le12,310,350,000. Strangely, there was no evidence that the Physical Health Education Unit, which is the professional wing responsible for sporting activities in the Ministry, was involved in the procurement process.

### **Official's Response**

*The Senior Permanent Secretary in his response said: "The contract was awarded based on recommendations from the NPPA, which regulates public procurement in Sierra Leone and evidence is available for verification. They also indicated that needs assessment was done for all TLM items procured and action will be taken by the MBSSE to request schools that do not have the sporting facilities to do so."*

### **Auditor's Comment**

The Ministry was therefore in breach of the Procurement Act of 2016. Additionally, there was no evidence of needs assessment and the involvement of the Physical Health Education Unit were involved in the procurement of the sporting items. The issue is therefore unresolved.

### **3.21.2. Artificial Splitting of the Procurement Process**

Contrary to the provisions in Sections 29(3) and 37(2) of the Public Procurement Act of 2016, the Ministry artificially split procurement activities worth Le457,427,250 and Le277,830,000 into smaller amounts. It used the Request for Quotations (RfQs) rather than the National Competitive Bidding (NCB) procurement method and thereafter, awarded the contracts to various contractors. In some instances, these contracts were awarded to the same supplier.

The procurement of these goods and works may not have been as competitive and transparent if it were not split and the NCB procurement method used. The former Assistant Director of Procurement should provide explanation backed up with documentary evidence to justify why the Public Procurement Act of 2016 was not adhered to with regard choice of procurement method.

### **Official's Response**

*The Senior Permanent Secretary in his response said: "Procurement activities were done at regional level with threshold as prescribed by procurement laws and that steps will be taken to ensure that procurement of FQSE requested items are done centrally to avoid splitting."*

### **Auditor's Comment**

We noted management's comments on this issue. For the supply of office equipment, in as much as the procurements were done at regional level, the fact that the same supplier was awarded the contracts for which the total contract value of Le302,700,000 is above the RFQ threshold, is a clear evident of splitting. We therefore urge the Ministry that in future, this type of procurement arrangement is properly assessed and captured in the procurement plan for accountability and control. The issue is partly resolved.

### **3.21.3. Irregularities in the Contracts for the Supply of Diets**

Contrary to Section 57 (1&2) of the Public Procurement Act of 2016 and 139(3c) of the Public Procurement Regulations of 2020, contracts for the supply of diets for the 2019/2020 academic year to boarding schools were unilaterally extended without evidence of addendum contracts signed or evidence

of approval from the Ministry of Finance. There was no evidence that suppliers were monitored in the performance of the contracts. We noted instances where contract terms were not fully met by suppliers and there was no evidence of recoveries for non-performance. For instance, monthly amounts of Le57,200,000, Le47,616,000 and Le40,800,000 meant for meat at the Bo Government School, Magburaka Boys School and the Mathora Government Girls Secondary School respectively, were indicated in the contracts for the supply of diets.

Our investigations revealed that meat was not supplied to the schools and there was no evidence that the amounts were recovered from the suppliers. In another instance, some suppliers gave cash to schools for some items instead of the items being supplied as per contracts.

The former Assistant Director of Procurement should submit addendum to the contracts, evidence of the Ministry of Finance's approval for the extension of the 2019/2020 contracts and evidence that contract terms were fully met by the suppliers.

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

*The Senior Permanent Secretary in his response said: "The audit recommendation is noted and will be acted upon accordingly."*

### **Auditor's Comment**

The evidence of addendum contracts and approval from the Ministry of Finance for the extension of the diets contracts were submitted. There was however no evidence that the contract terms were met and that recoveries were made for the non-supply of meats to the schools. The issue is therefore partly resolved.

### **3.21.4. Bank Withdrawals without Supporting or Adequate Supporting Documents**

Contrary to Section 100 (1bi) of the Public Financial Management Regulations of 2018, bank withdrawals which amounted to Le1,083,919,089 were without payment vouchers and the relevant supporting documents. In addition, total bank withdrawals of Le3,730,223,260 were without adequate supporting documents such as: receipts, invoices, delivery notes, signed list of beneficiaries, payroll vouchers, minutes, attendance list, back-to-office report etc.

As these transactions were without the relevant supporting documents, it was difficult to conclude whether these payments had followed the proper procedures as laid down in law. The Senior Permanent Secretary and the Acting Principal Accountant should ensure that the supporting documents are submitted to the auditors.

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

*The Senior Permanent Secretary in his response said: "The documents are available for inspection and we will comply with the other audit recommendations."*

### **Auditor's Comment**

Additional documents were submitted during the verification exercise. A review of a sample of these documents revealed the following:

- From a total of Le1,083,919,099, payment vouchers and the relevant supporting documents were submitted for total payments of Le856,119,099, leaving a balance of Le227,800,000 without supporting documents.
- From the total of Le3,730,223,260, adequate supporting documents were submitted for total payments of Le2,263,993,090.00, leaving a balance of Le1,466,230,170 without adequate documents.

These issues are therefore partly resolved, and the ASSL will follow up on actions taken in the subsequent audit scrutiny.

### **3.21.5. No Evidence of Statutory Deduction**

Contrary to Section 117 of the Income Tax Act of 2000 (as amended), total withholding taxes of Le75,242,000 was not deducted from payments made to suppliers and service providers and paid to the National Revenue Authority (NRA).

As a result, government may not have received this much-needed revenue. We recommended that the Acting Principal Accountant should facilitate the payment of the withholding taxes to the NRA and submit an NRA receipt for our reviews.

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

*The Senior Permanent Secretary in his response: "The National Revenue Authority receipts take long to be obtain, but some receipts including pay-in slips are available and ready for inspection."*

### **Auditor's Comment**

Out of a total withholding tax of Le75,242,000, receipts were submitted for withholding taxes totalling Le31,868,500, leaving a balance of Le43,373,500. Therefore, the issue is partly resolved.

### **3.21.6. Recruitment Irregularities**

Contrary to Rules 2.12 and 2.17 of the Government of Sierra Leone Civil Service Code Regulations and Rules of 2011, we noted that the recruitment process of staff of the Delivery Team in the Ministry was not competitive and transparent.

In 2018, the Government through the Human Resources Management Office (HRMO) awarded contracts to 79 staff in order to help the Ministry of Basic and Senior Secondary Education to effectively coordinating the Free Quality School Education nationwide. Added to these staff was a Communications Unit that was headed by a Communications Specialist and a Directorate of Planning and Policy which incorporates the situation room, that was responsible for data collection and analysis.

Though the contracts of the Free Quality School Education staff were renewed in 2020, the Communications Unit and its Specialist, together with the Research and Policy Planning Unit and its component situation room remain in existence. The Ministry also went ahead to seek an executive clearance for the recruitment of a delivery team comprising five staff.

The sum of Le2,857,000,000 donated by the Chinese Government for education related policy development and implementation activities was dedicated to the Delivery Team to set up an office, pay salaries, and other administrative related uses.

We additionally noted the following:

- Despite the fact that executive clearance requested the Ministry through the Senior Permanent Secretary to liaise with the Ministry of Finance, the HRMO and the Accountant General's Department for the establishment of a delivery team to provide support to the Ministry, the Senior Permanent Secretary on 23rd April, 2020 requested from the Director and Chief Operating Officer, Directorate of Science, Technology and Innovation (DSTI) for a staff to head the delivery Team in the MBSSE without any evidence of consultation with the aforementioned institutions. On 29th April, 2020, the staff was assigned to the MBSSE as requested, to head the Delivery Team, without any evidence of recruitment protocols.



- Although vacancies for Policy Analyst, Data Analyst and Strategic Communication Specialist were advertised, there was no detailed information of the number of applicants and shortlisted candidates to ascertain whether there was fairness in the selection process.
- The contracts between the Ministry and the recruited staff were signed by the Senior Permanent Secretary instead of the Director General, HRMO as required by Rule 2.12 of the Sierra Leone Civil Service Code Regulations and Rules of 2011.
- One major goal for setting up the Delivery Team was to develop the capacity of the Ministry's staff. Our review of available records did not reveal evidence of training plan, reports or capacity building work plan.
- Even though the Financial Secretary advised for the salary payment proposal to be submitted in Leones, consistent with grades and similar consultants' appointments already in the payroll, the Ministry submitted the payment proposal for the recruited contractors in US Dollars.

There is a risk of duplication of functions in the Ministry and a huge burden on government's payroll.

The Senior Permanent Secretary should therefore ensure the following: provide an explanation with documentary evidence on the needs assessment conducted for the recruitment of a delivery team; evidence of communication with the Ministry of Finance, the HRMO and the Accountant General's Department in respect of the recruitment of the head of the delivery team. He should also submit evidence of a competitive recruitment process and reasons for signing contracts instead of the DG, HRMO, and provide an explanation with documentary evidence why the payment proposal was quoted in US Dollars instead of in Leone.

### **Official's Response**

*The Senior Permanent Secretary in his response said the following:*

- *"Both the cabinet conclusion and also an executive clearance authorised the establishment of a delivery team. Justification for setting up a delivery team is therefore well articulated in those documents.*
- *The Head of the Delivery Team is also the Executive Assistant to the Minister.*
- *The Administrative Officers are staff of the HRMO assigned to different ministries.*
- *As Senior Permanent Secretary and representing DG, HRMO in the MBSSE, I have authority to sign contracts for staff recruited by projects in the Ministry where I am deployed. This is not the first time I am doing it and it has neither been queried by the audits nor myself queried by the DG, HRMO.*
- *Staff of the delivery team have Leones quoted in their contracts."*

### **Auditor's Comment**

Management's comments are noted. As a result of additional documents submitted after the completion of the audit, the ASSL will follow up and report on these issues in the subsequent audit.

### **3.21.7. Staff not Available for Physical Verification**

In contravention of Sections 112 (2) and 115 (d) of the Public Financial Management Regulations of 2018, a total of 94 staff whose names appeared on the salary voucher did not avail themselves for physical verification. We additionally noted that during 2020, the names of 45 staff on the Ministry's payroll were not on the staff list submitted for inspection.

The Deputy Director of Human Resource should ensure that the Ministry's staff list is reconciled with the payroll records and that the unverified staff avail themselves for physical verification.

### **Official's Response**

*The PS in his response said: "The recommendations are noted and evidence is available for verification."*

### **Auditor's Comment**

Of a total of 94 staff only 32 staff reported for physical verification. With immediate effect, the Director General, Human Resources Management Office (HRMO) in collaboration with the Accountant General, should ensure that the names of the outstanding personnel are removed from the Ministry's payroll. This issue is therefore partly resolved.

### **3.21.8. Salaries Paid to Two Staff Occupying the Same Position**

Contrary to Sections 112(2) and 115(1a) of the Public Financial Management Regulations of 2018, we noted that salaries were paid to two staff for the same position, even though only one staff was in post. In 2018, the Chief Education Officer (CEO) proceeded on leave and was then replaced by a contract staff as CEO.

The then CEO was yet to resume duty since 2018 and was paid a total salary Le629,020,548 as at 31st December, 2020. Similarly, the current CEO, as at 31st December 2020, received a total salary of Le1,072,272,500.

The Deputy Director of Human Resources, in consultation with the Senior Permanent Secretary should provide explanations with documentary evidence why the then CEO had not reported for duty, despite receiving monthly salaries since then.

### **Official's Response**

*The PS in his response said: "The then CEO (Alhaji Dr. Mohamed Kamara) was sent on leave by the HRMO; and that it is the HRMO that should recall him or order the Accountant General to stop his salary."*

### **Auditor's Comment**

This issue is still outstanding. With immediate effect, the Director General, HRMO in collaboration with the Accountant General, should ensure that this issue is regularised.

### **3.21.9. Inadequate Controls over the Management of Assets**

Contrary to the provisions in Section 162 (1), 154 (3) and 157 (1 & 2), 98(1) of the Public Financial Management Regulations of 2018 and Rule 13.12 (6) of the Civil Service Code, Regulations and Rules of 2011, controls over the management of assets were not adequate. Assets worth Le86,500,000 procured during 2020 could not be traced to the units for which they were procured. Assets were also not coded with the Ministry's unique identification number.

The Senior Permanent Secretary should ensure adequate controls for the management over the Ministry's fixed assets.

### **Official's Response**

*The PS in his response said: "The MBSSE is working with the stakeholders within the Ministry to develop and maintain a comprehensive assets register and that codification of assets is ongoing albeit with serious funding constraints."*

### **Auditor's Comment**

There was no evidence of an Assets Management Policy developed, a comprehensive assets register maintained and the Ministry's assets were also not coded. Assets procured were still not traced to the units for which they were procured. The issue is unresolved.

### **3.22. MINISTRY OF BASIC AND SENIOR SECONDARY EDUCATION, BOMBALI DISTRICT -2020**

#### **3.22.1. Lack of Conducive Learning Environment Due to Inadequate Monitoring and Supervision**

The Ministry provided records of both government and government-assisted schools within the District. During the verification of the schools selected as samples, we noted the following:

- The Bai Shebora Kasangha Islamic Primary School, with EMIS number 219101217 situated at Renka Lane, Makeni, occupied a private and unfinished building. The status of the building was not ideal for educational purposes, and the building does not have convenient sitting accommodation to provide shelter for up to 453 pupils.
- There are insufficient classrooms at the Al-Harrkan Islamic Primary School with EMIS number 210701203 situated at Mabanta, Makeni. The School was using a dilapidated and abandoned mosque for classes 3 and 4.

We recommended that the Deputy Director of Education should ensure that attention is given to the listed schools to improve the learning environment.

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

*The Deputy Director of Education (DDE) in his response said: "The regular monitoring, supervision, and queries are sent to the Council and headquarters."*

#### **Auditor's Comments**

The response proffered did not adequately address the issues raised. Therefore, the issue is unresolved.

#### **3.22.2. Inappropriate Signatories to the Account Maintained by the Ministry**

We observed that the Deputy Director of Education is the only signatory to a special account held at the Sierra Leone Commercial Bank, contrary to Section 105(2) of the Public Financial Management Regulations of 2018.

It was recommended that the Deputy Director should ensure that the special account has at least two signatories in line with Section 15(2) of the Public Financial Management Regulations of 2018.

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

*The DDE in his response said: "Having at least two signatories to the account is impossible as I am the only paid staff in the Ministry."*

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

Management's response is noted. The issue remains unresolved as management did not comply with Section 105(2) of the PFMR of 2018.

#### **3.22.3. Payments without Supporting Documents**

Withdrawals totalling Le16,694,000 made on various dates to train trainers and teachers of all schools within the Bombali District under the Sierra Leone Free Quality Education Project (SLFQEP) were without supporting documents to substantiate the utilisation of funds. We recommended that the Deputy Director should provide the relevant documents for the utilisation of funds; otherwise, the queried amount should be refunded, and evidence of payment forwarded to the ASSL for verification.

**Auditor's Comment**

There was no management's response. The issue remains unresolved.

**3.22.4. Ineligible Expenditures**

During our review of expenditures made under the SLFQEP, we observed that daily subsistence allowances, professional fees and external transport allowances totalling Le38,446,000 were provided for staff who resided in Makeni and attended an official duty within Makeni City even though these allowances were meant for staff who do not live in Makeni. Moreover, a staff being trained must not be paid professional fees. It was recommended that the Deputy Director should ensure that the amount disbursed as ineligible expenditure be refunded and evidence of refund made available for audit verification.

**Auditor's Comment**

There was no management's response. The issue remains unresolved.

**3.22.5. Fuel not Accounted for**

We observed that fuel utilisation records for 2,059 litters of fuel costing Le14,410,000 were not submitted to substantiate the utilisation of funds. We recommended that the Deputy Director of Education, as head of entity, provides the relevant records for the utilisation of the said fuel.

**Official's Response**

*The DDE in his response said: "The audit recommendation had been implemented."*

**Auditor's Comment**

The fuel utilisation records were not submitted for verification. Therefore, the issue remains unresolved.

**3.23. MINISTRY OF BASIC AND SENIOR SECONDARY EDUCATION, KAILAHUN - 2020****3.23.1. Inspection of Schools**

In contravention of Section 47 (1&2) of the Education Act of 2004, there was no inspection manual or criteria for the selection or ranking of schools for inspection within the District. Additionally, there was no report on schools inspected and no evidence of communication on inspection findings to the schools within the District to enhance improvement. This could result in poor inspection being done by the Ministry.

The Deputy Director of Education should ensure that they develop an inspection manual and criteria for selection of schools within the District. Moreover, the report for inspections carried out for the period under review should be prepared and forwarded to the ASSL for review.

**Auditor's Comment**

There was no official's response and no evidence of implementation of the audit recommendations. Therefore, the issues remain unresolved.

### **3.24. MINISTRY OF BASIC AND SENIOR SECODARY EDUCATION, KONO**

There was no evidence showing the authorisation of the Kono District Education Office's bank accounts. Specimens of signatories of authorisation of the District Education bank account were not presented for audit review.

We recommended that the Deputy Director of Education (DDE) should continue to ensure compliance with the relevant regulations.

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

*The Deputy Director in his response said: "Management accepts the query, the account in question has been in existence for over ten years, the authorisation letter cannot be found."*

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

We will follow up on this issue in next year's audit.

### **3.25. MINISTRY OF BASIC AND SENIOR SECONDARY EDUCATION, BONTHE - 2018 & 2019**

#### **3.25.1. Inadequate Control over Stores Management**

The Ministry did not carry out independent inspection of store or delegate this responsibility to a senior officer to ascertain the correctness of store records and items in the store.

We recommended that the Deputy Director of Education (DDE) should carry out unannounced inspection of the store to ensure that the store is effectively managed by the Storekeeper. In addition, the DDE should appoint an independent staff to inspect and verify store items on regular interval. The inspection report should be issued to the DDE and copy the Storekeeper for their attention and actions where necessary.

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

*The Acting DDE in his response said the following:*

- (i) "In future, I will ensure to conduct unannounced inspection of the MBSSE store to ensure that the store is effectively managed by the Storekeeper.*
- (ii) "I am also going to appoint an independent staff to inspect and verify the items in the store and write a report on his findings."*

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

During the verification, no evidence was submitted to confirm that an independent inspection to ascertain the correctness of store records has been done. This issue remains unresolved

#### **3.25.2. Store not Properly Maintained for the Custody of Teaching and Learning Materials**

Physical inspection of stores revealed that the store is inadequate to keep the teaching and learning materials delivered. As a result, some of these materials were not properly kept as there were no shelves and pallets to pack them. This caused some of the materials to be placed on the bare floor.

We recommended that the DDE should collaborate with the Council and the Permanent Secretary of the MBSSE to ensure that funds are provided to acquire shelves, pallets, and to repair the roofs and doors.

### **Official's Response**

*The Acting DDE in his response said: "As a response to the audit question on the proper management of the TLM, I will ensure to factor in the Annual Work Plan 2021, the provision of shelves, pallets and to repair the roof as recommended by the auditors."*

### **Auditor's Comment**

During the verification exercise, physical inspection of the store revealed that the store still lacked the necessary materials such as shelves and pallets to adequately store the teaching and learning materials. This issue remains unresolved.

### **3.25.3. Inspection and Supervision of Schools**

Effective inspection and issuance of reports on schools was not carried out by the Ministry's inspectors. We observed the following:

- There were three inspectors of schools to cover 328 schools in the District.
- There were two supervisors of schools (who also doubled as teachers) attached to the District Education Office to assist in the supervision of schools. It was further revealed that the Ministry was using the services of retired personnel for the monitoring and supervision of schools in the District, and these staff were not given stipends for their services.
- There were 80 unapproved government assisted schools in the Bonthe District.
- The Education Office in Bonthe was constrained with mobility to carry out effective monitoring and supervision of schools in the District. There were only three functional motorbikes to monitor school activities in all the chiefdoms including Bonthe Municipal.
- There were no laptop computers assigned to the inspectors and the supervisors to carry out their day-to-day work. There were also no smart cameras available to take pictorial evidence during inspection and supervision. The Inspectorate Division is also constrained with the timely allocation of fuel and maintenance cost for the motorbikes.

A review of the school monitoring and supervision reports revealed the following:

- Mining has contributed immensely to the downward trend of education in the District. A good number of able-bodied teachers (especially science teachers) deserted their schools to secure jobs in the mines.
- Some of the schools do not have good WASH facilities. For instance, some school compounds were bushy.
- Some schools were found to have filthy, poorly ventilated and congested classrooms.
- Some schools were hard to reach due to their locations. There were no boats to transport teaching and learning materials to riverine locations such as Dema, Sittia, Kwamebai Krim, Nongoba Bullom and Bum Chiefdoms.

We therefore recommended the following:

- The DDE should request from the Permanent Secretary (PS) and the Chief Education Officer (CEO) for additional inspectors.
- The CEO and the PS of the MBSSE should collaborate with other stakeholders to regularise these positions.
- The DDE should carry out inspection and assessment of these unapproved schools and recommend to the CEO those that meet the criteria for government assistance.

- The DDE should collaborate with the Bonthe District, Municipal Council and the PS in the Ministry's headquarters to ensure that additional motorbikes are provided to aid effective school inspections.
- The DDE should collaborate with the Bonthe District and Municipal Councils and the PS in the Ministry's headquarters to ensure that laptop computers and smart cameras are provided to aid effective school inspections.
- The DDE in collaboration with the Bonthe District and the Bonthe Municipal Councils, the Ministry's headquarters and other stakeholders to:
  - ❖ improve teachers' working conditions to attract more teachers,
  - ❖ construct WASH facilities in all schools in the District,
  - ❖ ensure that the school environments are kept tidy at all times,
  - ❖ provide additional classrooms and procurement of school furniture, and
  - ❖ provide boats to transport teaching and learning materials.

### **Official Response**

*The Acting Deputy Director of Education in his response said:*

- (i) *"The MBBSE headquarters is aware of these issues. Currently, the MBSSE headquarters is now on the recruitment of inspectors and supervisors for the sixteen (16) districts in Sierra Leone.*
- (ii) *There are so many unapproved schools in the District. The DDE will inform school managers and school leaders to apply for the establishment of school forms.*
- (iii) *The DDE to inform the Minister of Basic and Senior Secondary Education and partners to support the Education Office in Bonthe.*
- (iv) *The Ministry and the Government of Sierra Leone have started the construction of additional classrooms.*
- (v) *The DDE to continue to inform the policy makers to provide the MBSSE Office with boats for monitoring and supervision of schools."*

### **Auditor's Comment**

- There was no evidence that additional inspectors have been posted to the District Office. This issue remains unresolved.
- There was no evidence to confirm that the positions of the teachers attached as supervisors have been regularised. In addition, there was no evidence that school supervisors have been posted to the District Office. This issue remains unresolved.
- There was no evidence that additional schools have been approved in the District for government assistance. This issue remains unresolved.
- Mobility to carry out effective monitoring and supervision of schools in the District was still a challenge. The issue is unresolved.
- During verification, there was no evidence of supply of laptop computers and smart cameras to inspectors for effective monitoring and supervision of schools. This issue remains unresolved.
- There was no evidence that additional teachers, especially for science subjects have been posted to the District. This issue remains unresolved.
- WASH facilities were still a challenge in schools in the District. This issue remains unresolved.
- During verification, there was no evidence submitted by the MBSSE Bonthe to confirm the construction of additional classrooms in the District. This issue remains unresolved.

- The Ministry was still challenged with the distribution of teaching and learning materials to riverine communities. This issue remains unresolved.

#### **3.25.4. Assessment of Service Delivery**

There was no library in the main land of the District. Physical verification and enquiries from the DDE revealed that the library building was used by the Ministry of Health as the DiCOVERC office. Further discussion with the DDE revealed that the District Librarian was stationed in Bonthe Island. We additionally noted that the Education Office in Bonthe Island that was housed on a rented property was dilapidated.

In addition, there was no night security, office assistant, and cleaner attached to this office.

We therefore recommended that the DDE should:

- identify appropriate areas that government should establish junior and senior secondary schools in each of these chiefdoms,
- collaborate with the Bonthe District Council and the Permanent Secretary in the Ministry's headquarters to ensure that library space is provided in the main land and that the Education Office in Bonthe Island is rehabilitated and the essential staff recruited or transferred to this office.

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

*The Acting Deputy Director of Education in his response said the following:*

- I will inform the Permanent Secretary about the structure we were using as library, which is now occupied by DiCOVERC.*
- I will enquire from the Bonthe Municipal Council and the Ministry of Basic and Senior Secondary Education (MBSSE), about the ownership of Education Office in Bonthe Island. I will also inform the Permanent Secretary and the Director of Inspectorate about the vacant positions of Night Security, Office Assistant and Cleaner to the DEO Office in Bonthe."*

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

- There was no evidence provided that an alternative structure has been provided as district library. This issue remains unresolved.
- As at the time of the verification, the Ministry was still understaffed. This issue remains unresolved.

### **3.26. MINISTRY OF BASIC AND SENIOR SECONDARY EDUCATION, PUJEHUN DISTRICT - 2019**

#### **3.26.1. Inadequate Control over Stores Management**

The Storekeeper did not maintain store ledgers and inventory control cards to record school materials; only delivery notes and store issue vouchers were maintained. An independent inspection of store was not carried out to ascertain the correctness of store records and items in the store.

Physical inspection of the store revealed that teaching and learning materials were not properly kept as there were no shelves and pallets to pack the materials. This caused some of the materials to be placed on the bare floor.



We therefore recommended that the DDE should:

- request from the PS of the MBSSE for stores records including store ledgers and inventory control cards to be supplied to the District Education Store,
- carry out unannounced inspection of the stores to ensure effective management, and
- collaborate with the Council and the PS of the Ministry to ensure that funds are provided to acquire shelves and pallets.

### **Official Response**

*The Deputy Director of Education in his response said:*

- (i) *“Management accepts the query and will ensure the recommendations made by the auditor will be adhered to.*
- (ii) *Management accepts the findings and will ensure store records and other items are inspected regularly.*
- (iii) *Management accepts the findings but however, the Ministry does not have an official store to store teaching and learning materials. Materials supplied to the Ministry are kept in a small hall at the MBSSE Office and an office space provided by the Pujehun District Council.”*

### **Auditor’s Comment**

During verification, we noted the following:

- The store is still short of store documents such as store ledger and inventory control card. This issue is unresolved.
- Evidence was not provided to confirm that the MBSSE, Pujehun did carry out independent inspection of store. This issue is unresolved.
- Store items were stored in a small hall and items were not packed on shelves or pallets. This issue is unresolved.

### **3.26.2. Inspection and Management of Schools**

There were no inspectors of schools to cover 348 schools in the District. The MBSSE, Pujehun was constrained with mobility to carry out effective monitoring and supervision of schools within the District. Out of two official vehicles, only one was roadworthy. In addition, there were five bikes available for supervision exercise for the 12 volunteer inspectors.

There is a risk that inspection may be ineffective and schools that are not complying with the Education Act and Policy may not be detected. We therefore recommended that the DDE should:

- request from the PS and the CEO for inspectors to be posted to the District.
- in collaboration with the Ministry’s headquarters in Freetown and other authorities, ensure that new vehicles and motorbikes are allocated to the MBSSE, Pujehun to enhance the effective monitoring and supervision of schools. In addition, the DDE should ensure that the faulty vehicle is repaired for effective school monitoring and supervision.

### **Official Response**

*The Deputy Director of Education in his response said:*

- (i) *“Management accepts the findings. Recruitment of inspectors and other staff have been done by the MBSSE and the HRMO through the Public Service Commission. Management is looking forward to seeing them.*
- (ii) *Management accepts the findings. Management has been assured of bikes by the MBSSE headquarters to be provided to the District Education Office for effective monitoring and supervision of schools.”*

### **Auditor's Comment**

As at the time of the verification, the MBSSE, Pujehun was without assigned inspectors of schools, and was still constrained with mobility to carryout effective monitoring and supervision. This issue is unresolved.

### **3.26.3. Assessment of Service Delivery**

Our review of service delivery by the Ministry during the period revealed the following:

- The District had junior and senior secondary schools. It was observed that there were no senior secondary schools in five of the chiefdoms such as Kpanga Kabondeh, Galliness, Perri, Futa Pejeh, and Malen. There is a risk that pupils in those five chiefdoms may be deprived from having access to senior secondary education. Unless some pupils travel far distances to acquire senior secondary education which is demotivating and may result in early drop out of school, especially for the school going girls.
- There were delays in the supply of teaching and learning materials to the district education store from headquarters. In addition, there were mobility constraints in the distribution of these teaching and learning materials, especially to the remote communities of the District.
- Most of the schools visited do not have functional water and sanitation facilities (water points and toilets), This is affecting good hygiene practices and safe waste management in the schools.
- There were inadequate infrastructures (buildings and classrooms) in many schools which led to overcrowded classrooms in schools.
- Teaching and learning materials including core textbooks were not enough.

We therefore recommended that the Deputy Director should:

- identify appropriate areas where government should establish senior secondary schools in each of these five chiefdoms,
  - collaborate with the Council and the Ministry's headquarters to provide adequate resources for future distribution of teaching and learning materials to the schools,
- collaborate with the Ministry's headquarters and other relevant authorities to ensure that available quality water and sanitation facilities are provided within the schools that do not have,
- collaborate with the PS and the CEO at the Ministry's headquarters and other relevant authorities to ensure that plans are put in place for the rehabilitation of additional or construction of additional classrooms to avoid overcrowding, and
- collaborate with the Ministry's headquarters and other relevant authorities to ensure that requests are made for adequate teaching and learning materials including core textbooks for pupils within the District.

### **Official's Response**

*The Deputy Director in his response said:*

- (i) *"Management accepts the findings.*
- (ii) *The MBSSE headquarters is aware of the non-existence of senior secondary schools in the five chiefdoms listed in the report. Modalities are being put in place by the MBSSE headquarters to address the situation.*
- (iii) *Management accepts the findings and will collaborate with the MBSSE headquarters and other relevant authorities for adequate provision of teaching and learning materials in the Pujehun District."*

### **Auditor's Comment**

As at the time of verification, we observed the following:

- The five chiefdoms were still without senior secondary schools. This issue is unresolved.
- Evidence of collaboration for adequate resources for future distribution of teaching and learning materials to remote communities was not made available. This issue is unresolved.
- Evidence was not provided to confirm that schools visited had adequate functional water and sanitation facilities. This issue is unresolved.
- There were still inadequate physical facilities in many schools. This issue is unresolved.
- Teaching and learning materials including textbooks were not adequate in schools. This issue is unresolved.

## **3.27. MINISTRY OF BASIC AND SENIOR SECONDARY EDUCATION, MOYAMBA DISTRICT - 2018 & 2019**

### **3.27.1. Inadequate Control over Stores Management**

We observed the following:

- During 2018, items issued from store were without store issue vouchers. Additionally, a review of documents of items delivered to the store revealed that 41 cartons of exercise books (80 pages) and 90 cartons of exercise books (40 pages) were without delivery notes.
- An independent inspection of store was not done to ascertain the correctness of store records and items. Physical inspection of stores revealed that the store is inadequate to keep the teaching and learning materials delivered. As a result, some of these materials were not properly kept as there were no shelves and pallets to pack them.
- The store had leaking roofs and damaged doors.

We therefore recommended that the DDE should:

- request from the Permanent Secretary of the MBSSE for stores records including store issue vouchers to be supplied to the district education store,
- obtain from the supplier of the books the delivery notes to confirm the quantities actually delivered to the district education store,
- in future, carry out unannounced inspection of the stores to ensure effective management by the storekeeper, and
- collaborate with the Council and the PS of the MBSSE to ensure that funds are provided to acquire shelves, pallets, and to repair the roofs and doors.

### **Official's Response**

*The Deputy Director of Education in his response: "Store issue vouchers are available for inspection."*

### **Auditor's Comment**

- Store issue vouchers for store items issued in 2018 and delivery note(s) for 41 cartons of exercise books (80 pages) and 90 cartons of exercise books (40 pages) were not submitted during the verification. Therefore, this issue remains unresolved.
- There was no evidence that the DDE carried out independent inspection of store or delegated this responsibility to a senior officer to ascertain the correctness of store records and items. Therefore, this issue remains unresolved.

- As at the time of the verification, no additional shelves and pallets were provided to the store, and no repairs have been done on the roofs and doors of the store. Therefore, this issue remains unresolved.

### **3.27.2. Inspection and Management of Schools**

We identified the following in the Ministry's assessment of school inspection functions:

- There was only one inspector of schools to cover 656 schools in 14 chiefdoms in the District.
- There were seven supervisors of schools at the District Education Office; only one of them was a substantive employee of the Ministry. The others were teachers attached to the Ministry to assist in the supervision of schools.
- There were 274 unapproved schools (24 pre-schools, 228 primary schools, 17 junior secondary schools and 5 senior secondary schools).
- There were no laptop computers and smart cameras assigned to the inspector and the supervisors to carry out their day-to-day work.
- The Inspectorate Division is also constrained with the timely allocation of fuel and maintenance for the motorbikes.

We therefore recommended the following:

- The DDE should request from the PS and the CEO for additional inspectors to be posted to the District.
- The CEO and the PS of the MBSSE should collaborate with other stakeholders to regularise the positions of the teachers attached to the ministry as supervisors.
- The DDE should carry out inspection and assessment of these unapproved schools and recommend to the CEO those that meet the criteria for government assistance.
- The DDE in collaboration with other stakeholders should ensure that laptop computers and smart cameras are provided to aid the effectiveness of their work.

### **Official's Response**

*The Deputy Director of Education in his response said: "The recruitment process at the HRMO and approval of schools was on-going."*

### **Auditor's Comment**

There was no evidence that the recommendations were implemented. The issues are therefore unresolved.

### **3.27.3. Assessment of Service Delivery**

A review of the school monitoring reports revealed that schools visited do not have functional water and sanitation facilities which were affecting good hygiene practices and safe waste management in the schools. We recommended that the DDE, the Ministry's headquarters and other relevant authorities should ensure that available quality water and sanitation facilities within schools that are without these facilities.

### **Auditor's Comment**

There was no official's response. The issue of lack of available quality water and sanitation facilities within schools remains unchanged.

### **3.28. MINISTRY OF BASIC AND SENIOR SECONDARY EDUCATION, KENEMA DISTRICT - 2020**

#### **3.28.1. Inspection and Management of Schools**

In contravention of Section 47 (1&2) of the Education Act of 2004, there was no inspection manual or criteria for selection or ranking of schools which is used for the inspection of schools within the District. Additionally, there were no reports on schools inspected, neither was there any evidence of communication of inspection findings to schools to enhance improvement of operations.

The DDE should ensure that they collaborate with the Ministry to ensure that they develop inspection manual, criteria for selection of schools. Moreover, the report for inspected school should be submitted to the Audit Service for verification.

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

*The DDE in his response said:*

- (i) *"Management accepts the findings.*
- (ii) *The Inspectorate Division was using an inspection form long time ago but needed a review. Besides, the Inspectorate Directorate now uses an inspection tool which was developed by the Ministry and other education partners. Management will work closely with the Inspectorate Directorate at headquarters to develop a manual for inspection purposes.*
- (iii) *According to the Education Policy, each school should be visited at least twice in every school year which has been adhered to. Management will try to develop the criteria for school inspection.*
- (iv) *During the time of audit, inspection reports were not presented for audit purposes, they are now available for verification. Normally, finding from inspection of school are immediately discussed to school heads upon completion."*

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

Our recommendation was not implemented. Therefore, the issue has not been resolved.

### **3.29. MINISTRY OF TECHNICAL AND HIGHER EDUCATION - 2020**

#### **3.29.1. Procurement Procedures not Followed in the Procurement of Consultancy Services**

Section 33(1) of the Public Procurement Act (PPA), 2016 mandates MDAs to use the request for proposals for the procurement of consultancy. We were not provided with documents to ascertain that procurement processes and procedures were followed in the procurement activities for consultancy service for the Development of an Academic Curriculum for Science and Technology at the Tertiary level, for a contract value of Le100,000,000, for the establishment and construction of the University of Science and Technology in Kono.

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

*The PS in his response said: "The recommendation is noted; the procurement process was done by OPII/Ministry of Finance. These documents are now available for your review."*

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

Procurement documents for the procurement of consultancy services for Civil Works including Structural Engineering, Geotechnical Engineering and Cadastral Survey, Architectural Design and Quality Survey were submitted and reviewed. It was strange to note that the contract was awarded to a different consultant

and not the consultant that submitted the Expression of Interest (EOI) for the development of an Academic Curriculum for Science and Technology at Tertiary level without any further documentary justification. The issue is therefore partly resolved.

### **3.29.2. Expenditure Returns not Submitted**

In contravention of Section 100(1) of the Financial Management Regulations (FMR) of 2018 and Section 13(1) of the Public Financial Management Act (PFMA) of 2016, the Ministry exercised weak controls over the activities of its supervisory institutions. For instance, the Ministry processed payments of Le1,070,000,000 for private technical institutes and vocational training centres; Le4,972,804,284 for government technical institutes and Le44,248,329,256 for government universities and colleges. Expenditure returns/retirement details, monitoring and supervisory reports etc were not submitted for audit.

Similarly, the sums of Le1,787,510,250 and Le447,563,045 was paid as stipends and scholarship respectively to Sierra Leonean students in foreign countries. The Ministry did not maintain a comprehensive database of foreign students, and we were not provided with the progress reports of the beneficiary students from their respective universities to justify the payments.

The PS should therefore ensure that the expenditure returns from educational institutions, comprehensive database of foreign students and progress reports of the beneficiary students are submitted for audit inspection.

### **Official's Response**

*The PS in his response said the following:*

- (i) "Usually, Management sends letter to all sub-recipients/institutions supervised by the Ministry to submit their expenditure returns for the previous year earlier before allocations are made for the current year. The summary expenditure returns of these institutions are available for audit verification.*
- (ii) The database of all government sponsored foreign students are available for audit review.*
- (iii) Letter were written to all the embassies managing these foreign students through the Ministry of Foreign Affairs in Sierra Leone, to facilitate the submission of progress reports of these students. A good number of them have complied which are now available for your review. There is commitment from the remaining embassies to comply."*

### **Auditor's Comment**

We noted management's response and the additional documents (not available during the audit) submitted during the verification exercise. Our review of these documents revealed the following:

- Expenditure returns for all the GTIs were submitted and reviewed. Outstanding expenditure returns for private technical institutes and vocational trainings centres, and for universities, colleges and other government institutions, which amounted to Le1,070,000,000 and Le12,580,751,000 respectively, were not however submitted for review.
- Progress reports and database for all government sponsored foreign students to justify the payments of allowances and scholarship to Sierra Leonean students in foreign countries were not submitted for review. These issues are therefore partly resolved.

### 3.29.3. Bank Withdrawals without Adequate Supporting Documents

In contravention of Section 100(1) of the Financial Management Regulations (FMR), 2018 of payments totalling Le338,160,497.70 were without adequate supporting documents such as invoices, receipts, signed list of beneficiaries.

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

*The PS in his response said: "Your recommendations are noted. I want to however confirm that it's never possible to access funds from the Ministry's Account without the vote controller's approval. He is the principal signatory to the account and he approves every payment before processing, using the payment voucher. As you requested, these payment vouchers and relevant supporting documents are available for audit verification".*

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

Documents were submitted, and of a total Le338,160,497.70, adequate supporting documents were submitted for only Le159,173,600, thereby leaving an outstanding Le178,986,897.70 without adequate supporting documents. This issue is therefore partly resolved.

### 3.29.4. Physical Verification Exercise of Selected Government Technical Institutes (GTIs)

Targets 4.3 and 4.4 of Goal 4 of the Sustainable Development Goals (SDGs) is to ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university. This has substantially increased the number of youth and adults who have relevant skills, including technical and vocational skills, for gainful employment and entrepreneurship. We noted that there were challenges faced by the GTIs. For instance, the running cost of GTIs with generators, non-availability of tools for practicals in respect of non-SDF (Skills Development Fund) courses, equipment for the building and construction course; trained and qualified tutors, backlog payment of employer's 10% NASSIT contribution for staff for the period September 2019 to October 2020 (these backlogs have accrued interest), access to land documents, etc.

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

*The PS in his response said the following:*

- (i) "Audit recommendations are noted; however, management wants to make few clarifications relating to the issues raised: tools & equipment for practical work, backlog of 10% NASSIT, SLG payment, and site plan of lands situated in the districts the GTIs occupy.*
- (ii) International development practice and national development initiative implementation, no project or programme is absolved from challenges, especially at the commencement stages when resources are difficult to come by. We have to understand the context that surrounds the operationalisation of the TVET centres (GTIs) across the country to fully appreciate the effort done thus far:*
  - ❖ More than half of the population of this country are young people.*
  - ❖ According to a 2018 UNDP study, over 70% of young people are unemployed or underemployed owing to glaring paucity of requisite in-demand skills for our industries.*
  - ❖ There are security and other social implications should the state failed to address these socio-economic issues.*
- (iii) What we have done and what we are doing to address youth:*
  - ❖ As the Government tries to address the shortfalls in tools and equipment, we have written proposals to partners and have begun realising support. For example, the Church of Latter Days Saints supported GTI Moyamba with 20,000 US\$ worth of tools and equipment for the practical works in three sub-disciplines.*
  - ❖ The Skills Development Project is specifically designed to addressing tools and equipment. Almost 40% of the grants given to grantees, including our GTIs is for tools and equipment. The Government is also investing in furniture and other items for the GTIs.*

- (iv) *With respect to the backlog 10% NASSIT contribution, which is mainly due to the multiple delays in subvention, and pin codes and salaries, the MTHE and the Ministry of Finance and the GTIs are now finding ways to address that anomaly.*
- (v) *For SLG payment, the Government owes all the technical and higher institutions of learning. We have visited the MoF severally. We have written. They (AG) have started paying some of the institutions. We will continue to engage the MoF.*
- (vi) *Regarding site plans for GTIs, we (the MTHE) have received copies of site plans for five old locations and six for six new districts to construct new GTIs. We have also received five status reports on land encroachments across the country. Relevant documents are available for audit verification.”*

#### **Auditor’s Comment**

With the exception of the GTIs land documents that were submitted for audit inspection, all the other general and specific observations are yet to be addressed by the Ministry. The issues are partly resolved.

### **3.30. MINISTRY OF AGRICULTURE AND FORESTRY, HEADQUARTERS - 2020**

#### **3.30.1. Inadequate Control over Stores and Inventory**

Material issues identified during our review of the Ministry’s management of stores are stated below:

##### **MAF Store, Youyi Building**

The store at Youyi Building house mainly consumable items such as stationery and sundry. There were inadequate and weak controls over accessibility to the stores. The store records (the allocated stores ledgers and stock bin cards) were not updated. Additionally, the store was not well ventilated.

##### **MAF Store, Kissy**

At the Kissy Storage facility, we noted that several donated items were received in store. In some instances, the items were neither issued from store, nor brought to account by the store personnel. In instances where the items were alleged to have been issued from store, evidence such as approval from the Permanent Secretary (PS) for the issuance/distribution and the signed beneficiary/distribution list were not submitted for inspection. We specifically noted the following material irregularities.

##### ***Donated Items not Brought to Account by the Storekeeper***

- From a list of items donated by the Boosting Agriculture and Food Security (BAFS); 26 tablets, one laptop computer, one desktop computer, one GPS, 62 Honda motorbikes, two solar fridges, two solar freezers, four solar panels, 10 solar batteries and 10 ice boxes.
- Items such as computer inks, laptop, face mask, desktop computers and rain gears were donated by the Smallholder Commercialization and Agri-Business Development Project (SCADEP)
- Two vehicles (a Land Cruiser Toyota and a DAF truck) were donated by the World Food Programme (WFP)
- Seventy-five (75) different types of agricultural machinery were donated by the Chinese Embassy.

##### ***Government Fertiliser***

- There was no evidence of recoveries either in cash or kind (in bushels of certified rice seeds) or an agreed payment plan for 42,970 bushels of seed rice in respect of fertiliser loaned to farmer-based organisations.



- We noted a huge difference of 16,796 bags of NPK 15:15:15 and 13,733 bags of NPK 15:15:6/4 between the stock balance and physical stocktaking exercise conducted by the audit team on 22nd June, 2021.

### ***Farm Tools***

Farm tools supplied amounting to Le87,093,553.00 and Le79,852,500.00 were neither taken on ledger charge, nor made available for physical verification. Evidence of store issue or distribution list was also not submitted for audit inspection.

### ***Tractors and Implements***

- Three Massey Fergusson tractors, one 78HP with implement and two 45HP and implement from the Seed Multiplication Programme were neither taken on ledger charge, nor accounted for by the Mechanical Unit.
- MAF Engineering Unit at Kissy received 120 tractors - 35hp (Sonilika), 60 tractors - 75HP 4WD (Messy Ferguson), 30 tractors 90HP 4WD (Case Model) and 200 power tillers -15HP. The store ledger was not updated and series of tractors accompanying implements were retained in the stores and not issued alongside the designated tractors.

With immediate effect, the anomalies highlighted in the management of stores must be investigated and corrected, proper store records maintained, satisfactory explanations backed by documentary evidence submitted and missing store items accounted for.

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

*The Permanent Secretary (PS) in his response said the following:*

#### ***General***

*“The main store at Youyi Building is mainly for consumable items such as stationery, sundries etc., for the day-to-day operations of the Ministry activities. It is manned by a stock verifier charged with the responsibility of receiving and issuing stock and supported by staff who have been in the Ministry for more than five (5) years as volunteers. The process of regularising their status as permanent staff of the stores and inventory management directorate is on-going at the HRMO. They are however not allowed access into the said stores in my absence.*

#### ***Supply and Storage of Onion Seeds***

*The Ministry actually signed a contract with Logistics International for the supply and delivery of assorted onion seeds totalling 1000kgs. On 25th February 2021, 750kg of assorted onion seeds were delivered by Logistics International, and the remaining 250kg were delivered by the supplier on 8th June, 2021. Both supplies were certified by the technical authorities. Therefore, supply and delivery has been fully made by the supplier.*

#### ***Store Records not Updated***

*The Ministry is facing serious challenges for lack of stores personnel. Only four (4) staff are on active service nationwide. Therefore, consistency is always a problem regarding stores rule. Recommendation in this regard has therefore been noted in good faith.*

#### ***Donated Items not Accounted for***

- *Boosting Agriculture and Food Security (BAFS) is one of the main projects that sometimes give support to the Ministry. Various ICT equipment were donated to the Ministry including 62 motorbikes by BAFS on 14th April, 2020. Distribution was made to seven divisions and units of the Ministry at headquarters and MAF district offices. Kindly find attached distribution list that was approved by the Permanent Secretary on 10th September, 2020. Face masks, stationery and computer inks were donated by Smallholder Commercialization Agribusiness*

*Development Project (SCADeP), while Food and Agriculture Organisation (FAO) donated plasma television and accessories for MAF Conference Hall. The FAO items are now in use in the Conference Hall.*

- *A number of Livestock Division items were received between 14th and 20th April, 2020 from Boosting Agriculture and Food Security (BAFS) Project. A comprehensive inventory report was submitted by the Stock Verifier to the Permanent Secretary on 22nd April, 2020 after the said stock was taken on charge. An on-the-spot verification exercise conducted by the Internal Audit Team and Stock Verifier, noticed that some of the said items were missing and the discrepancies were made known to the officers-in-charge and further communicated to the Permanent Secretary. The matter was reported to the police and investigation and prosecutions in court are ongoing, following a report sent by the Head of Engineering at the Kissey Warehouse.*

*Please find court proceeding report from the Government Prosecuting Officer.*

- *Donated vehicles, tractors and other equipment procured by the Ministry could be the sole responsibilities of the Agric-Engineering Division. Therefore, details can be provided by the Division.*

### **Government Fertilisers**

- *The fertiliser loan scheme and recoveries of loan are carried out by the Technical Heads of the Ministry and not the Storekeeper.*
- *As a matter of fact, 25,000 bags Urea, 30,000 bags NPK 15:15:15 and 25,000 bags NPK 15:15:6/4 fertiliser were received on 20th October 2020, 3rd June, 2020 and 31st January 2020, from CC&S Enterprise, Mikula Limited and Capitol Supplies respectively. Delivery notes and other relevant documents are hereby submitted to the ASSL for review.*
- *Block approval was made for the 15 agricultural district offices and distribution in terms of transportation was supported by the World Food Programme and SCADeP nationwide. These releases were carried out by a store personnel that was assigned to the Kissey stores. There were no controls for stores recording especially movement of fertiliser on the ledger balances. This may be due to lack of enough storekeepers to carry out proper store rule at that location that led to poor controls. The balance as at 15th July, 2020 was 18,151 bags of NPK 15:15:15 fertiliser at 50kg.*
- *Ledgers were not updated since the then store personnel was posted to another ministry. The closing balance (physical stock) was 1,355 bags at 50kg as at 23rd June, 2021.*
- *Furthermore, two separate ledgers were use, Book 1 for the outgoing stores personnel and the incoming stores personnel was Book 2 for NPK 15:15:15. Opening balance for Book 1 was 30,000 bags and opening balance for Book 2 was 3234 bags as at 5th February, 2021.*
- *Conversely, NPK15:15:6/4 total balance was 25,000 bags at 50kg fertiliser which was stored at warehouse 4 at the Kissey stores. Stack A consist of 7046 Bags at 50kg and Stack B amounted to 17954 Bags at 50kg fertilisers. Control were made from the opening balance of stack A and the outgoing stores personnel issued 4925 bags at 50 kg and the remaining balance of stack A and stack B was fully carry out by the incoming stores and inventory store clerk and stock verifier. Physical stock balance as at 30th June, 2021 was 11,268 as the current stock level.*
- *As a stock verifier, in verifying the store ledger, I also noticed the one supply was recorded twice on allocated stores ledger as 180 bags at 50kg to the same organisation, but reversal has been made to correct the errors as details of all approvals have been submitted to match up with the stock at hand.*
- *Due to the challenges encountered by individual farmers who are allotted fertiliser supplies, some FBO may nominate one Master Farmer to sign and collect for members of his/ her FBO and convey same to their localities*

- *Sometimes, a group of Farmers-Based Organisations (FBOs) may come together and provide single transportation for the issuance of their stock as beneficiaries, it is very much challenging in the area of transportation. The store personnel would then indicate all organisations with their various quantities approved.*

### **Farm Tools**

- *The suppliers, Edie K. Enterprises and ASADCO trading are usual suppliers of farm tools. Distribution was made directly to MAF district offices without the knowledge of the stock verifier. This might be on the contract between the suppliers and the Ministry. I can only ascertain farm tools delivered by Takeleneh Enterprise on 7th February, 2020 for which delivery note and other relevant documents have been submitted for audit purposes.*
- *The Ministry Stores Unit has noted concerns raised about effective Stores Management at the Kissy Central Stores and appreciates the Audit Service Sierra Leone (ASSL) for shedding light on this. The Ministry shall however work with the Directorate of Stores and Inventory Management in the Ministry of Finance to recruit additional Stores Personnel for better controls.”*

### **Auditor’s Comment**

#### *Donated Items*

- In respect of 26 tablets, one laptop computer, one desktop computer, one GPS and 62 Honda motorbikes donated by BAFS and alleged to have been distributed to various units, signed distribution list, as evidence of receipt by alleged beneficiaries were not submitted for verification. Additionally, the Permanent Secretary’s (PS) approval of all items issued from store was also not evident. Therefore, the issue is unresolved.
- For store items such as two solar fridges, two solar freezers, four solar panels, 10 solar batteries and 10 ice boxes relating to the Livestock Unit that were alleged to have been stolen, we ascertain that the matter was currently being prosecuted in the Sierra Leone Magistrate Court No. 1 at Pademba Road.
- Signed list of beneficiaries for items donated by SCADEP were not submitted for audit inspection. This issue is unresolved.
- Documents were not available to confirm how the two vehicles donated by the WFP and the 75 different types of agricultural machinery donated by the Chinese were brought to account; and the vehicles were also not available for physical verification. This issue is unresolved.

#### *Government Fertilisers*

Evidence of recoveries or payment plan for fertilisers loaned to farmers was not available for inspection. We also noted that differences between the stock balance and physical stocktaking exercise conducted were neither investigated nor accounted for. The issue is therefore unresolved.

#### *Farm Tools*

Evidence of issuance/distribution from stores and proper stores records to account for tools supplied, were not submitted for audit inspection. The issue is unresolved.

#### *Tractors and Implements*

Documents were not available to confirm how store items were brought to account. These items were also not available for verification. This issue is unresolved.

### **3.30.2. Artificial Splitting of Procurement**

Contrary to the provisions in Section 29(3) and Section 37(2) of the Public Procurement Act of 2016, the Ministry artificially split procurement activities for supply of stationery, seeds and pallets, amounting to Le1,598,103,657 into smaller amounts. The Ministry also used Requests for Quotations (RfQs) rather than the National Competitive Bidding (NCB) procurement method and awarded the contracts to various contractors. In some instances, these contracts were awarded to the same supplier. The procurement of these goods and works may not have been as competitive and transparent if it was not split and the NCB procurement method used.

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

*The Senior Procurement Officer in his response said:*

##### **Supply of Stationery**

*"The figure (Le 452,457,495) for the acquisition was hived from various budget lines, including but not limited to Forestry Administration, Crops, etc., that are tied and coded only for particular activities to be undertaken. It is but prudent to note that, these end-user divisions/units (as aforementioned) have budget lines with codes respectively, and as such, the IFMIS system of payment at the Accountant General's Department does not countenance any payment either less or more than the figure committed in the system.*

*As intermittent and separate request from the various needy departments/units these had to be dealt with by the Procurement Unit as and when approved by the Permanent Secretary.*

*Applying the NCB procurement method, which time spans over 6-7 months before completion, would not have defeated the purpose, but rather would have rendered the IFMIS payment processes at the Accountant General's Department very cumbersome, if not impossible, as the total figure (as above) is a culmination of different votes.*

*By provision of the Public Procurement Act of 2016 (as amended) the use of the International Competitive Bidding (ICB) procurement method for the activity in question, would have meant protracting the process to an extent that delivery would have become timely impossible as getting the necessary approvals from the NPPA, Law Officers Department and consequently MoF would have handicapped the target of timely delivery.*

*Notwithstanding the use of RFQ, due diligence was ensured in that, quotations were floated to at least 3 competitors, returned and evaluated. The award submitted on the basis of Least Cost Selection (LCS), as a mandated method for evaluation RFQs (as per the Act of 2016) – which saw these businesses, as the most compliant, responsive and lowest evaluated bidders; hence, the award of contract (ref. RFQ's submitted to the Audit Team). We have noted the auditors' comment and will be committed to compliance in subsequent procurement activities.*

##### **Supply of Seeds**

*The Ministry did not procure seeds using RFQ; the process was International Competitive Bidding (ICB). Relevant procurement documents are available for review although audited in 2019.*

##### **Supply of Pallets**

*It has been audited in 2019 and the Ministry agreed to the auditors' comment and will be committed to compliance in subsequent procurement activities."*

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

Our analysis of the responses and review of available records revealed that procurement activities for the supply of stationery and seeds, amounting to Le917,827,496 were artificially split. Justification for procurement of stationery was inadequate as it signifies improper procurement planning. The procurement plan submitted for audit showed that MAF procured seeds in 2020. We therefore do not agree with the claim that seeds were not procured in 2020.

We accept the explanation on procurement of pallets as this was not part of the 2020 Procurement Plan. Therefore, the issue is partly resolved.

### **3.30.3. Procurement Procedures not Followed for the Procurement of Consultancy Services**

On 12th March 2020, the Financial Secretary, Ministry of Finance issued a certificate of approval for the three (3) consultants for the National Reforestation Timber and Governance Policy for a contract amount of Le660,000,000. In spite of repeated requests, evidence of bidding processes and procedures leading to the award of the contracts was not submitted for audit reviews. It was also strange to note that in all of the contracts, the Terms of Reference and Scope of Services were not indicated or submitted for audit inspection. It was not therefore possible to determine whether the services were rendered as per contracts. This was contrary to the provisions in Sections 59 to 62 of the Public Procurement Act of 2016.

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

*The Senior Procurement Officer in his response said: "I have no knowledge of the recruitment of any consultants."*

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

Since no additional procurement documents were submitted and the Senior Procurement Officer claimed to have no knowledge in the procurement process, this issue remains unresolved.

### **3.30.4. Procurements Records not Submitted for Audit Inspection**

A total of Le6,337,500,000 was allocated to undertake onion production in the country (piloting) that had to do with input materials, farmer trainings and extension service, harvest and post-harvest handling and marketing, matching grants for off takers and project management, M&E and communication. In spite of repeated requests, procurement records, from initiation to final disbursement of the funds allocated for these activities were not submitted for audit inspection. This was in contravention of Sections 17(a-d) and 152(1,3&4) of the Public Procurement Regulations (PPR) of 2020.

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

*The Senior Procurement Officer in his response said: "Records for onion project are now available for review."*

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

The Senior Procurement Officer submitted procurement records including a copy of a contract that was signed on 26th February, 2021. Our review further indicated that the submitted documents had no bearing with the expended amount of Le6,337,500,000 that was withdrawn and utilised on different dates in December, 2020. Therefore, the issue is unresolved.

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

Contrary to Section 100(1) of the Public Financial Management Regulations of 2018, our review of payment records revealed that bank withdrawals amounting to Le2,420,761,100 were without payment vouchers and the relevant supporting documents. Additionally, expenditure returns were not submitted for counterpart funds/government contributions to different project, famer-based organisations etc. amounting to Le7,848,310,229.

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

*The Permanent Secretary in his response said:*

- *"The splitting of cheque amount was as a result of the Bank of Sierra Leone wanting to regulate its monetary policy. It was advised that cheque should not be written beyond Le50,000,000 and for this reason, several cheques queried were drawn with this said amount. The Le50,000,000 withdrawals are for rapid onion production for which the*

*activities are still on-going. Evidence of the cheque withdrawals are available for inspection. Before then, cheques were withdrawn of Le350,000,000, Le450,000,000 and Le 500,000,000 respectively, on 3rd November 2020, based on the activities at the time as requested such as vaccination campaign activities. The documents are available for inspection.*

- *With respect to the Le7,848,310,229, letters have been sent to the various projects for the said retirement. Some of these projects are audited independently; therefore, they kept their retirements for audit purposes.”*

### **Auditor's Comment**

From a total of Le2,420,761,100, the Ministry submitted document for an amount of Le1,885,000,000, leaving a balance of Le535,761,000 that was without supporting documents.

Additionally, the Ministry submitted a copy of a letter dated 22nd September 2021, sent to different projects that received counterpart funds/government contributions, farmer-based organisations etc. for the submission of expenditure returns. The ASSL independently audited a total of Le4,935,905,989 out of the Le7,848,310,229; leaving an outstanding amount of Le2,912,404,240 without expenditure returns. Therefore, the issue is partly resolved.

### **3.30.6. Inadequate Controls over the Management of Special Imprest**

In contravention of Section 13 (1) of the Public Financial Management Act of 2016, we noted weak controls in the processing, payments and utilisation of special imprest. In most instances, withdrawals were in the name of staff of the Ministry instead of the amounts being paid directly to the supplier or service providers.

Additionally, adequate supporting records were not available for funds allocated for special imprests; and there was no evidence that unutilised amounts were paid back into the Consolidated Fund. This was contrary to the provisions in Section 124 (1,2&3) of the Public Financial Management Regulations of 2018. We specifically noted the following:

- On 30th March 2020, the Financial Secretary granted approval for a total of Le3,275,000,000 to the Ministry as support to the Torma Bum and Gbondapi projects for large scale rice production. From the concept note submitted, we noted that the Ministry should provide supervision, coordination, monitoring and policy support to the private sector implementing the project. There was no evidence in the form of reports to justify that the Ministry carried out those functions.
- A total of Le795,800,000 was allocated to the Engineering Unit for Assets Mapping which has to do with data collection, preparation and validation of farms locations, and organisational structure (ownership). In spite of repeated requests, documents such as reports indicating the location, and data of farmers, organisational structure, (group ownership) and signed general survey report were not submitted for audit review.
- There was no evidence of expenditure returns for the alleged utilisation of Le2,605,800,000 received on 22nd October 2020, for the registration and authentication of farmers. Additionally, there was no evidence of a refund of this amount into the Consolidated Fund.
- On 10th December 2020, Le469,720,000 was expended for the launch of the Agro Elite LLC Abu Bhabhi Investment in Rhombe, Port Loko District. From this amount, procurement processes and procedures were not followed in the utilisation of Le205,000,000 for canteen services, printing of caps, banners and T-shirts, hiring of PA system etc. A report at the end of the activity was not submitted for audit review.

### **Official's Response**

*The PS in his response said:*

- *"The reports for the Le3,275,000,000, Le795,800,000 and Le2,605,800,000 are available for audit inspection.*
- *With respect to the Le469,720,000, this was an urgent launching that could have only been disbursed at the time of launching. Lack of same was on a short notice. Procurement procedures and processes were over sights. We note the concerns and wish to maintain procurement procedures and processes in subsequent activities."*

### **Auditor's Comment**

The Ministry submitted retirement documents in respect of special imprest. Our review revealed that the retirement details were inadequate to support utilisation of funds. The following issues were observed:

- Evidence of supervision, coordination, monitoring and policy support to the private sector implementing the project were not submitted to support a total of Le3,275,000,000 disbursed to the Ministry as support to the Torma Bum and Gbondapi projects for large scale rice production. Therefore, the issue is unresolved.
- Data of farmers, organisational structure (ownership) and the signed survey report that were part of their concept note for the Assets Mapping were not submitted. Therefore, the issue is partly resolved.
- On the utilisation of Le2,605,800,000 for the registration and authentication of farmers, the total amount of Le277,200,000 was not fully retired. This amount comprised Le250,000,000 disbursed to NCRA for the conduct of biometric verification of farmers at district level for which the database of the 38,843 farmers registered as indicated in the report was not submitted; only a sample of the farmers registered and authenticated was provided, and Le27,200,000 budgeted for radio and television sensitisation was without evidence of activities being undertaken. Therefore, the issue is partly resolved.
- Evidence that procurement processes and procedures were followed in the disbursement of a total of Le205,000,000 during the launch of the Agro Elite LLC Abu Bhabhi, was not submitted. Therefore, the issue is still unresolved.

### **3.30.7. No Evidence of Extension Letters and Approval for Staff on Secondment**

In contravention of Rule 12.3 of the Civil Service Code of Ethics, Regulations and Rules of 2011, seven staff that have retired from the Ministry were granted extensions of service without evidence of extension letters from the Head of the Civil Service, and concurrence from the President. A total salary of Le1,131,956,637 was paid to them during 2020.

Contrary to Regulation 5.8 and Rule 5.31 of the Civil Service Code of Ethics, Regulations and Rules of 2011, five staff went on secondment without evidence of requests to the Director General, Human Resources Management Office (HRMO) and approval from the Head of the Civil Service. We additionally noted that during the period of secondment, a staff received two months' (January and February) salaries amounting to Le3,412,000. In spite of the fact that the Director General, HRMO mandated a refund of the said amount into the Consolidated Fund (CF), there was no evidence that this amount had been paid back by the staff.

### **Official's Response**

*The PS in his response said:*

- *"The said documents are available for audit inspection.*

- *In the secondment letter, The Director General of HRMO instructed Mr Edmund N. Saidu to pay the money into the Consolidated Fund and pay-in slip submitted to the HRMO and copy sent to the Accountant General's Department. The issue is noted and the Human Resources and Payroll Management Unit will continue to monitor the process till Mr Edmund N. Saidu refunds the said money."*

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

- Evidence of extension letters and approval for five staff on secondment was not submitted for inspection. Therefore, the issue is unresolved.
- There was no evidence of salary refund of the Le3,412,000 into the Consolidated Fund. Therefore, the issue is unresolved.

#### **3.30.8. Staff on Payroll Who Had Attained the Statutory Retirement Age of 60 Years**

Rule 12.1 of the Civil Service Code of Ethics, Regulations and Rules of 2011 stipulates that civil servants shall retire on attaining the statutory retirement age of 60 years. This requirement was not met by the Ministry as the names of 23 staff that have attained the statutory retirement were not served with letter of retirement and their names continue to appear on the Ministry's payroll voucher. A total salary of Le89,139,592 was paid to them during 2020.

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

*The PS in his response said:*

*"The issue is noted. The HRMO is responsible to retire Civil Servants and send notification through letter of retirement. Since these issues have been raised, we will continue to monitor the payroll and inform HRMO accordingly on these matters."*

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

There was no evidence of action taken on staff that have attained the statutory retirement age of 60. The issue is unresolved.

#### **3.30.9. Revenue not Paid into the Consolidated Fund**

Contrary to Sections 13 (1&2) and 44(1) of the Public Financial Management Regulations of 2018, a total revenue of Le260,501,261 and Le138,750,000 was paid into the Ministry's Imprest Account and allegedly into a bank account at the First International Bank (FIB) respectively; instead of the CF at the Bank of Sierra Leone. And in spite of repeated requests, the FIB bank account number and bank statements were not submitted to confirm payment; and there was no evidence that this amount was transferred into the CF.

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

*The PS in his response said:*

- *"With respect to the Le260,501,261, the issue is noted and Scofin Agricultural Company has been advised to make sequence payment into the Consolidated Fund instead of the Ministry of Agriculture and Forestry Imprest Account.  
The letter addressed to Scofin Agricultural Company is available for audit inspection.*
- *With respect to the Le138,750,000, the revenue collection processes are done in Phytosanitary Unit as detailed thus: From my investigation with Phytosanitary Unit, it was clear that payment for various food items (Phytosanitary product such as food items) are paid to the NRA via FIB (VISTA Bank) Account number: 055951 – 01). The Account is managed by the NRA. Subsequently, only photocopy of pay-in slips were brought back to the Unit in the Ministry for audit purposes."*



### **Auditor's Comment**

- The then FIB (now Vista Bank) bank statement was not provided during the verification exercise and no evidence of money transferred into the CF from the Ministry's Imprest account.
- There was no evidence of a two-way communication with any revenue source to prevent revenue deposited into the wrong account.

Therefore, this issue remains unresolved.

## **3.31. MINISTRY OF AGRICULTURE AND FORESTRY - BOMBALI - 2020**

### **3.31.1. Rehabilitation of Inland Valley Swamps**

An examination of payment records revealed that Le104,922,150 was expended on the rehabilitation of Inland Valley Swamps (IVS). To ascertain the existence of the said activities, the audit team visited Madiff, Makai and Mabonkani villages for verification of these IVS. During the verification exercise, we held discussions with the youth leader at Madiff, the Secretary of all agricultural projects at Makai and the Chairman at Mabonkani. We were informed that the said IVS rehabilitation did not take place. Verification of the signposts at the various sites revealed that the World Food Programme (WFP) rehabilitated the IVS at Madiff during 2018 and 2019 and at Makai in 2017 and 2018.

We recommended that the DAO, in collaboration with the District Agricultural Engineer, should provide relevant explanation backed by documentary evidence to justify the IVS expense; otherwise, the said amount should be paid back to the Ministry's account and evidence of payment forwarded to the ASSL for verification.

### **Official's Response**

*The District Agriculture Officer (DAO) in his response said: "The SMS Engineering Department rehabilitated the swamps at Madiff, Makai and Mabonkani. A swamp could be rehabilitated annually, depending on damages caused by a natural disaster, as with the sites mentioned above. In 2019, heavy torrential rainfall caused serious disaster to most developed IVS infrastructure, demanding the SMS Engineer to rehabilitate them using Farmer-Based Organisations (FBOs) whose sites were worst affected in 2020. The retirement of the said sum for the rehabilitation was done to Council."*

### **Auditor's Comments**

Management's response is noted. Apart from the payment records, no other evidence was submitted to confirm that the activities occurred. Moreover, the evidence obtained from the field verification showed clearly that the activities did not take place. Therefore, the issue is unresolved.

### **3.31.2. Inefficient Use of Funds**

We observed that Le78,420,000 was expended on rice multiplication activities at the MAF Compound. Interviews with key officials and verification of the rice harvested revealed that only 14 bushels of rice were realised from the harvest with a market value of Le1,190,000. Our view is that the rice multiplication project was not efficient, as value-for-money was not achieved.

We recommended that the DAO in collaboration with the District Crops Officer should provide relevant explanations backed by documentary evidence to justify the rice multiplication expenses. Otherwise, the said amount should be paid back to the Ministry's account and evidence of refund forwarded to the ASSL for verification.

### **Official's Response**

*The DAO in his response said:*

*“According to the Crops Officer, the poor harvest was as a result of several reasons:*

- (i) Climate change: sudden change in weather conditions- unusual dry spell.*
- (ii) Erratic rainfall accompanied by heavy torrential rainfall. As it falls within the township, an accumulation of runoff water forces its way through the main drain of the swamp site, then overflowing the bonds of the rice seed multiplication plots depositing sand and other toxic material. This resulted in the hampering the seedlings' growth, leading to the poor performance of the rice seedlings.”*

### **Auditor's Comment**

Management's response is noted. Pictorial evidence showing the destroyed crops and reports were not submitted. Therefore, the issue is unresolved.

### **3.31.3. Inadequate Controls over the Distribution of Farm Inputs**

The following inadequacies were observed in the distribution of seed rice and fertilisers to the FBOs and high profile persons in Bombali District:

- We were not provided with any evidence to justify how the FBOs and other individuals were selected or approved for the supply of rice and fertilisers; meant for farmers within the District.
- The terms and conditions under which the items were supplied to the FBOs and other individuals were not made available to the audit team for review.
- In 2020, a total of 2,058 bags of fertilisers and 249 bags of rice respectively were issued directly to FBOs, Paramount Chiefs, and Members of Parliament in Bombali District by the Ministry without agreement between the Ministry and the beneficiaries. And no other evidence was provided to show that the personalities named above had farms within the District, nor were there any evidence of recovery from the farmers, MPs, and PCs.
- An examination of the records of fertilisers received and issued revealed that the Ministry did not account for 25 bags of fertilisers.

We therefore recommended that the DAO should ensure the following:

- Provide evidence to show how the FBOs were selected.
- Submit the relevant agreements between the Ministry and FBOs.
- Submit relevant records relating to the issuance and accounting for the seed rice and fertilisers.

### **Official's Response**

*The DAO in his response said: “A list was sent from headquarters as to how the inputs should be distributed. The list included FBOs, MPs and other individuals and quantities to be given to them. As for the FBOs, most of them were previously given inputs to be paid back on a cost-recovery basis, but many of them refused to pay back, thereby depriving others to benefit from it. As a result, the FBOs were refused the inputs to give chance to others. Headquarters going through the list of defaulters, selected the honest groups to receive the inputs. As for the MPs and PCs, they all have farms, and besides, the government encouraged them to establish large farms. Thus, they deserve to get the inputs. Attached is the list of the beneficiaries.”*

### **Auditor's Comment**

Evidence to show how the FBOs and other individuals were selected and the terms and conditions for the seed rice and fertiliser distribution between the Ministry and FBOs was not submitted for verification.

Also, documents or justification for the 25 bags of fertilisers not accounted for were not submitted for verification. The issue remains unresolved.

#### **3.31.4. Inadequate Control over the Ministry's Assets**

Physical verification of the MAF Bombali assets and buildings revealed the following:

- The Ministry did not submit title deeds to confirm ownership of all its land and buildings (including staff quarters and administrative buildings.)
- There was rampant encroachment into the Ministry's land. Interviews with landowners revealed that the said encroachment resulted from the Government not meeting its obligations to the lease agreement with them. According to them, the Government stopped paying them since 1976 and that during 1996-1997, the then Minister of Lands, called them to a meeting and released all lands pre-occupied by the Government.

In collaboration with headquarters and line ministries, we recommended that the DAO ensure that the MAF Bombali obtain all documents relating to its holding of national assets. The DAO should also ensure that the MAF meets its lease obligation to the landowners and secure its property.

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

*The DAO in his response said: "All documents regarding MAF property, Bombali District (staff quarters, admin buildings etc.) are at MAF headquarters. A copy of the part payment by Dr. Sam Sesay (former Minister of Agriculture) made to the landowners is available for verification. If the landowners request balance payment, they should do that through the Senior District Officer, who is directly responsible for all government property in the Northern Region."*

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

The title deeds and documents purporting part payment made by the Ministry to landowners were not submitted for verification.

#### **3.31.5. Incentives Paid to Casual Workers not on Staff List**

We observed that incentives totalling Le22,800,000 were paid to staff who were not on the casual workers' staff list. Moreover, the staff in question did not show up for physical verification. We recommended that the Finance Officer, in collaboration with the Human Resources Officer, should provide relevant justification backed by documentary evidence why the said amount was paid to the staff in question. Otherwise, the said amount should be paid back into the Ministry's account, and evidence of payment forwarded to the audit office for verification. In addition, in collaboration with the DAO, the HR Officer should ensure that the staff in question avail themselves for physical verification.

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

*The DAO in his response said: "Volunteers were absorbed as casual workers to help assist the few pin coded MAF staff. Due to the remuneration, some found it difficult to continue and left without noticing Management; whilst others who had attitude problems were dismissed and replacement made without notifying the Council. This brought about the disparity in names and signatures. Those in outstation would be made available for verification."*

### **Auditor's Comment**

The amount of Le22,800,000 paid to casual staff, not on the staff list, was not justified by the MAF. Evidence for the absorption of volunteers into casual staff and records of replacement of dismissed casual staff were not submitted for verification. Moreover, the staff in question did not avail themselves for verification. Therefore, the issue is unresolved.

### **3.31.6. Excess Payment of Incentives**

We observed that Le5,400,000 was paid to casual staff more than their entitlements. Furthermore, a review of the attendance register, staff list, and records of incentive payment to casual staff by the team of auditors revealed that the staff did not regularly sign the attendance register for the period under review.

We recommended that the DAO should ensure that the attendance register is monitored and incentive payments should be made according to the days worked. In addition, the excess payment of Le5,400,000 should be refunded, and evidence of refund forwarded to the ASSL for verification.

### **Official's Response**

*The DAO in his response said: "The excess payment to some casual staff was made inadvertently by the Finance Officer. The reason the Finance Officer's salary and family had to suffer for months. The Finance Officer is most times faced with shortages. They have noted the issues and are ready to reduce the risk as advised by the ASSL."*

### **Auditor's Comments**

Management's response is noted. The issue remains unresolved.

## **3.32. MINISTRY OF AGRICULTURE AND FORESTRY, BO DISTRICT - 2020**

### **3.32.1. Inadequate Control over Stores Management**

A review of stores records of the Ministry revealed that 112 bags of seed rice and 37 bags of fertilisers respectively, were distributed to FBOs but there were no distribution lists submitted to show signatures of beneficiaries to acknowledge receipt of these items. This was contrary to Section 179(2) of the PFMR of 2018.

We recommended that the DAO should ensure that distribution lists for the seed rice and fertilisers distributed are made available to the ASSL office for verification.

### **Official's Response**

*The DAO in his response said: "The distribution lists are available for verification."*

### **Auditor's Comment**

Distribution lists for the seed rice and fertilisers were not submitted for verification. Therefore, this issue remains unresolved.

### **3.32.2. Inadequate Control Over Fuel of Management**

There was no evidence of monthly fuel reconciliation report between the Ministry's records and the dealer's record submitted for review. This was in contravention of Section 179(2) of the PFMR of 2018.

We recommended that the DAO should ensure the Finance Officer prepare monthly fuel reconciliation for the year under review and evidence of reconciliations submitted for verification. Going forward, the Finance Officer should perform monthly reconciliation of the Ministry's fuel records and the fuel dealer's records to avoid errors and fraud.

### **Official's Response**

*The DAO in his response said: 'Fuel reconciliation for 2020 had been prepared and ready for verification.*

### **Auditor's Comment**

No fuel reconciliation was submitted for verification. Therefore, this issue remains unresolved.

### **3.32.3. Fixed Assets Management**

In contravention of Section 171(1) of the PFMR of 2018, we observed the following:

- Physical verification of assets owned by the Ministry revealed that 22 motorbikes and one motor vehicle (Ashok Leyland Truck with a Registration No. AES 809) recorded in the 2020 assets register were not seen and verified.
- Physical inspection of the stores by the audit team revealed that the stores were in deplorable conditions. For instance, one of the stores was with no roof and it was abandoned and the other store had damaged roof which caused leakages in the store. It was also observed that one of the stores which had about 120 bags of fertilisers had leaking roof; the Storekeeper had to cover the fertilisers with tarpaulin to prevent them water from getting wet.
- During physical verification of the Ministry's storage facilities, we observed that there was no perimeter fence constructed on the land on which the storage facilities are located.
- A review of assets register submitted and physical verification of assets revealed that most of the Ministry's assets were not marked with unique identification codes.
- There were no records in the form of a logbook/operating records for the Ministry's motor vehicles and generator plant.

We therefore recommended that the DAO should:

- (i) ensure that the 22 motorbikes and the one motor vehicle are made available for verification.
- (ii) collaborate with the Permanent Secretary (PS), the Chief Agriculture Officer and other stakeholders to ensure that the storage facilities are rehabilitated. Evidence of actions taken should be forwarded to the ASSL Office for verification.
- (iii) collaborate with the PS and other stakeholders to ensure that a perimeter fence is constructed to avoid theft and illegal encroachment. Evidence of actions taken should be forwarded to the ASSL for verification.
- (iv) ensure that the assets are marked with unique identification codes with immediate effect and the assets register is updated accordingly with the assets codes and ready for verification.
- (v) ensure that logbooks are maintained for each motor vehicle and plant and should be regularly updated. This must be forwarded to the ASSL for verification.

### **Official's Response**

*The DAO in his response said:*

- (i) *"The 22 motorbikes in question are ready for inspection at the MAF headquarters, Bo and the motor vehicle/truck bidding letter is ready for inspection.*

- (ii) *A reminder letter had been sent to the Permanent Secretary for onward action.*
- (iii) *Coding of all assets is ongoing. Also, the updated register is ready for inspection.*
- (iv) *Logbooks had been prepared for vehicle, truck, generators and motorbikes and ready for inspection.”*

#### **Auditor’s Comment**

- The NRA receipt and other documents relating to the disposal of the motor vehicle (Ashok Leyland Truck with Reg. No. AES 809) were submitted and verified. The 22 motorbikes were not presented for verification. Therefore, this issue is partly resolved.
- A letter of reminder to the PS for the rehabilitation of the storage facilities was submitted for verification. This issue remains unresolved.
- A letter of request written to the PS for the construction of a perimeter fence was submitted. This issue remains unresolved.
- The audit team inspected the Ministry’s assets and observed that they were not still marked with unique identification codes. This issue remains unresolved.
- No logbook was presented for verification. This issue remains unresolved.

#### **3.32.4. Revenues not Deposited into the Consolidated Fund**

A review of receipt books and list of registered Farmer-Based Organisations (FBO), Small-Medium Enterprises (SME) and Community Based Organisations (CBOs) revealed that revenues collected amounted to Le11,730,000.00 in respect of registration and renewal fees were not deposited into the Consolidated Fund. Further enquiry revealed that these monies were put into immediate use. This was in contravention of Section 13(1) and Section 44(1) of PFMR of 2018.

We recommended that the DAO should provide documentary evidence of authorisation from the Ministry of Finance for the revenue used. In future, the DAO should ensure that all revenues collected by the Ministry are deposited into the Consolidated Fund.

#### ***Official’s Response***

*The DAO in his response said: “This issue will be discussed with headquarters and informed duly.”*

#### **Auditor’s Comment**

The management’s response was noted. There was no evidence of authorisation from the Ministry of Finance for the District Agriculture Office to use the revenues collected. Therefore, this issue remains unresolved.

#### **3.32.5. Assessment of Service Delivery**

Enquiry about the availability of veterinary drugs and vaccines for the treatments and vaccination of livestock in the District revealed that the Livestock Division lacked essential drugs (such as ivermectin, introvit-B complex, supona spray, albenol-100 oral, oxytel, limoxin-100 etc.) and essential vaccines (such as pest disease petitis ruminants (PPR) vaccines, anti-rabies vaccine, Newcastle vaccine etc.) for the treatment and vaccination of livestock in the District.

We visited the Livestock Division and we observed that the Division has stockpiles of expired drugs which had been there for an inconsiderable period of time without it being disposed of. Further enquiry revealed that there was no mechanism or designed procedures as to how expired drugs and vaccines should be disposed of.

We therefore recommended the following:

- (i) The District Livestock Officer (DLO) should collaborate with the DAO and the CA to ensure that the veterinary drugs and vaccines are provided to the Bo District Agriculture Office. Evidence of actions taken to address this issue must be forwarded to the ASSL for verification.
- (ii) The DAO and the DLO should collaborate with the PS and other relevant authorities in the Ministry to ensure that mechanisms or procedures are put in place to facilitate the immediate disposal of expired drugs and vaccines. Evidence of actions taken to address this issue should be forwarded to the ASSL for verification.

### **Official's Response**

*The DAO in his response said:*

- (i) *"Noted, letters have been sent to the Chief Administrators of both the Bo District and the Bo City Councils.*
- (ii) *Noted, a letter has already been issued to the Permanent Secretary in the MAF headquarters in Freetown in connection with the immediate disposal of the expired drugs and vaccines."*

### **Auditor's Comment**

- Letters to the Chief Administrators for both the Bo City and the Bo District Councils for the provision of veterinary drugs and vaccines were submitted. We however discovered that the veterinary drugs and vaccines were not provided. Therefore, this issue remains unresolved.
- A letter to the PS for the disposal of expired drugs and vaccines were submitted for verification. We however discovered that the expired drugs and vaccines were not disposed of as at the time of the verification. Therefore, this issue remains unresolved.

## **3.33. MINISTRY OF AGRICULTURE AND FORESTRY, KENEMA - 2020**

### **3.33.1. Inadequate Control over Revenue Management**

Revenue amounting to Le13,750,000, seen in a revenue register, did not have receipts. This was contrary to Section 49(2) of the PFMR of 2018.

The District Agriculture Officer (DAO), the District Forestry Officer (DFO) and the Acting Finance Officer should expedite their efforts for the production of receipts.

### **Official's Response**

*The DAO in his response said: "Negotiations with the Government Printing have been intensified and we are going to ensure that receipt books in triplicate are produced for the collection of revenue from FBOs registration. We ensured that all certificates have deposit slips, meaning monies were paid into the bank."*

### **Auditor's Comment**

Our recommendation was not implemented. We revealed during the verification that the Ministry has not provided receipt books for the amount in question. Therefore, the issue remains unresolved.

### **3.33.2. Seed Rice Loan Agreement**

We ascertained via review of the seed rice loan agreement, individual seed rice loan forms and seed rice inventory ledger that 18,800kgs, valued at Le33,840,000, were in arrears. This was in agreement with the seed rice loan agreement.

The DAO should ensure that the agreement is completely implemented.

### **Official's Response**

*The DAO in his response said:*

- *“Reconciliation with the amount in question has been made and is now available for your verification.*
- *Recovery efforts are underway and discussion with the individuals concerned will be facilitated with the auditors.”*

### **Auditor's Comment**

Our recommendation was not implemented. Even though the Ministry has intensified measures to recover seed rice from farmers, recoveries have not been successful. Therefore, the issue remains unresolved.

## **3.34. MINISTRY OF AGRICULTURE AND FORESTRY, KAILAHUN - 2020**

### **3.34.1. Inadequate Control Over Revenue**

We observed that revenue for timber permit amounting to Le34,070,000, as seen in pay-in slips did not have receipts, contrary to Section 49(2) of the PFMR of 2018.

We recommended that the District Agriculture Officer (DAO), District Forestry Officer (DFO) and the Acting Finance Officer should expedite their efforts for the production of receipts.

### **Auditor's Comment**

No specific management response made to this issue and our recommendation was not implemented. Therefore, the issue remains unresolved.

### **3.34.2. Inadequate Control over Stores Management**

The distribution of small ruminant animals (goats) costing Le11,340,000 was done without following due process; a direct confirmation of the distribution done by the auditors revealed that the farmers purported to have received the animals did not receive them. Furthermore, the Livestock Officer who was allegedly absent when the distribution was done did not conduct follow-up to see how the animals were doing, and to receive returns from the farmers. This action of the Ministry resulted in a loss of GoSL's funds. This was in contravention of Section 103(2) of the PFMR of 2018.

We therefore recommended that the District Livestock Officer in collaboration with those who conducted the distribution should retrieve the animals from the farmers or the full amount of Le11,340,000 paid into the Consolidated Fund. Evidence of such action forwarded to the ASSL for review.

### **Auditor's Comment**

No response was made to the issue raised and our recommendation was not implemented. Therefore, the issue remains unresolved.

## **3.35. MINISTRY OF AGRICULTURE AND FORESTRY, KONO DISTRICT - 2020**

### **3.35.1. Inadequate Control over Revenue Management**

Official receipt books and receipts issued for revenue collected were not made available for audit inspection. Although revenue collected as in deposit slips totalling Le35,000,000 were made available, we could not reconcile receipt books to deposit slips/receipt issued.



Tariff/service charter was not available to ascertain prices of timber logging, board, power saw operations in the District, and charcoal mining in the District in respect of District Forestry Officer fee.

We therefore recommended that the District Agriculture Officer (DAO), District Forestry Officer (DFO) and the Finance Officer should ensure that the receipt books are maintained in the Office. Additionally, the tariff/service charter should be made available for audit.

### **Official's Response**

*The DAO in his response said:*

- (i) *“Official receipt books relating to forestry revenue - Kono District were requested by the head of the Forestry Division at the headquarters of the Ministry in Freetown. Therefore, all originals and duplicate receipt books were sent to the Director of Forestry in Freetown in respect of the Ministry's forestry pool account.*
- (ii) *Tariffs/ service charter on forestry products such as transport permits, power saw registration and licences etc. are in progress in consultation with the District Agriculture Officer of the Ministry for effective revenue generation.*
- (iii) *The Forestry Division at the headquarters in Freetown and the District Officer in Kono are working on a policy for estimated revenue forecast in the Ministry for 2021 to 2022 revenue budget.”*

### **Auditor's Comment**

This issue will be followed up in the next audit.

## **3.36. MINISTRY OF AGRICULTURE AND FORESTRY, PUJEHUN DISTRICT - 2019**

### **3.36.1. Inadequate Control over Stores Management**

Our review of the management of stores during the period revealed that following:

- There was no substantive Storekeeper to manage the district store. Interviews revealed that the store was managed by the M&E Officer. There was no evidence to prove that the M&E Officer is trained and qualified in Stores Management.
- The District Agriculture Officer did not carry out independent inspection of the store, or delegate this responsibility to a senior officer to ascertain the correctness of store records and items in the store. There is a risk that anomalies may be going on in the stores without them being detected.
- Physical inspection of the store revealed that store items were not properly kept as there were no shelves and pallets to pack the materials. This caused some of the materials to be placed on the bare floor.

We recommended that the DAO should:

- collaborate with the PS and the Chief Agriculture Officer (CAO) of the Ministry to engage the Director General of HRMO to fill in the vacant position at the District Agriculture Office,
- in future, carry out unannounced inspection of the stores to ensure effective management, and
- collaborate with the Council and the PS of the Ministry to ensure that funds are provided to acquire shelves and pallets.

### **Official's Response**

*The District Agriculture Officer in his response said:*

- (i) *“The District Office did not have an attached Storekeeper because up till now, the Ministry's head office did not recruit or transfer a Storekeeper to our regional office.*

- (ii) *We would ensure that the recommendation given with respect to the inspection of the store by independent personnel will be considered.*
- (iii) *We have included in our next year budget the provision of shelves and pallets for the store. We would try our best to fix this issue.”*

#### **Auditor’s Comment**

- During verification, it was observed that there was no substantive Storekeeper to manage the District store. The store was still managed by the M&E Officer. This issue is unresolved.
- During verification, evidence was not submitted to confirm that the MAF Pujehun has started conducting an unannounced inspection of the stores by independent personnel. This issue is unresolved.
- During verification, there was no evidence submitted to confirm that the DAO has collaborated with the Council and the PS of the Ministry to ensure that funds are provided to acquire shelves and pallets. This issue is unresolved.

#### **3.36.2. Human Resources Management**

The MAF Pujehun was understaffed. Positions such as Block Extension Supervisor, Field Extension Worker, Official Driver, Finance Officer, Storekeeper, Security, Secretary, Mechanical Superintendent, Fitter, Electrician, Tractor Operator, Plough Boy, Nursery Attendant, IT Officer etc. were vacant.

We recommended that the DAO should collaborate with the PS and the CAO of the Ministry to engage the Director General of HRMO to fill in the vacant positions at the District Agriculture Office.

#### **Official’s Response**

*The DAO in his response said: “They are aware that there are several vacancies within the District Office. We would like you to know that most of these vacant positions were supposed to be filled by our head office and transfer necessary staff to the Regional Office”.*

#### **Auditor’s Comment**

As at the time of the verification, it was observed that the positions highlighted were still vacant. This issue is unresolved.

#### **3.36.3. Assets Management and Control**

The Ministry’s property including eight quarters, two administrative buildings, one garage, one tractor shed, two warehouses and a piece of land. Documents such as survey plan, title deeds/conveyance etc. to confirm the ownership of these property were not made available for verification. Furthermore, these assets were not included in the assets register.

Physical verification of assets revealed that 64 assets owned by MAF Pujehun were not marked with unique identification codes. Assets of the Ministry may be exposed to theft or misuse

We recommended that the DAO should

- liaise with the Ministry’s headquarters and other stakeholders to obtain copies of the documents highlighted above, or liaise with the Ministry of Lands to survey the lands and properly document them, ensure that all assets owned and controlled by the District Agriculture Office are recorded in an assets register and
- ensure that all assets owned by MAF Pujehun are marked with unique identification codes.

### **Official's Response**

*The District Agriculture Officer in his response said:*

- (i) "Assets highlighted have been included in the assets register which will be made available for you.*
- (ii) We will be working with the Council to ensure that procurement process is in place. We would also ensure that the assets are marked."*

### **Auditor's Comment**

- During verification, an updated assets register was submitted including the MAF Pujehun quarters and buildings. The survey plan and the title deed for the land were not made available. This issue was partly resolved.
- During verification, it was noted that the 64 assets were not marked with unique identification codes. This issue is unresolved.

## **3.37. MINISTRY OF AGRICULTURE AND FORESTRY, MOYAMBA DISTRICT - 2018 & 2019**

### **3.37.1. Inadequate Control over Stores Management**

Our review of stores management revealed the following:

- A review of the Moyamba District Council cashbook revealed that items totalling Le70,196,490.00 were procured for the Ministry of Agriculture and Forestry (MAF) in 2018. The temporary storekeeper did not maintain store documents such as store receipt vouchers, issue vouchers, inventory control cards and allocated store ledger to record these items.
- It was further revealed that there was no substantive trained and qualified storekeeper for the MAF-Moyamba. The District store was temporally managed by a volunteer who had no training and qualification in stores management.
- A review of the seed rice and fertiliser recovery list for 2019 revealed that 89,570kg of both seed rice and fertilisers were not recovered from the Community and Farmer Based Organisations. In addition, the Ministry did not provide evidence of actions taken against defaulters.
- Physical inspection revealed that stores items were not properly stored. There were no adequate shelves and pallets for storage purposes.
- Physical inspection of the storage facilities revealed evidence of leakages in one of the Ministry's storage facilities that hold agricultural inputs and tools.

We recommended that the DAO should:

- collaborate with the Ministry's headquarters to ensure that the necessary store documents are in place to record all store items received and issued.
- ensure that store items received are recorded on the relevant documents and forwarded to the ASSL for verification.
- in collaboration with the Ministry's headquarters ensure that a substantive trained and qualified storekeeper is recruited or transferred to the Moyamba District Office.
- collaborate with the Block Extension Supervisors to ensure that the seed rice and fertilisers are recovered and made available for audit verification. In future, proper monitoring mechanism should be instituted for the recovery of seed rice and fertiliser and actions should be taken against defaulters.

- ensure that additional shelves and pallets are provided for storage purposes and
- ensure that the roof of the storage facility is repaired to avoid spoilage of agricultural inputs.

### **Official's Response**

*The DAO in his response said:*

- "MAF Moyamba through the DAO had requested necessary store books to facilitate proper record keeping.*
- MAF Moyamba through the DAO had requested from the Ministry of Agriculture and Forestry, headquarters for a substantive trained and qualified Storekeeper to manage the affairs of the store.*
- A lot of community engagements on the issue of seed rice and fertiliser loan recovery have been done and still going on within the District to fully enhance seed and fertiliser loan recovery. The MAF through the DAO had reported the matter to several district forums including the Agric. Sector and Council Meetings. The Seed and Fertiliser Loan Monitoring Team was instituted by the DAO to enhance follow up monitoring on seed rice and fertiliser loan recovery. Thus, ensure farmers pay immediately after the season's harvest*
- The DAO had ensured that store maintenance including procurement of shelves and pallets are factored in the draft 2021 Annual Work Plan through the Agric. Engineering Division."*

### **Auditor's Comment**

- Store records were not submitted for verification. This issue remains unresolved.
- There was still no substantive trained and qualified storekeeper recruited or transferred to the district office. This issue remains unresolved.
- During the verification, an updated seed rice and fertiliser recovery list for 2019 was submitted showing a total of 87,970Kgs of seed rice and fertiliser to be recovered. This issue remains unresolved.
- The Ministry was still challenged with shelves and pallets for storing items. This issue remains unresolved.
- The condition of the roofs of the store remains the same as at the time of the verification. This issue remains unresolved.

### **3.37.2. Assessment of Service Delivery**

Our review of the service delivery by the Ministry during the period revealed that imprest for the day-to-day running of the office was not provided. Interview with the DAO revealed that the Ministry lacks key personnel such as storekeeper, store hands and 34 field extension workers.

We therefore recommended that the DAO liaise with the Council and ensure that imprest is allocated for the running of the office. Additionally, the DAO in collaboration with the headquarters and other relevant authorities should ensure that the key personnel needed by the Ministry are recruited or transferred.

### **Official's Response**

*The DAO in his response said:*

- "MAF Moyamba has put the imprest issue to the District Council and Local Council Finance during the first budget circular meeting to see reasons to be included in the 2021 Annual Work Plan.*
- He had formally requested from MAF headquarters for substantive trained and qualified storekeeper and three store hands. MAF Moyamba District through the DAO had reported the inadequate field extension staff*

*situation to MAF headquarters which had already been captured in the Ministry of Agriculture and Forestry's Man Power Plan".*

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

- There was no evidence submitted to confirm imprest allocated for the running of the District Office. Therefore, this issue remains unresolved.
- There was no evidence of personnel recruited or transferred to occupy the vacant positions in the District Office. This issue remains unresolved.

#### **3.37.3. Management of Fixed Assets**

The Ministry did not submit the fixed asset register for audit.

We recommended that the DAO should ensure that a fixed assets register that records all the fixed assets owned and controlled by the Ministry is submitted for verification. In future, the DAO should ensure that all accountable documents are retained for audit and reference purposes.

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

*The DAO in his response said: "There was really a fixed asset register with the MAF Moyamba, but not made available for audit inspection because the officer-in-charge was not available during the audit period. The DAO and team had updated the MAF Moyamba fixed asset register to enhance effective and efficient asset management. He will also ensure that all accountable documents are made available for audit and reference purposes."*

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

The fixed asset register was not submitted during the verification. This issue remains unresolved.

#### **3.37.4. Revenue Management and Control**

We identified the following weaknesses in the management of revenue by the Ministry. A review of bank pay-in slip revealed that revenue totalling Le12,570,000.00 and Le19,020,000.00 for 2018 and 2019 respectively, were collected by the Forestry Division of the Ministry. Duplicates of the permit issued to the payers were not provided to the audit team for verification. It was further noted that the total revenues collected were not recorded in a revenue ledger.

We therefore recommended that the DAO and the District Forestry Officer (DFO) should ensure that the duplicates of permits for revenues collected by the Forestry Division should be provided to the audit team. Additionally, the DAO should ensure that an updated revenue ledger is prepared and submitted to the audit team for inspection.

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

*The DAO in his response said:*

- (i) *"The stumps after issuing a permit to payers are then collected by the MAF headquarters with the original bank payment slip for verification. Only photocopied bank payment slips are left with the District Forestry Office. Thus, all permit stumps are available at the MAF headquarters Forestry Division. Note that the permits were produced like a bank cheque without duplicates, but stumps. Please, for further audit purposes, check with the MAF headquarters Forestry Division.*
- (ii) *The DAO and team had instituted a revenue ledger to record all revenue collected by the Ministry for audit and accountability purposes."*

### **Auditor's Comment**

- Duplicates of permits issued for revenues collected were not submitted during the verification. This issue remains unresolved.
- Revenue ledger was not submitted during the verification. This issue remains unresolved.

## **3.38. MINISTRY AGRICULTURE AND FORESTRY, BONTHE 2018 & 2019**

### **3.38.1. Inadequate Control over Stores Management**

The DAO did not carry out independent inspection of store or delegate this responsibility to a senior officer to ascertain the correctness of store records and items. There is a risk that anomalies may be going on in the stores without it being detected.

Physical inspection of the stores revealed that store items were not properly kept as there were no shelves and pallets to pack the materials. In addition; there was no safe or cabinet for the Storekeeper to keep store documents. This caused some of the materials to be placed on the bare floor.

We therefore recommended that in future, the DAO should carry out unannounced inspection of the stores to ensure effective management. Additionally, the DAO should collaborate with the Council and the Permanent Secretary of the Ministry to ensure that funds are provided to acquire shelves, pallets and safe or cabinet.

### **Official's Response**

*The DAO in his response said:*

- (i) *"I have carried out independent inspection of the stores together with the M&E Officer. MAF for proper monitoring of all items in the store to be in their correct order for easy identification.*
- (ii) *She has reported to the Permanent Secretary and the Council for the following items (pallets, cabinet and shelves) to be placed in the store for safe record keeping and packing of store items."*

### **Auditor's Comment**

- There was no evidence of independent inspection of store by the DAO or a senior officer. This issue remains unresolved.
- As at the time of verification, there were still no shelves and pallets to pack the materials in the store and there was no safe or cabinet for the acting Storekeeper for safe keeping of store documents. This issue remains unresolved.

### **3.38.2. Assessment of Service Delivery**

Our review of the service delivery by the Ministry during the period revealed the MAF Bonthe was understaffed as there were several vacant positions in the District Office. We also observed that the Ministry received 4,289.50 kgs of seed rice from Smallholder Commercialisation and Development Project (SCADeP) and distributed to Farmer-Based Organisations (FBOs) in 2019. Only 2,256.00 kgs of seed rice was recovered from the FBOs, leaving a balance of 2,033.00 kilograms of seed rice.

We therefore recommended that the DAO should:

- collaborate with the Permanent Secretary and the Chief Agriculture Officer of the Ministry to engage the Director General of HRMO to fill in the vacant positions at the District Agriculture Office.

- liaise with the Storekeeper and the Extension Block Supervisors to ensure that the outstanding 2,033 kgs of seed rice are recovered from the defaulted FBOs; otherwise, stringent actions should be taken against these FBOs. In future, proper monitoring mechanisms should be instituted and actions taken against defaulters.

### **Official's Response**

*The DAO in his response said:*

- "I have reported about inadequate staff in the District to the Permanent Secretary and the Chief Agriculture Officer MAF headquarters for staff (support staff) to be pin coded as they have volunteered for over five (5) years and they have their qualifications for the vacant positions mentioned.*
- The DAO, the Storekeeper and the BES have held a meeting to take legal action against the FBOs who are defaulters to ensure quick recovery before stringent actions be taken against them. Some farmers have replanted the seed rice for second cropping season and hope to recover after harvest since the seed rice is meant for seed bank to be further distributed to other FBOs for planting."*

### **Auditor's Comment**

- During verification, reports prepared by the DAO and the M&E Officer for the Ministry's headquarters were submitted and verified. The MAF Bonthe was still understaffed. This issue remains unresolved.
- As at the time of verification, the Ministry had still not recovered the balance of 2,033kgs of seed rice and there was no evidence of actions taken against defaulters. This issue remains unresolved.

### **3.38.3. Assets Management and Control**

We observed the following:

- An interview with the DAO revealed that the Ministry owned property such as administrative building, district store, garage and DAO's quarters. Documents such as survey plan, title deeds/conveyance etc. to confirm the ownership of these property were not made available for verification. Furthermore, these assets were not included in the assets register. There is a risk that property may be encroached or converted to private ownership without strong evidence to secure them.
- One motorbike was not made available for physical verification. Further enquiry with the DAO revealed that the bike was assigned to the Monitoring and Evaluation Officer and upon his transfer to another station, he took along this bike. There is a risk that the bike may have been converted into personal use; hence, depriving the office of using the bike for its intended purpose.

We recommended that the DAO should:

- liaise with the Ministry's headquarters and other stakeholders to obtain copy of the documents highlighted above or liaise with the Ministry of Lands to survey the lands and properly document them. Secondly, the DAO should ensure that all assets owned and controlled by the District Agriculture Office are recorded in an assets register.
- report the matter immediately to the Chief Agriculture Officer and copy other relevant authorities (including the CA) for the out gone M&E Officer to immediately return the above items meant for the Bonthe District Agriculture Office.

### **Official's Response**

*The District Agriculture Officer in his response said:*

- (i) *"I have liaised with headquarters and other stakeholders in order to have a copy of these documents highlighted above.*
- (ii) *The Yamaha motorbike with registration number AJW 390 is not yet made available for physical verification but the DAO has reported the matter to the MAF headquarters for urgent intervention in order to ease the field supervision and Monitoring of the M&E Officer."*

### **Auditor's Comment**

- Documents such as survey plan, title deeds/conveyance etc. to confirm the ownership of the highlighted property in the findings were not made available for verification. These assets were still not included in the assets register. This issue remains unresolved.
- The Yamaha motorbike with registration number AJW 390 was not made available for physical verification. This issue remains unresolved.

### **3.38.4. Revenue Management and Control**

There was no evidence provided to indicate that the Forestry Division generated any form of revenue such as power saw licence, transportation of timber permit etc. Further discussion with the current Acting District Forestry Officer (DFO) and former DFO revealed that the Ministry's headquarters did not supply permit books to the Division for 2018 and 2019. It was further revealed that there was no forest guard checkpoint at the district entry and exit points. This may create opportunity for forest guards and/or other individuals to collect revenue and not account for it. This may lead to loss of government much needed revenue.

We recommended that the District Agriculture Officer and the Acting District Forestry Officer should provide documentary evidence regarding revenue collection in the Forestry Division. The DAO and the DFO should also ensure that all documents relating to the Forestry Division for the year under review are submitted to the audit team for inspection.

### **Official's Response**

*The DAO in his response said: "I have held a meeting with the Forestry Division concerning revenue such as power saw licence, transport of timber permit etc."*

### **Auditor's Comment**

There was no evidence to confirm that our recommendation was implemented. This issue remains unresolved.

## **3.39. MINISTRY OF MINES AND MINERAL RESOURCES (MMMR) - 2020**

### **3.39.1. Payments without Supporting/Adequate Supporting Documents**

Contrary to Section 100 (1b) of the PFMR of 2018, bank withdrawals totalling Le387,184,001.93 were without payment vouchers (PVs) and other relevant supporting documents. We additionally noted that cheque and cash payments which amounted to Le223,494,800 were without adequate supporting documents such as invoices, receipts, signed list of beneficiaries, etc.



The monies might not have been used for their intended purposes, thereby leading to a loss or misappropriation of public funds. We therefore recommended that the Senior Permanent Secretary (SPS), in collaboration with the Accountant should ensure that PVs and all relevant supporting documents for payments are submitted for audit review; failing which, the amount involved should be paid back into the CF.

### **Official's Response**

*The PS in his response said:*

- (i) *"The recommendation is accepted and will be adhered to in ensuring that all transactions from inception to completion for all future payments are provided at short notice regardless of any changes in staff.*
- (ii) *All PVs and relevant supporting documents regarding these transactions are now available for inspection following submission by the outgoing Accountant.*
- (iii) *The documents are now available for inspection."*

### **Auditor's Comment**

- From a total of Le387,184,001.93, PVs and relevant supporting documents were submitted for only Le335,679,772.93, leaving an outstanding of Le51,504,229.00 without supporting documents. Therefore, the issue is partly resolved.
- Additionally, outstanding documents were submitted for Le144,455,500.00, from a total bank withdrawal of Le223,494,800.00 that was without adequate supporting documents. This left an outstanding balance of Le79,039,300. This issue is partly resolved.

### **3.39.2. Assets Management and Control**

Contrary to Sections 154 (3) and 157 (1 & 2) of the PFMR of 2018, the Ministry did not have a fixed asset register(FAR) to guide the management of its assets. As a result, assets purchased such as computers, furniture, air conditioners, etc. for FY 2020 worth Le184,308,200 were neither marked/coded nor recorded in the FAR. Similarly, we noted that assets worth Le60,508,200 were not made available for verification.

The Senior Permanent Secretary in collaboration with the Accountant should ensure that an assets register is developed, assets marked, the details of them recorded in the Ministry's fixed assets register and outstanding assets are made available for verification.

### **Official's Response**

*The PS in his response said: "The recommendation will be fully implemented going forward."*

### **Auditor's Comment**

A fixed assets register was not made available and assets purchased costing Le184,308,200 were neither marked/coded nor recorded in the fixed assets register. Other set of assets worth Le60,508,200.00 were also not made available for verification. Therefore, the issues are unresolved.

### **3.39.3. Human Resources Management**

In contravention of Section 112 (2) of the PFMR of 2018, payroll reconciliation was not carried out by the Ministry, and as a result, the names of 18 staff on the salary voucher were not in the Ministry's nominal payroll. A total of Le228,627,204.00 was paid to them during the period under review. We

additionally noted that 29 staff did not make themselves available for physical verification, even though a total salary of Le129,799,191.00 was paid to them during 2020.

The Senior Human Resources Officer (SHRO) should ensure that payroll records are reconciled, and unverified staff immediately avail themselves for physical verification; failing which, their names will be communicated to the Director General, Human Resources Management Office (HRMO) for deletion from the payroll.

### **Official's Response**

*The PS in his response said:*

- (i) *“One of the major challenges impeding the successful achievement of reconciliation is that monthly payrolls which were sent to MDAs prior to now by the HRMO have been suspended. Even upon request it has however been the same serious challenge as the HR Unit of this Ministry is yet to receive the said monthly payroll.*
- (ii) *Retirement, transfers or deaths can only be actioned and forwarded to the HRMO. Noting the names captured in the query, below is a crystal analysis in respect of same.”*

### **Auditor's Comment**

Payroll reconciliation was not done and the requested staff also did not make themselves available for physical verification. This issue is therefore unresolved.

## **3.40. MINISTRY OF SOCIAL WELFARE, HEADQUARTERS - 2019 & 2020**

### **3.40.1. Payments not Supported by Documents**

Contrary to Section 100 (1) of the PFMR of 2018, payment vouchers and supporting documents for withdrawals totalling Le161,500,000 from the Ministry's imprest account and payments totalling Le50,000,000 made to Victory Teens Orphanage during the 2019 and 2020 Financial Years respectively, were not submitted for audit inspection. Similarly, vouchers raised for payments of Le233,446,000 in 2019 Financial Year were not supported with adequate documents such as LPO, pro-forma invoice, receipt of payment, beneficiaries' signatures. We therefore could not confirm the purposes for the withdrawals.

We recommended that the Permanent Secretary, in collaboration with the Accountant should provide the required supporting documents. Otherwise, the funds should be refunded into the CF.

### **Official's Response**

*The PS in his response said: “The required supporting documents are now available for audit verification.”*

### **Auditor's Comments**

During the verification, documents to support withdrawals totalling Le161,500,000 and vouchers raised for payments of Le233,446,000 in 2019 and the Le50,000,000 paid to Victory Teens Orphanage in 2020 were not submitted. Both issues remain unresolved.

### **3.40.2. Withholding Tax not Deducted and Paid to the NRA**

Withholding taxes which amounted to Le17,129,528.90 from payments made to various suppliers were not deducted and paid to the NRA during the 2019 Financial Year. This was in contravention of Section 117 of the Income Tax Act of 2000 (as amended).

We recommended for the immediate recovery and payment of the total amount to the NRA

***Official's Response***

*The PS in his response said: "The evidence of payment of 5.5% withholding tax is now available for audit verification."*

**Auditor's Comment**

During the verification, the Accountant did not submit evidence of payment of withholding taxes to the tune of Le17,129,528.90 for the 2019 financial year. This issue remains unresolved.

**3.40.3. Revenue Management and Control**

Revenue collected by the Ministry which amounted to Le42,535,000 and Le5,200,000 for the 2019 and 2020 Financial Years respectively, were utilised by the Ministry without evidence of approval from the Ministry of Finance (MoF). The Ministry of Social Welfare did not therefore comply with Sections 44 (1) and 13 (1) of the PFMR, 2018.

We therefore recommended that the Permanent Secretary should submit evidence of approval from the MoF for the immediate utilisation of revenue generated by the Ministry of Social Welfare, failing which, the full amount must be recovered and paid back into the Consolidated Fund.

***Official's Response***

*The PS in his response said: "We note the auditor's comment. The Ministry no longer collects revenue from the registration/ renewal of CBOs and FBOs going forward."*

**Auditor's Comment**

During the verification, the Permanent Secretary did not provide evidence of approval from the Ministry of Finance for the utilisation of revenue collected by the Ministry which amounted to Le42,535,000 and Le5,200,000 for the 2019 and 2020 Financial Years respectively. Therefore, the issue remains unresolved.

**3.40.4. Management of Special Funds**

***Children in Special Difficult Circumstances Project***

Payment vouchers and their supporting documents such as receipt of payments, invoice etc. to support withdrawals which amounted to Le94,674,000 from the Children in Special Difficult Circumstances project account during the FY 2019 were not submitted for inspection. We therefore could not confirm the purposes for the withdrawals.

We recommended that the Permanent Secretary should provide the required supporting documents, otherwise the monies should be refunded into the Consolidated Fund.

***Hajj Operations Account***

We observed that US\$896,728.53 transferred to Saudi Arabia for hajj related activities was not supported by expenditure returns and retirement details.

Similarly, US\$51,892 paid as stipends to students and community volunteers in Saudi Arabia was without evidence of receipt by the beneficiaries. We therefore could not confirm whether the intended beneficiaries received the funds. The Ministry therefore contravened Section 11 (1&2) of the PFMR of 2018.

We recommended that the Head of Chancery should provide the complete expenditure returns and retirement details. Otherwise, the said amount should be refunded into the Consolidated Fund and evidence of refund forwarded to the ASSL for verification.

### ***Hajj Scholarships***

Utilisation of Hajj scholarships worth US\$731,985.00 donated to Sierra Leone in 2019 by various foreign donors was not supported by documents such as beneficiaries' list, copies of passports and other relevant documents. We therefore cannot confirm how the Hajj donations were utilised and how these scholarships were awarded, including the number of Sierra Leoneans that benefited from the donations.

We recommended that the Chairman of Hajj Committee and Head of the Hajj Secretariat should provide the complete supporting documents such as beneficiaries' list and personal details, and grant notification forms. Otherwise, the said amount should be refunded into the Consolidated Fund and evidence of refund forwarded to the ASSL for verification.

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

*The Permanent Secretary in his response said: "The required/relevant supporting documents are now available for audit verification."*

### **Auditor's Comment**

During verification, the queried supporting documents to ascertain how funds in respect of the Children in Special Difficult Circumstances Project, Hajj Operations Account and Hajj Scholarships were expended during the period under review were not provided for inspection. The issues therefore remain unresolved.

### **3.40.5. Assessment of Service Delivery**

From personal observations of the Approved School at Kissy and the Remand Home at Kingtom and upon interviews conducted with officers of the Home, it was revealed that the Ministry has contravened Section 38 of the Sierra Leone Correctional Services Act of 2014. This among other things state that arrangements shall be made for the provision of other medical and related services, in accordance with any relevant policy or programme of the Ministry responsible for health.

We specifically noted the following:

- The Approved School at Kissy and the Remand Home at Kingtom both lacked medical personnel to provide first aid treatment for inmates especially during emergencies. The Centre for the skills training component which includes tailoring and carpentry was in a deplorable state and required urgent rehabilitation and supply of tools and materials. The Homes lacked paid teaching personnel to effectively teach inmates, as there was only one paid employee and five volunteers.
- The Approved School at Kissy lacked safe drinking water in the compound. The inmates were being accompanied by officers to fetch drinking water outside the Centre, which is not ideal for detained persons.
- The dormitories at both the Approved School at Kissy and the Remand Home at Kingtom needed maintenance and renovation. The metal guards to the boy's dormitory were broken and others were weak. Interviews with officers-in-charge of the two homes revealed that sometimes inmates took advantage of the physical state of the buildings to cause disorder, especially at night. Other buildings had electricity and leaking roof problems. It was a serious threat to the health and safety of the inmates, especially at night if fighting erupted among them.

- The two juvenile rehabilitation centres were not receiving imprest to address the numerous challenges facing them. As a result, the two centres had not been able to run effectively.
- The centres lacked vehicles to enable personnel carry out their duties, especially during emergencies at night, reunification of inmates with their communities and during national examinations periods. As a result, the institutions have been struggling to organise those events when the need arises.

We recommended that the Director of Social Welfare in collaboration with the Permanent Secretary and Chief Social Welfare must ensure that better facilities are made available at the Approved Schools.

### **Official's Response**

*The PS in his response said: "We note the auditors' comments regarding service delivery in our care homes of Approved School at Kissy and the Remand Home at Kingtom, both in Freetown. The Ministry is currently putting measures in place to ensure effective and efficient service delivery at these centres. Evidence of the on-going process is available for audit verification."*

### **Auditor's Comment**

Evidence of effort made by the Permanent Secretary to improve the facilities at the various schools were submitted and verified. The issues however remain unresolved and will be kept in view and followed up in subsequent audits.

## **3.41. MINISTRY OF SOCIAL WELFARE, BOMBALI – 2019 - 2020**

### **3.41.1. Payments without Supporting Documents**

Payments made without supporting documents such as request forms, payment vouchers, receipts, minutes, delivery notes, attendance lists, and signatures of recipients/beneficiaries amounted to Le63,249,200. We recommended that the Regional Director should ensure that the relevant supporting documents are made available for audit inspection.

### **Official's Response**

*The Regional Director in his response said: "All receipts, attendance lists and all other supporting documents are available for verification."*

### **Auditor's Comment**

Supporting documents for payments totalling Le2,835,000 were still outstanding.

### **3.41.2. Fuel Register not Properly Maintained**

The Ministry did not maintain a fuel register in the prescribed manner. We noted that records were only maintained for fuel issued to staff. As a result, the audit team could not ascertain the total fuel received for the period. In addition, the Ministry did not perform reconciliation with the fuel dealer to ascertain the opening and closing balances of fuel with the dealer.

We recommended that the Regional Director should ensure that a fuel register in the prescribed manner is maintained to capture fuel received, issued and balance. This will ensure that fuel stock is monitored in real-time, and if there is a need for replenishment of fuel stock, action will be taken accordingly. In addition,

the Finance Officer or the relevant SSOs should submit the fuel reconciliations with the fuel dealers for the periods under review.

**Auditor's Comment**

No response provided by management; therefore, the issue remains the same.

**3.41.3. Inadequate Control over the Management of Assets**

The following were observed:

- During the verification of assets, we observed that a Nissan Patrol and two motorbikes were missing. As such, the Ministry could not account for them.
- Several assets were not inscribed with durable labels or tags, nor did the marks on the assets match the ones on the FAR. Moreover, some of the assets were placed in the wrong locations, making it difficult for the audit team to verify them;
- Inventory lists were not displayed at the Ministry of Social Welfare's offices.

We therefore recommended the following:

- The vehicle and motorbikes held by former staff members should be retrieved as the said assets belong to the Ministry of Social Welfare, Bombali District.
- Regular physical stock take of the Ministry's assets should be carried out to safeguard them from misappropriation.
- An asset movement procedure is utilised when assets are moved from one location to another. And a location inventory must be maintained for each location.

**Auditor's Comment**

No response was provided by Management; therefore, the issue remains the same.

**3.41.4. Vehicle Logbook not Maintained**

We observed that the Ministry did not maintain records in the form of a logbook/operating records for usage, servicing and repairs of motor vehicles and plants. The absence of a logbook for assigned vehicles and motorbikes made it impossible for the auditors to determine the use of the fuel, distance covered and the number of litres consumed daily.

**Auditor's Comment**

No response was provided by Management; therefore, the issue remains the same.

**3.41.5. Attendance Register for Volunteer Staff not Maintained**

During the review of payment records, we observed that stipend was paid to volunteer staff regularly. The Ministry did not maintain an attendance register for their volunteer staff to show that they turn up for work daily. It was recommended that the regional office maintain an attendance register for volunteer staff to be signing when they come to the workplace.

**Auditor's Comment**

No response was provided by management; therefore, the issue remains the same.

### **3.42. MINISTRY OF SOCIAL WELFARE, KENEMA DISTRICT - 2020**

#### **3.42.1. Child Protection Management**

There was no holding centre for absconded, lost and found children. This could increase death rate, unplanned births and incidence of thefts. This was in contravention of Section 109 (1&2) of the Child Rights Act of 2007

We recommended that the Assistant Director in collaboration with the Councils and the Ministry's headquarters should ensure urgent construction/provision of holding center for these children.

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

*The Assistant Director in his response said: "An adequate plot of land located at Kpai, Bo Chiefdom has been surveyed and acquired. Work is in progress."*

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

Documentation for the purchase of the land was submitted. The issue has been partially resolved.

### **3.43. MINISTRY OF INFORMATION AND COMMUNICATIONS - 2019&2020**

#### **3.43.1. Public Procurement Laws Ignored for the Unbundling of Sierra Leone Cable Limited (SALCAB)**

We observed that the Ministry advertised for a period of two weeks rather than the six weeks enshrined in Section 40 (3c) of the Public Procurement Act of 2016 for the unbundling of SALCAB. This action limits the participation of potential bidders in the open competitive bidding process because the procurement might have been skewed in favour of a particular bidder.

We recommended that the Procurement Officer should provide explanation with documentary evidence why the advertisement period was not followed as prescribed in the National Public Procurement Act of 2016.

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

*The PS in his response said the following:*

- (i) "I write to refer to the above subject and to respond to your recommended action point in the draft compliance audit report (Breach in the Advertisement Period for ICB Procurement Method). I wish to clarify that there was no breach in the advertisement period as stated on the draft compliance audit report.*
- (ii) Please see the attached documentary evidence to clarify that there was no breach in the advertisement period as claimed:*
- (iii) Prior to the commencement of the unbundling, the Procurement Committee was compelled to comply with the implementation road map and activity timelines set forth in Cabinet minutes paper memo No. CP (2020)67. See copies of attached minutes paper and approved implementation road map activity timelines.*
- (iv) The Approved Cabinet Technical Committee did a presentation to the Procurement Committee on the overall road map and work plan as approved by Cabinet and an emphasis was placed on the activity timelines as indicated in the said agreed Cabinet resolution. After extensive deliberations on the issues of proposed timeline as agreed in the Cabinet resolutions, the Procurement Committee unanimously agreed to reduce the bidding period to two weeks, and in compliance with Regulation 57 (6) of the Public Procurement Regulations of 2018 which states that: "Pursuant to Paragraph (p) of Subsection (2) of Section 14 of the Act and after the approval of a Procurement*

*Committee, a procuring entity shall seek the Authority's endorsement for the reduction of the bidding period and the Authority may endorse the reduction of the bidding period within 5 working days from the date of the request.” The said provisions were equally adhered to. See attached copies of minutes of the Procurement Committee meeting and the Ministry’s correspondence to the Authority regarding same.*

- (v) In responses to the provision cited in your query regarding the correspondence received from the NPPA in connection with Regulation 57 (5) of the Public Procurement Regulations of 2018 which states that: “Pursuant to Paragraph (j) of Subsection (2) of Section 32 of the Act, where the circumstances so require under open competitive bidding, especially when the items are urgently required, a Procurement Unit may make recommendation to a Procurement Committee for a reduction in the advertising period and the procurement committee may give an approval for the reduction of the bidding period which shall not be lower than half of the minimum required bidding period for open competitive bidding.” The Authority (NPPA) agreed that “this may apply to this instance.”*
- (vi) In the wisdom of the Authority through a paragraph that follows immediately after the above statement (third paragraph) in their correspondence, the Authority (NPPA) further states that: “Owing to the exigency attached to the activity as explained in your correspondence, the Authority grants it’s ‘No Objection’ to your request for the reduction of the advertisement period to two weeks. The Ministry of Information and Communications can move to the next stage of the procurement process after the following corrections have been made.” See attached copy of the Authority’s approval.*
- (vii) In view of the above and considering the financial implications a prolong advertisement may have caused in addition to the aforementioned justifications, it is evident that there was no breach in the advertisement process.*

#### **Auditor’s Comment**

We note your response; however, the wisdom of the Authority should not be used as a means of non-compliance with the law. This issue is therefore unresolved.

#### **3.43.2. Withholding Taxes not Deducted from Payments Made to Suppliers and Paid to the National Revenue Authority**

In contravention of Section 117 of the Income Tax Act, 2000, withholding taxes totalling Le7,603,639.95 from payments made to suppliers for catering services, vehicle spare parts, printing and photocopying was not deducted and paid to the National Revenue Authority (NRA).

We recommended that the former Senior Accountant should recover all the withholding taxes that should have been deducted and paid to the NRA and evidence of payment forwarded to the Audit Service for verification.

#### **Official’s Response**

*The PS in his response said: “The documents are available for audit inspection.”*

#### **Auditor’s Comment**

During the audit verification, there was no receipt submitted for audit verification for 5.5% withholding taxes, which amounted to Le7,603,639.95; that should have been deducted from payments made to suppliers. Therefore, this issue remains unresolved.



### **3.43.3. Inventory/Assets Register not Maintained by the Ministry**

The Ministry did not maintain an inventory/fixed assets register. We also observed that some assets were without identification codes/marks. Total costs of fixed assets procured but not recorded in an assets register were Le628,600,000 and Le502,607,500 for the Financial Years 2019 and 2020, respectively.

We recommended that the Accountant should ensure that a comprehensive assets register is maintained, detailing all relevant information to assess assets economy, efficiency, and effectiveness of operation.

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

*The PS in his response said: "Your recommendation was noted, and that adequate modality will be put in place to have an assets register."*

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

During audit verification, comprehensive assets register/inventory was not submitted for verification. Therefore, this issue remains unresolved.

### **3.43.4. Lack of Proper Management of Store Items**

Interviews with the Store Clerk and inspection of store revealed that there was no store issue voucher. Store items procured for Le272,400,000 and Le533,060,000 for the 2019 and 2020 Financial Years respectively, were not recorded in the store's ledger. There was no evidence of year-end stock take. There were also no shelves in the store and rats were ravaging the store and leading to the destruction of valuable items.

We recommended that the Permanent Secretary should ensure that all store management system records are maintained by the Store Clerk.

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

*The PS in his response said: "Your recommendation is noted; effort will be made to make sure of this."*

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

- During audit verification, store management system records such as store ledger, store issue voucher and all other store records were not submitted for audit inspection. Therefore, the issue on store management records remains unresolved.
- In addition, evidence of year-end stock take was also not submitted for verification. Therefore, this issue remains unresolved.

## **3.44. MINISTRY OF TRADE AND INDUSTRY, HEADQUARTERS – 2018 - 2020**

### **3.44.1. Termination of Contracts without Due Procurement Process**

Contrary to Section 146(1) of the PPR of 2006 and Section 151(1) of the PPR of 2020, the following contracts were terminated without any evidence of notification of breach, to trigger termination as enshrined in the details of the contract:

- contract for the design, implementation and up-to-date container handling procedures for the port of Freetown;
- contract for the design, implementation and up-to-date cargo handling procedures for the airport and land borders of Sierra Leone, and

- contract for the provisions of pre-shipment inspection programmes for the Nitty Port at the Sierra Rutile (export of rutile & bauxite) and at the Queen Elizabeth II Quay (all exports)

The great audit concern also is that even though the contract entails legal ramifications, the responsibilities and liabilities of government, as stated in the case of early terminations, there was no evidence of consultation with the Law Officers' Department prior to the termination of the contracts. The Ministry of Trade and Industry (MTI) acting on recommendations from the Law Officers' Department to ensure the state is protected from litigation that might result from such terminations.

### **Official's Response**

*The Permanent Secretary (PS) in his response said: "Due process was followed in the termination of the contracts referred to in the recommendations. The process was informed by the decision of a cross-section of cabinet that reviewed the agreements after several issues were raised over breaches perpetrated by African Links. The related documents in this regard are available for your verification."*

### **Auditor's Comment**

- (i) The relevant evidence that due processes were followed in the termination of the contracts with Sierra Inspection Company Limited and Specialist Inspection Services (SL) Limited were not made available for inspection. The issue is therefore unresolved.
- (ii) For African Link Inspection Company (ALIC), we saw evidence of correspondences between the Ministry of Finance and the Law Officers' Department. The Law Officers' Department advised that the Ministry abide by the terms as stated in the agreement for the termination of the contract, but there was no evidence of compliance with the legal advice. The issue is therefore partly resolved.

### **3.44.2. Virement without Evidence of Approval from the Ministry of Finance**

Contrary to Section 28(2) of the PFMR of 2018, a total of Le105,664,825.00 was reallocated and utilised as special imprest without the approval or authorisation from the Ministry of Finance.

We therefore recommended that the Permanent Secretary(PS) should provide evidence of approval or authorisation from the Ministry of Finance justifying the reallocation and use of the fund.

### **Official's Response**

*The PS in his response said: "Management notes the concerns of the auditors on the use of funds amounted to Le6,729,600.00 and Le98,935,225.00 for retreats conducted in 2019 and 2020 respectively; and recommendations that the MTI should provide evidence of approval or authorisation from the Ministry of Finance."*

*Management's response is that the said amounts were withdrawn from the Ministry's Institutional Support Account which is specifically intended to facilitate activities relating to the Ministry's reform and rebranding efforts. As monies are fungible, the funds were used to undertake the retreats in anticipation of replenishment from the Ministry of Finance. Provision has been made in the allocation released for the first half of 2021 to replenish the account with the said amounts following request from the Permanent Secretary. Documents relating to this process are available for verification."*

### **Auditor's Comment**

There was no approval or authorisation from the Ministry of Finance for the utilisation of Le105,664,825. Even though request had been sent to the Ministry of Finance (MoF) for a refund of this amount, there

was no evidence that this amount had been paid to the Ministry as at the time of issuing this report. The issue is therefore partly resolved.

### **3.44.3. Improper Administration of Staff Matters**

Salaries for May 2019 to December 2020, which amounted to Le666,699,978.00, were paid to a staff who had not been in office since 11th December 2018, without justification. We additionally noted that Le93,322,914 was paid as salary to 14 staff who were not available for physical verification; and Le122,754,816 was paid as salary to 11 staff whose names were not on the HRP-2 staff list of the Ministry. This was in contravention of Section 112(2) of the PFMR of 2018.

The Senior Human Resources Officer (SHRO) should ensure that the Ministry's staff list is reconciled with the payroll records and unverified staff should 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***

*The PS in his response said:*

- (i) "We note the issue raised for Mr Sesay and the recommendation thereto. Management wishes to note that Mr Sesay's file has gone missing and could not be traced. We have however made strenuous efforts and secured some critical records for Mr Sesay from the Human Resources Management Office which can now be used to update his records in the Ministry. This will inform further action on this recommendation.*
- (ii) The concerned personnel were alerted to avail themselves for physical verification which was conducted by the audit team after the exit meeting with the Ministry.*
- (iii) Records are available for audit inspection."*

### **Auditor's Comment**

- There was no evidence on file to justify the payment of salaries to a staff who had not been in office since 11th December, 2018. There was also no evidence that the staff list had been reconciled with the payroll records.
- Five of the 14 staff did not still avail themselves for physical verification. A total salary of Le27,376,704 was paid to them during 2020.
- The names of seven of the 11 staff on the payroll, were still not on the HRP 2 staff list of the Ministry. A total of Le88,781,100 was paid to them as salary during 2020. The issue therefore remains partly resolved.

### **3.44.4. Staff Appointed in Acting Capacities without Approval from the Director-General, Human Resources Management Office (HRMO)**

Two personnel whose names were not on the government payroll were appointed in acting capacities as Director and Deputy Director of Foreign Trade, since February 2019. This was done in contravention of Rule 2.19 of the Government of Sierra Leone Civil Service Code Regulations and Rules of 2011. There was also no evidence of approval from the Director-General of HRMO.

The Senior Human Resources Officer should submit evidence of submission of recommendation for acting appointment for the two personnel to the Director General HRMO and evidence of approval.

### **Official's Response**

*The PS in his response said: "The Ministry was currently implementing the new structure approved by the Civil Service Steering and Regrading Committee which will incorporate this matter."*

### **Auditor's Comment**

Details of procedures and other relevant documents in relation to the appointment of the two staff as Director and Deputy Director of Foreign Trade respectively were not submitted for verification. Additionally, there was no evidence of approval from the Director General of HRMO. The issue is therefore unresolved.

## **3.45. MINISTRY OF TRADE AND INDUSTRY, EASTERN REGION - 2020**

### **3.45.1. Human Resources Management**

Staff list and personal files were not maintained and there was no evidence in the form of time book to show that staff come to work. We also noted that annual staff appraisals were not presented for the Eastern Region Trade Monitoring Team.

The team leader should therefore ensure that staff list, personal files and time book are maintained for all staff in the Eastern Region. Additionally, staff annual appraisals should be conducted annually.

### **Official's Response**

*The Team Leader of Trade Monitors in his response said: The staff list, personnel files and time book/attendance register are now in place for audit inspection and verification.*

### **Auditor's Comment**

The required documents were not produced for audit inspection. Therefore, the issues are partly resolved.

## **3.46. MINISTRY OF TRADE AND INDUSTRY, BO DISTRICT - 2018 & 2019**

### **3.46.1. Assessment of the General Operations of the Ministry**

We observed the following:

- There was no evidence that the Trade Lead in the Bo Office participated in the budget preparation process. From the interview held with the Trade Lead in the Bo District, it was revealed that the Ministry of Trade and Industry in Bo did not receive budgetary allocations from the Ministry's headquarters in Freetown to enhance its day-to-day running of the office. The Ministry in Bo may not effectively carry out its mandate without budgetary support.
- Electricity supply from the EDSA grids remains a key challenge for the day-to-day operations of the Ministry's office in Bo as there was no reliable and frequent electricity supply. Discussions held with the Trade Lead revealed that there was no stand-by generator for the effective service delivery by personnel of the office in Bo.
- We physically inspected the office space used by the Ministry in Bo and observed that there was no office equipment to support daily operations such as photocopiers, printers, scanners etc. There was also no internet connectivity to enhance information gathering and ease of communication to

the Ministry's headquarters and other line agencies. It was revealed that photocopying and printing of sensitive documents are done in the open market. There is a risk that sensitive information might be leaked to the public which may undermine the credibility of the operations of the Ministry.

- There was no evidence that stationery was supplied to the Ministry in Bo for the period under review. Interviews held with the Bo District Trade Lead revealed that the MTI in Bo District as constrained with the supply of stationery to carry out its day-to-day operations. He also revealed that the regional office did not receive imprest that could be used to fund certain activities such as buying of stationery for office use. This continued to hinder the effective operations of the MTI office in Bo.
- The Bo District office did not receive any budgetary allocation from the Ministry's headquarters, therefore the following challenges were observed:
  - ❖ No functional bank account;
  - ❖ No petty cash or imprest to run the office;
  - ❖ No cashbook was maintained;
  - ❖ No monthly bank reconciliations were prepared;
  - ❖ No payment vouchers and supporting documents were maintained including payment of withholding taxes to the NRA;
  - ❖ No fuel supply; and
  - ❖ No proper stores management.

It was recommended that the Trade Lead in the Bo District in collaboration with the Permanent Secretary and the Head of Finance at the headquarters of the Ministry of Trade and Industry should ensure the following:

- that the District Office participate in the annual budgetary process. Furthermore, the Permanent Secretary of the Ministry should ensure that allocations are made to the District Office for the efficient running of the office.
- that necessary steps are taken to provide electricity to the office in Bo. A standby generator should be bought to support effective operations at the office in Bo.
- that the office in Bo is provided with adequate office equipment to enhance effective service delivery. Internet connectivity should also be provided for staff in the Bo office to ensure effective communication.
- that adequate stationery is supplied on a regular basis to cover their operations across the District.
- that allocations are made to the District office for the efficient running of the office in Bo District.

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

We did not receive official response on the findings, and evidence of implementation of our recommendations. These issues therefore remain unresolved.

#### **3.46.2. Fixed Assets Management and Control**

We observed the following:

- The MTI office in Bo was without any means of mobility such as motorbike or vehicle to cover their operations.

- Some assets were not coded. This may lead to the loss of the Ministry's assets without it being detected.
- There was lack of adequate furniture. There were no cabinets or shelves where documents could be placed for safe keeping.
- The office occupied by the Ministry of Trade and Industry in Bo was not conducive to carry out their day-to-day operations. The Provincial Secretary offered them one room at the ground floor of the building which houses all three staff. This continues to hinder their day-to-day operations since the room did not have enough space to fully accommodate all of them.

We recommended that the Trade Lead in the Bo District:

- in collaboration with the Permanent Secretary at the headquarters of the Ministry of Trade and Industry in Freetown should ensure the following that vehicles and motorbikes are procured and delivered to the regional office in Bo for effective monitoring of trading activities in the Bo District.
- should ensure that all assets either acquired by or donated to the Ministry should be immediately marked with unique identification codes for audit and other reference purposes. Evidence of this action must be forwarded to the ASSL for verification.
- immediate action is taken for the procurement and delivery of adequate furniture including office cabinets and shelves for the safekeeping of documents.
- a convenient and conducive working environment is provided for the MTI Office in Bo.

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

We did not receive any official response on this findings, or evidence of implementation of our recommendations. These issues therefore remain unresolved.

### **3.47. MINISTRY OF SPORTS, HEADQUARTER-2018-2020**

#### **3.47.1. Procurement Methods not Followed**

In contravention of the provision in Section 37(1) of the Public Procurement Act 2016, procurement methods indicated in the approved procurement plan were not adhered to by the Procurement Unit in the execution of selected procurement activities during 2019. Sole-sourcing instead of Request for Quotations (RfQs) procurement method was used in procurement activities worth Le72,000,000. There was no evidence of approval from the Procurement Committee as well as from the NPPA and the Ministry of Finance.

We therefore recommended for the submission of evidence of approval from the Procurement Committee as well as from the NPPA and the Ministry of Finance for the use of the sole-sourcing procurement method.

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

*The Permanent Secretary(PS) his response said:*

- (i) *"Evidence of the two activities referred to above cannot be identified from the point of reference submitted in the draft.*
- (ii) *No sole sourcing method was however applied in all procurement activities undertaken in the FY2019. The Ministry was challenged with the willingness by suppliers in doing business, because of the delay in receiving*

*payment for items supplied. Nevertheless, few suppliers were willing to undertake business venture with the Ministry irrespective of those aforementioned challenges.*

- (iii) *The Ministry through the Procurement Committee is however planning to undertake Framework Contract with eligible supplier(s) in the future”.*

#### **Auditor’s Comment**

There was no evidence that the approved procurement method as indicated in the procurement plan was used. The issue is therefore unresolved.

#### **3.47.2. Splitting of Procurement in a Bid to Evade the National Competitive Bidding Method**

In 2018 and 2019, the Ministry artificially split procurement activities worth Le181,240,000 into smaller amounts used RFQs rather than the National Competitive Bidding (NCB) procurement method and awarded the contracts to various contractors. This was contrary to Section 37(2) of the Public Procurement Act of 2016.

#### **Official’s Response**

*The PS in his response said:*

- (i) *“I agree that contract accumulated for the said activities (office furniture and equipment) were undertaken. According to the former Senior Procurement Officer (Mr. Abdul Kamanda), the alleged act was not deliberate. The reason for it was that, office furniture and equipment were procured and distributed to different units in the Ministry at different dates based on the requisitions submitted by different end users. The alleged portions of activities were undertaken as a result of unavailability of funds at that time, operating on a transaction with a promise of making payment when funds are available in the future.*
- (ii) *The IFMIS LPOs for the alleged transactions were however released in the same month by the Ministry of Finance, which was responsible for that”.*

#### **Auditor’s Comment**

We acknowledge the response from management and urge the Ministry to design a framework contract where necessary; especially for commonly used items or activities. This will assist in mitigating the challenges in the delay of getting of funds from government. The issue is therefore unresolved.

#### **3.47.3. Inadequate Control over Accounting for Special Imprest**

Contrary to Section 124 (1) of the Public Financial Management Regulations of 2018, we observed the following:

- Special imprest for various sporting disciplines, amounting to Le3,657,978,828, were without retirement details or evidence that the amount was paid back into the Consolidated Fund at the end of the activities.
- From a total special imprest of Le186,923,265, for the Sierra Leone Boxing Association, a total of Le69,158,686 allegedly paid as allowances to athletes and officials was not supported by signed claim sheet by the beneficiaries and an approved delegates list from the Boxing Association.
- In 2018, the Sierra Leone Premier League Board (SLPLB) received Le3,565,000,000 (Le3,500,000,000 from the GoSL, Le50,000,000 and Le15,000,000 as donations) for the kick-start of the Sierra Leone Premier League. Our review of retirement records submitted for

audit inspections revealed that a total amount of Le2,684,723,740 was still without retirement or adequate retirement records. The table below gives details of those transactions:

Details	Amount Le
Club subsidy	750, 000,000
Clubs' prize money	406,000,000
Payments to different football association	447,242,300
Withholding taxes not paid	79,352,570
Excess payment of sitting fees to board members without justification	39,050,000
Bidding documents leading to the selection of the contractor for the printing of tickets	378,473,000
Payments without adequate supporting documents	362,961,000
<b>Total</b>	<b>2,684,723,740</b>

We also noted that revenue from gate takings were not banked before being utilised (shared). Instead, various sharing percentages were immediately done after the end of a match. Additionally, tickets were not printed in duplicate or triplicate copies and were without stubs for ease of referencing.

We therefore recommended for the full retirement of all special imprest received; failing which the outstanding unretired amount must be paid back into the CF.

### **Official's Response**

*The PS in his response said:*

*"The Account Unit has received retirement details from the Sierra Leone Karate Federation, the International Football Friendly Match between Sierra Leone and Liberia and Operational cost to the National Sport Authority amounting to Le103,213,168, Le293,420,947 and Le 463,000,000 respectively (see attached copies).*

*We are still waiting for other sporting disciplines as listed in the Draft Audit Report to provide their retirement details of all funds received. The Ministry has sent letters of reminder (see attached) to the various sporting disciplines affected asking them to retire all funds received from the Government of Sierra Leone immediately."*

### **Auditor's Comment**

- Retirement details were only submitted for total payments of Le463,000,000, leaving a balance of Le3,194,978,828 was still without retirement details or evidence of it being paid back into the CF. The issue is therefore partly resolved.
- A total of Le69,158,686 allegedly paid as allowances to athletes and officials was still without the relevant supporting records. The issue is therefore unresolved.
- Documents were not submitted to account for outstanding issues in respect of funds utilised by the Sierra Leone Premier League. Of the total amount of Le2,684,723,740, the total of Le1,721,644,870 should be recovered and paid back into the CF. The issue is therefore unresolved.



#### **3.47.4. Payments Without Supporting/Adequate Supporting Documents**

Contrary to Section 100 (1) (b)(i) of the Public Financial Management Regulations of 2018, we noted the following instances:

- Bank withdrawals amounting to Le2,381,533,622 were without payment vouchers and the relevant supporting documents to justify the utilisation of the withdrawals. Additionally, payments vouchers totalling Le2,592,498,250 were without adequate supporting documents.
- For the participation of the Sierra Leone Lawn Tennis Team in the African Nations Cup in Botswana in 2018, a total allowance of Le66,156,240 was paid without any justification. Additionally, the signed list of recipients for the said allowances was not submitted for our review.
- There were discrepancies between the delegate list and the letter of invitation for the National Team's participation in the WAFU Zone Cup of Nations in Senegal, in 2019, which resulted in an extra payment of US\$2,500 to an additional five officials without any evidence or justification for their inclusion.
- An extra amount of US\$1,000 was paid to an additional delegate for the Sierra Leone Athletics Association for participating in the Senior Athletic Championship in Niger, in 2019, without any evidence or justification.

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

*The PS in his response said: "The documents relating to the withdrawal of cash from bank account and payment vouchers without sufficient/adequate supporting documents have been put together for your attention by the former accountant".*

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

- From the total bank withdrawals of Le2,381,533,612, supporting documents were only submitted for Le30,000,000. Total payments of Le552,500,000 were without adequate supporting documents and the balance of Le1,799,033,612 was still without supporting documents. Therefore, the issue is partly resolved.
- Outstanding records in respect of payments totalling Le2,592,498,250 were still not submitted for verification. The issue is therefore unresolved.
- Documents or justifications were not submitted for the extra payments of US\$3,500 on overseas travelling expenses. The issue is therefore unresolved.

#### **3.47.5. Poor Fuel Management**

Contrary to Section 13(1) of the Public Financial Management Act of 2016, controls were not adequate to manage fuel allocated to the Ministry. From the allocation of Le95,520,000 worth of fuel in 2018, utilisation records were only provided for Le79,490,000, leaving a difference of Le16,030,000 not brought to account. We therefore recommended that fuel utilisation records in respect of the outstanding amount is immediately submitted for inspection; failing which the amount must be recovered and paid back into the CF.

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

*The PS in his response said: "The difference of Le16,030,000 outstanding in respect of fuel in 2018 was brought forward to 2019, and that attached are distribution list signed by beneficiaries and copies of chits issued in the utilisation of the aforementioned amount."*

### **Auditor's Comment**

The relevant fuel records were not submitted to account for fuel usage. The issue is therefore unresolved.

### **3.47.6. Irregularities in the Payment of Monthly Allowance to Board Members**

In contravention of the provisions in Section 111 (5) of the PFMR of 2018, we observed the following:

- The National Sports Authority (NSA) has 11 appointed Board members. The names of seven of the appointed Board members were continually included on the NSA payroll vouchers, even though they received salaries from their different public institutions. For the period of June to December 2020, a total of Le132,370,000 was paid to these seven Board members by the NSA. We consider these payments ineligible and must be refunded into the Consolidated Fund.
- There were inconsistencies in the amounts paid as salaries to some Board members. For instance, on the payroll voucher, a member received a total of Le115,500,000 with two different basic salaries of Le17,250,000 and Le2,000,000 for a period of six months. Upon recalculation of the figures on the payroll voucher, it was evident that some computations were wrongly done. Similarly, a member received a total of Le123,000,000 with four different basic salaries of Le7,000,000, Le6,000,000, Le5,500,000 and Le2,000,000 for a period of six months. Upon recalculation of figures on the payroll voucher, it was again evident that some figures were wrongly computed. The auditors recalculated figures showed net salary payment irregularities of Le238,500,000 to these two Board members.

### **Auditor's Comment**

In spite of repeated requests, there was no official response or evidence submitted to ascertain that the recommendations were implemented. The issues therefore remain unresolved.

### **3.47.7. Payroll Reconciliations Not Done**

There was no evidence of payroll reconciliation carried out by the Ministry, and as a result, the names of 46 staff from the Ministry, and 16 staff from the National Sports Council (NSC) on the salary voucher were not in the Ministry's nominal roll. The total salaries paid to them for the period under review was Le3,168,552,672 and Le313,103,208 respectively. This was contrary to Section 114 (1) of the Public Financial Management Regulations of 2018.

### **Official's Response**

*The PS in his response said: "Action has been initiated by the Ministry to separate its payroll from that of the Ministry of Youth Affairs (see letter and staff list forwarded to the Accountant General for necessary action). Since the separation of the Ministry of Sports from the Ministry of Youth Affairs, we have learnt that the payroll of the Ministry has not been separated. The 46 staff mentioned in the draft management report are not staff of the Ministry of Sports but staff of the Ministry of Youth Affairs. Only two of them are Ministry staff and they were part of the physical verification during the audit exercise for the period under review."*

### **Auditor's Comment**

Payroll reconciliation is yet to be carried out by the Ministry. The names of 44 staff from the Ministry and 15 staff from the National Sport Council (NSC) on the salary voucher were not in the Ministry's nominal

roll. The total salaries paid to them for the period under review was Le3,138,551,244 and Le282,279,720 respectively. This issue is partly resolved.

### **3.48. MINISTRY OF SPORTS, BAMBALI-2019&2020**

#### **3.48.1. Inadequate Staffing**

The Ministry had only the District Sports Development Officer (DSDO) and no other support staff to carry out the functions. Moreover, we noted that this same staff was responsible for Bombali and Tonkolili Districts, making the workload too much for one man.

Therefore, there is a significant risk in the Ministry, being that there is no segregation of duties, which is a key control procedure. If not addressed, it may be a leeway for mistakes, errors, and fraud. This will have an undesirable impact on the Ministry in fulfilling its mandates being that one man runs it. As head of entity, we recommended that the DSDO liaise with the Central Ministry to address the staffing matters, particularly when service delivery is the main objective for which the Ministry was established.

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

No management's response was proffered and there was no evidence that the recommendation was implemented. The issue remains the same.

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

Payments totalling Le34,461,380 and Le16,139,100 for 2019 and 2020 respectively, were without adequate supporting documents such as receipts, invoices, delivery notes, minutes of meetings, claim sheets, monitoring and supervision reports, attendance lists, etc., to substantiate the utilisation of funds. We recommended that the DSDO ensure that the supporting documents regarding the expended amounts are submitted to the audit team for review.

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

*The DSDO in his response said: "The required documents are available for verification."*

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

The required supporting documents were still not submitted for verification. This issue remains unresolved.

#### **3.48.3. Payments Without Supporting Documents**

Payments totalling Le51,037,500 disbursed in 2020 as per the District Council's cashbook to the Ministry were without any retirement details to account for its utilisation by the Ministry.

We recommended that the DSDO ensures that the supporting documents regarding the expended amounts are submitted to the audit team for review.

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

*The DSDO in his response said: "The required documents are available for verification."*

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

Payments totalling Le9,710,000 were still without retirement details.

#### **3.48.4. Extra Budgetary Expenditure**

A review of the cashbook submitted by the Council for the Ministry of Sports (MOS) revealed that payments totalling Le37,327,500 were made to procure some infection prevention and control materials, refreshment, vehicle and PA system hiring for the community sensitisation on COVID-19. There was no such expenditure line in the Ministry's budget. The MOS did not provide any minutes where such expenditure was approved in the supplementary budget, nor any correspondence authorising such spending.

We recommended that the DSDO should provide the meeting minutes and other correspondences where it was agreed to expend such an amount on Covid-19 sensitisation. Otherwise, the said amount should be paid back into the Consolidated Fund, and the pay-in-slip forwarded to the audit team for verification.

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

*The DSDO in his response said: "The expenditure was in line with the Ministry's budget. The minutes where such expenditure was approved in the supplementary budget was available for verification."*

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

No documents were submitted for verification. Therefore, the issue remains unresolved.

#### **3.48.5. Inadequate Control over Fuel Management**

The following were observed:

- Fuel register was not submitted to the audit team to support the utilisation of Le3,149,000 and Le1,210,000 worth of fuel for 2019 and 2020, respectively.
- The Ministry did not maintain serially numbered printed duplicate/triplicate copies of fuel chits for the periods under review.
- We observed that fuel reconciliations between the Ministry and the fuel dealer were not done during the period under review, which should rectify differences, if any.

We recommended the following:

- The DSDO should ensure that a comprehensive fuel register is developed and made available to the audit team for verification. This should show the opening balance, receipt, issue and closing balance of all fuel transactions.
- Monthly reconciliation of consumption should be carried out in order to determine the accuracy of the fuel supplier's balances. Evidence of such reconciliations should be thoroughly reviewed and approved by a senior personnel.
- In future, the DSDO should ensure that standard fuel chits are printed in duplicate/triplicate copies, serially numbered, and maintained properly for fuel utilisations for audit and reference purposes.

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

*The DSDO in his response said: "The Ministry maintains operating records such as fuel chits, fuel register and fuel reconciliation ledger. These are available for verification."*

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

Except for fuel chits that were not serially numbered, no other fuel operating records were submitted to the audit team for verification. Therefore, the issue remains unresolved.

### **3.48.6. Stores Items Purchased without Evidence of Distribution**

The Ministry procured sporting equipment of Le23,200,000 in 2019 for onward distributions to sports-based organisations within the Bombali District. We observed that the sporting equipment was given to councillors instead of the sports-based organisations, as clearly stated in the request and proposal submitted to the Council for approval. Moreover, we noted that the sports-based organisations that benefitted from the equipment were not mentioned on the distribution list. Neither did the councillors submitted the names of any sport-based organisations to whom they gave the items. Therefore, the audit team could not justify the said payment for sporting equipment for sport-based organisations. It was recommended that the DSDO should provide the distribution list for the sports equipment.

#### **Auditor's Comments**

No management's response was proffered and there was no evidence that the recommendation was implemented. The issue remains the same.

### **3.48.7. Lack of Office Space and Other Facilities**

Since May 2020, the MOS did not have an office space in the District to carry out its mandates competently. The Sports Officer came to the Bombali District Council to work whenever there was an activity to be implemented. The Ministry was not easily accessible to the public and other stakeholders, and accessing the Sports Officer was sometimes challenging. We also noted that the Ministry lacked the necessary office equipment and furniture such as computers, photocopiers, chairs and tables and that a proper records management system was not in place.

There is a significant risk that this will deter the progress of sports development in the District. We therefore recommended that the DSDO liaise with the Ministry's headquarters and the Local Council for an office accommodation and provision of necessary office equipment and furniture. The Sports Officer should also ensure that a filing system is introduced to records.

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

No management's response was proffered and there was no evidence that the recommendation was implemented. The issue remains the same.

## **3.49. MINISTRY OF SPORTS, BO 2018-2020**

### **3.49.1. Cash Book not Properly Prepared**

A review of the cashbook of the Bo Sports Stadium revealed that the cashbook was not properly prepared as it did not show opening and closing balances for every month of the years under review. This was in contravention of Section 50(6) of the PFMR, 2018.

We recommended that the Assistant Director of Sports, South should collaborate with the Permanent Secretary and the Executive Director of Sports, National Sports Authority (NSA) to ensure that the Accountant at the Ministry prepares the corrected cashbook with all opening and closing balances stated for every month. The corrected cashbook must be forwarded to the ASSL for verification.

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

*The Assistant Director of Sports (ADS), Bo in his response said: "This audit recommendation is noted, as the lack of relevant professional personnel such as an Accountant in the Ministry of Sport Bo, has significant shortcomings in the*

*operational activities of the Institution. The National Sport Authority (NSA) is in the process of recruiting the relevant Accounting and Administrative Staff to supervise and direct the financial activities of the Ministry in Bo. Attached is a letter, dated 22nd February 2021, and addressed to the Executive Director of Sports (NSA), copied to the Permanent Secretary, Ministry of Sports and other stakeholders, requesting for an Accountant, an Administrative Assistant, as well as Prime Accountable Documents, for the Ministry of Sports, Bo and the Bo Stadium Management.”*

#### **Auditor’s Comment**

The management’s response is noted. No corrected cashbook was however submitted. Therefore, this issue remains unresolved.

#### **3.49.2. No Monthly Bank Reconciliation Statement**

Contrary to Section 36 of the PFMR of 2018, monthly bank reconciliation statements were not prepared for the years under review, in order to reconcile the bank statement balances and the cashbook balances.

We recommended that the Assistant Director of Sports, South should collaborate with the Permanent Secretary, the Executive Director of Sports, NSA to ensure that the Accountant prepares monthly bank reconciliation statements for the years under review. The monthly bank reconciliation statements must be forwarded to the ASSL for verification.

#### **Official’s Response**

*The Assistant Director of Sports, Bo in his response said: “This audit query is also noted. The Ministry of Sports, through the National Sports Authority, should expedite the recruitment of an Accountant, and or a Finance Clerk in the Bo Office, to reconcile full and proper records of all financial transactions, including bank reconciliation statements.”*

#### **Auditor’s Comment**

The management’s response is noted. There was however no evidence of monthly bank reconciliation statements submitted. Therefore, this issue remains unresolved.

#### **3.49.3. Fixed Assets Management**

In contravention of Section 161(1), Section 171(1) and Section 214(1) of the PFMR, 2018, we observed that the Ministry did not submit for audit fixed assets register that records assets owned and controlled by the Ministry. Physical verification of fixed assets revealed that assets owned and controlled by the Ministry were not marked with unique identification codes.

From physical verification of the stadium facilities, we observed the following:

- The Bo Sports Stadium electronics scoreboard was faulty and had not been functioning. There was evidence of leakages in the scoreboard room which had caused serious damage to equipment such as panels, lighting, cooling systems and control system in the scoreboard room.
- The control room of the scoreboard where the photo-finishing equipment were located for athletics events was not functioning.
- Majority of the Bo stadium floodlights were not functioning as bulbs had fused and not being replaced.
- The stadium dressing rooms for both the Home and Away teams lacked essential equipment such as massage tables, white boards, wardrobes, electric fans or air conditioners.

- The Bo Sports Stadium had inadequate and ineffective water supply facilities. Physical inspection of the water facility revealed that the reservoir was faulty and needed urgent repairs and maintenance.
- The submersible water pump that supplies water from the well into the reservoir is also damaged.

We therefore recommended that the Assistant Director of Sports should:

- ensure that a fixed asset register is prepared and forwarded to the ASSL for verification.
- ensure that the Ministry's assets are marked with unique identification codes and
- collaborate with the Executive Director of Sports NSA and the Permanent Secretary of the Ministry to ensure that adequate funds are disbursed to the Bo Sports Stadium to effectively address the problems highlighted above. Evidence of action taken must be forwarded to the ASSL for verification.

### **Official's Response**

*The Assistant Director of Sport, Bo in his response said:*

- "The Ministry is currently working on the audit recommendation to deliver and update a fixed asset register that will be ready for verification. Since a new Stadium Manager has now been appointed, work is presently going on between my office and the new Manager to prepare a new assets register, indicating what belongs to the Ministry and what belongs to the Stadium Management.*
- The process of assigning identification codes to fixed assets is on-going, and will be completed soon.*
- The audit query and recommendations are noted. Attached are reports I have sent to the Executive Director of Sports, National Sports Authority (NSA) and other stakeholders in the NSA and the Ministry of Sports, outlining the shortcomings already highlighted in the audit query, and proffering suggestions as to how these problems could be tackled, to ensure effective operations of the Bo Stadium Facilities."*

### **Auditor's Comment**

- A letter sent to the Executive Director of Sports-NSA on the poor condition of the Bo Stadium facilities was submitted. Other recommendations were not implemented. The issues therefore remain unresolved.

#### **3.49.4. Assessment of Service Delivery**

In assessing whether the Ministry fully complied with its Mandates and Vision Statement we observed the following:

- A staff of the Ministry, with pin code 606359 was not receiving salary since May 2019; and the staff attendance register indicated that the staff has been reporting for work. The reason for the staff not to have been receiving salary was not made known to the audit team. This may lead to staff demotivation, and also pose serious economic hardship on the livelihood of the staff and his family.
- A review of documents and enquiry with the Assistant Director of Sports revealed that the Ministry of Sports-South, did not receive support such as imprest, office equipment, stationery, etc. from the Ministry's headquarters for its day-to-day operations.
- The Ministry was seriously challenged with mobility. There was no motor vehicle or motorbike for the movement of staff to carry out their activities

- There was no evidence such as minutes of meetings to confirm that the Ministry's regional office was coordinating with other sporting associations in the region.

We therefore recommended that the Assistant Director of Sports should ensure the following:

- Liaise with the Permanent Secretary, the Executive Director of Sports NSA and the Human Resources Manager of the Ministry to enquire from the Accountant General's Office why the salaries of the staff had not been paid and to reinstate the name of the said staff with backlog salaries paid if the name was deleted. In the event that the name was removed from the payroll for a just cause and the staff cannot be reinstated, then all necessary documents should be made available for verification and the staff must be appropriately informed to leave the institution.
- Collaborate with the Permanent Secretary, the Executive Director of Sports NSA and the Accountant in the Ministry to ensure that funds are disbursed to the Bo Regional Office to carry out its day-to-day operations. Evidence of necessary action must be forwarded to the ASSL for verification.
- Collaborate with the Permanent Secretary and the Executive Director of Sports NSA at the Ministry's headquarters to liaise with other stakeholders for the provision of mobility to the regional office. Evidence of necessary action taken must be forwarded to the ASSL for review.
- In future, collaborate with the Executive Director of Sports NSA to ensure that monthly or quarterly meetings are held with other sporting associations in the Region for the development and promotion of sports at local levels.

### **Official's Response**

*The Assistant Director of Sports Bo in his response said:*

- 'It is unfortunate that this matter has dragged on for too long, and that Mr. Hassan Sandy has still not received his monthly salaries and other emoluments due him since May 2019. Mr. Sandy swore an affidavit on 21st September, 2018, and changed his name from Albaji Feika to Hassan Sandy. On 3rd October 2018, I wrote a letter to the Accountant in the Ministry of Sports in Freetown, and copied other relevant senior staff in the Ministry and the then National Sports Council, informing him about the change of names of two staff members of the Bo Stadium, and requesting that he informs the office of the Accountant General for necessary action, with regards to their salaries and any other matters that may arise. Unfortunately for Hassan Sandy, Alusine V. Mansaray's case was resolved and Hassan Sandy's case has still not been resolved. Again Mr. Hassan Sandy's case was brought to the attention of the recruitment panel, and they promised to take action. I have however written a letter to the Executive Director of Sports (NSA) and copied the Permanent Secretary Ministry of Sports, urging him to write to the Accountant General's Office, to ensure that Mr. Sandy's monthly salaries keep running, and that all his backlogs due him are paid.*
- The audit recommendation is noted. It will be forwarded to the relevant authorities in both the Ministry and the NSA to ensure that this recommendation is expedited. The Director of Corporate Operations in the NSA is already aware of this, as we await the NSA to commence full operations all over the country very soon.*
- This audit recommendation is also noted. Both the Ministry and the NSA are aware that regional offices lack motor bikes or vehicles, to allow staff perform effective and efficient operations both inside and around Bo District and the other districts. The NSA is presently establishing offices in the provincial headquarter towns, and is determined to extend such facilities to staff in those areas of operations.*



- (iv) *This audit query and recommendations are noted. In the absence of a Human Resources Officer and an Administrative Assistant over the years, the filing system was not properly maintained. A file system has now been introduced to collate and report on all meetings held with Sports Associations and other partners in Sports Development. Enclosed however, are letters and programmes of activities of various Sports Associations and affiliated sport bodies, in which my office actively participated in those programmes.”*

#### **Auditor’s Comment**

Management’s response is noted. There was no evidence to confirm that the recommendations were implemented. The issues therefore remain unresolved.

#### **3.49.5. Inadequate Control over Revenue Management**

A review of the cashbook of the Bo Stadium and the receipt books submitted revealed that revenue collected amounted to Le1,000,000, Le18,500,000 and Le6,400,000 for 2018, 2019 and 2020 respectively. These amounts were collected in cash from bookings for the use of the stadium facilities and they were spent without being deposited into the Bo Stadium bank account. There was no written authority that revenue generated at the Stadium can be put into immediate use without being banked.

We also observed that the management of the Bo Stadium did not maintain events booking ledger to record details of applicants for the use of the stadium’s facilities.

We therefore recommended that the Assistant Director of Sports should:

- seek authorisation from the Permanent Secretary and the Executive Director of Sports-NSA for revenues collected to be used for the running of the Stadium when there is urgent need until an independent management team is established as recommended above. Evidence of action taken must be forwarded to the ASSL for verification and
- ensure that events booking ledger is maintained at the Stadium with immediate effect, and this ledger must be made available to the ASSL for verification.

#### **Official’s Response**

*The Assistant Director of Sports Bo in his response said:*

- (i) *“This audit query and recommendations are highly considered. Revenue collected in cash and amounting to Le1,000,000, Le18,500,000 and Le6,400,000 for 2018, 2019 and 2020 respectively, were expended by Management on mostly football matches, which required immediate service delivery from clients such as fuel for stadium electricity, renting of chairs, painting or marking of field lines, etc. and were judiciously done in the interest and good image of Management and by extension the Ministry of Sports. At no time has any client expressed his/her disapproval for poor service delivered or not delivered at all. Supporting documents have been produced by Management and examined by personnel from the ASSL in Bo in the immediate past.*
- (ii) *This audit recommendation is also noted and will be implementing in due course, with the relevant professional approach it deserves. All the audit queries and recommendations for this period have been brought to the attention of the new Stadium Manager, in my handing-over notes presented to him on March 17th this year.”*

#### **Auditor’s Comment**

The management’s response is noted. There was however no evidence that the recommendations were implemented. Therefore, this issue remains unresolved.

### 3.50. MINISTRY OF INTERNAL AFFAIRS (MIA)- 2018 & 2020

#### 3.50.1. Inadequate Control over Accounting for Special Imprest

From payment vouchers and information on the IFMIS printout from the Office of the Accountant General for the FY 2020, special imprests were allocated to the Ministry for various activities. Our review of documents submitted for the utilisation of these amounts revealed the following:

- Special imprest of Le500,000,000 was not used for the intended purpose. The amount was used for payments for the supply of goods instead of being used for oversight functions without the approval of the Ministry of Finance. We additionally noted that special imprest of Le449,520,000 was without retirements; or evidence of the unretired amount paid back into the Consolidated Fund at the end of the activities.
- Standing imprest of Le15,545,000 was without retirement details or evidence that they were held in cash or the bank account of the Ministry. Standing imprest, amounting to Le36,000,000 was also alleged to have been utilised by the Office of the Coroner, even though it was not evident that this office was functional in 2019.

There is a risk that imprest might not have been used for the intended purpose. The Permanent Secretary/former Permanent Secretaries, in collaboration with the Senior Accountant, should ensure that imprest is fully accounted for.

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

*The PS in his response said: "Management notes the comments raised in the query and that the retirement for the sum of Le449,520,000 was ready for audit verification review and comments."*

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

- There was no management's response or documents submitted to support the amount of Le500,000,000 expended to "facilitate the oversight activities of the Ministry to its agency against the spread of the virus" which was not used for the intended purpose.
- There was no management response or documents submitted to account for standing imprest of Le15,545,000.00 and Le36,000,000.
- The Ministry submitted documents for Le449,520,000 special imprest that was unretired. Upon review of these documents, we noted the following:
  - ❖ The sum of Le46,132,000.00 was not used for its intended purpose, "payment to facilitate oversight". Instead, it was used for rehabilitation of office space and payment for ID cards.
  - ❖ An amount of Le60,100,000.00 was used for standing imprests and other unrelated procurement activities instead of being used for its intended purpose, "oversight and supervision function."

Therefore, the issues were partly resolved.

#### 3.50.2. Payments without supporting/Adequate Supporting Documents

Contrary to Section 100(1b) of the PFMR of 2018, we observed the following:

- Bank withdrawals of Le1,977,749,885 (Le621,400,000 in 2018, Le171,000,000 in 2019 and Le1,185,349,885 in 2020) were without payment vouchers (PVs) and other relevant supporting documents.

- The sums of Le358,969,197 and Le247,328,000 were spent on overseas and local traveling respectively without adequate supporting documents.
- Local training expenses of Le 64,443,150 (Le44,000,000, Le18,443,150 and Le2,000,000 for 2018, 2019 and 2020 respectively) were not supported by progress reports.

The Senior Accountant must ensure that the PVs and all relevant supporting documents are immediately submitted to the audit team for inspection.

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

*The PS in his response said: "Management notes the recommendation raised in the audit query and that all relevant supporting documents are ready and available for audit verification, review, and comments."*

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

- Of Le1,977,749,885, total bank withdrawals of Le1,024,917,600 (Le621,400,000 in 2018; Le171,000,000 in 2019 and Le232,517,600 in 2020) were still without payment vouchers (PVs) and other relevant supporting documents. Therefore, the issue is partly resolved.
- There was no management's response or additional documents submitted for local training expenses that were without supporting/adequate supporting documents. The issue is therefore unresolved.

#### **3.50.3. Inadequate Control over Fuel Management**

Requests-for-fuel were not submitted to support the utilisation of Le32,837,000 worth of fuel. This was contrary to the provisions in Section 13(1) of the Public Financial Management Act of 2016 and Rule 9.58 of the Civil Service Code, Regulations and Rules of 2011.

The PS should ensure the approvals for use of fuel; otherwise the full amount must be paid back into the Consolidated Fund.

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

*The PS in his response said: "The signed fuel register for 2nd, 3rd & 4th quarters by staff that received Tom cards are attached for audit review."*

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

Approved requests were not submitted to account for fuel worth Le32,837,000. The issue is unresolved.

#### **3.50.4. Procurement Activities without Purchase Requisitions, Requests for Quotations and Evidence of Approval**

In contravention of Sections 32(1,4&5) of the Public Procurement Regulations (PPR) 2006, Sections 33(1,3&4) of the PPR, 2020 and Section 45(1) of the Public Procurement Act of 2016, procurement activities valued at Le707,785,413.00 were without purchase requisitions, evidence of approval from the Permanent Secretary and the required three requests for quotations.

The Senior Procurement Officer should ensure that the relevant end-user requests and the required three requests for quotations are provided immediately upon receipt of this report; failing which the matter will be communicated to the relevant authority for necessary action.

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

In spite of our recommendation, there was no management's response, and no evidence of action taken or requested documents was submitted for audit review. The issue is therefore unresolved.

#### **3.50.5. Inadequate Control over Stores Management**

Despite recommendations from previous audit reports, and contrary to Section 179(2) of the PFMR of 2018, there was no proper care, control, and supervision over store items. Stores documents such as store receive voucher (SRV), store issue voucher (SIV), distribution lists with recipients' signatures and allocated stores ledgers were not made available to account for store items worth Le329,410,000. Additionally, there was no evidence that store items valued at Le67,331,250 were received by the Ministry, as delivery notes submitted were not signed by recipients upon receipt of various store items. There was also no evidence on how these items were utilised by the Ministry.

The PS should ensure that the relevant store records are submitted, in order to account for the utilisation of store items; failing which the amount involved must be recovered and paid into the Consolidated Fund.

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

In spite of our recommendation, there was no management's response, neither was there any evidence of action taken, or requested documents submitted to address the issues raised. The issues are therefore unresolved.

#### **3.50.6. Differences between Staff List and Salary Vouchers**

Contrary to Section 112(2) of the PFMR of 2018, the names of 103 staff on the salary voucher for January to April 2018, were not on the Ministry's staff list or the manpower plan. A total salary of Le384,298,296.00 was paid to these staff during that period. We additionally noted that salaries, amounting to Le4,580,422 were paid to an individual for four months (January to April 2020) whose name was neither on the staff list, nor in the staff attendance register, and there was no justification for the said payments.

The Senior Human Resource Officer should ensure that this anomaly is immediately investigated. The investigation report must be submitted for audit review; otherwise, the amount paid must be recovered and paid back into the Consolidated Fund.

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

In spite of our recommendation, there was no management's response, evidence of action taken or requested documents submitted to address the issues raised. The issues are therefore unresolved.

### **3.51. MINISTRY OF LOCAL GOVERNMENT AND RURAL DEVELOPMENT-2020**

#### **3.51.1. Assessment of Service Delivery and Governance**

The Ministry of Local Government and Rural Development has the core mandate to formulate policies that will ensure effective co-ordination and oversight of the activities of local councils to promote inclusive governance throughout the country. This mandate was not effectively discharged during the period under review as targets for a new decentralisation policy and a review of the 2004 Local Government Act were never achieved. Therefore, the audit team could not obtain assurance on whether the Ministry's operations were in accordance with the Sierra Leone's Medium-term National Development Plan.

Furthermore, the Government's vision to strengthen decentralisation as a springboard for effective service delivery and national development was not fully supported. The 28 additional functions that were devolved to local councils in 2019 were still being undertaken by central government functionaries. Those functions included amongst others, the registration of births and deaths, celebration and registration of civil marriages, local sports, issuance of building permits, and basic education.

### **Official's Response**

*The PS in his response said:*

- (i) *"The Local Government Act, 2004 has been reviewed and renamed the Local Government Act of 2021. The draft is at the Attorney General's Office for its input and final reading.*
- (ii) *The Decentralisation policy has been reviewed and it was from the reviewed policy that the reviewed Act was derived.*
- (iii) *The issue of devolved functions goes beyond us as a Ministry. The Inter-Ministerial Committee is still working with this Ministry to ensure we develop the capacity of the local councils to better handle these devolved functions".*

### **Auditor's Comment**

Evidence in the form of the revised Local Government Act and the final version of the Decentralisation Policy was not submitted for review.

The 28 additional functions that were devolved to local councils in 2019 were still being undertaken by central government functionaries. Therefore, the issue is unresolved.

### **3.51.2. Expenditure Management and Control**

Contrary to Section 100 of the Public Financial Management Regulations of 2018, the Ministry did not maintain proper controls over the processing of payments from its imprest account as various cash withdrawals to the tune of Le346,510,000 were not supported with payment vouchers and other relevant documents such as invoices, receipts, signed list of recipients, approved requests etc. Therefore, we could not obtain reasonable assurance whether those funds were utilised for the intended purposes.

### **Official's Response**

*The PS in his response said:*

- (i) *"Of the Le346,510,000 cash withdrawals, the two cheques of Le33,000,000 and Le33,900,000 totalling Le66,900,000 were paid by the District Office in Tonkolili on 8th January 2020, to the Ministry of Local Government and Rural Development for the printing of local tax receipt books. The Ministry in turn wrote a cheque of Le83,520,000 on 13th January 2020, to the Government Printer for the printing services of which this Le66,900,00 was part of. The cheque was later rejected on 16th January 2020, as a result of lack of funds in the account of the District Council. Being posted to head the accounting functions of the Ministry on 1st June 2020, I started to prepare the Ministry's bank reconciliation statements from January to June 2020, as I did not make any withdrawals during in June 2020. I brought up the issue with the Permanent Secretary and he made a telephone call to the District Officer in Tonkolili and he promised that his office will pay the money by instalments. As of now, the District Office has paid a total of Le33,100,000, leaving Le33,800,000.*
- (ii) *The Le200,000,000 (Le50,000,000 each) withdrawal was for four months cleaning exercise from January to April 2020. These withdrawals were done before I took up office but my predecessor did leave behind a file of which those withdrawals form part of and were given to the auditors during the audit process.*

- (iii) *The Le25,000,000 withdrawal done on 27th February 2020, was for familiarisation tour done by the Minister, Deputy Minister and Director of Local Government. The analysis of payment and other relevant information were submitted to the audit team.*
- (iv) *The remaining Le35,760,000 and Le18,850,000 were withdrawals made on 17th January and 4th march 2020 for capacity building of local council staff at Waterloo and payment in respect of additional stationery for the review of the decentralization policy.”*

#### **Auditor’s Comment**

We noted management’s responses and reviewed documents submitted for the sum of Le25,000,000 from a total Le346,510,000. There were no documents submitted to support the remaining Le321,510,000. Therefore, the issue is partly resolved.

### **3.52. MINISTRY OF WORKS AND PUBLIC ASSETS (MWPA): 2019 & 2020**

#### **3.52.1. Completed Bids not Accompanied by Major Required Supporting Documents**

Contrary to Section 53(2) of the NPPA of 2016, the Ministry of Works and Public Assets (MWPA) awarded a contract for the rehabilitation of four office containers, two public toilets and the supply of other items at the defunct Special Court for Sierra Leone, where the Commissions of Inquiries were being held, for a contract sum of Le1,286,804,300. There was no evidence that the MWPA’s registration certificate which is a major requirement in the bidding process, was submitted by the successful contractor. There is therefore a risk that the procurement process might not have been transparent and fair. The Senior Procurement Officer should ensure that the MWPA’s registration certificate is submitted for audit inspection.

#### **Official’s Response**

*The PS in his response said: “The project for the rehabilitation and refurbishment of the office containers at the defunct Special Court was awarded in two contracts. One was for the rehabilitation of the office containers and the other for the supply of furniture items for the facility. Since, the contract was undertaken close to the end of the year, temporary certificate was issued, as the certificate was not available at that time and government was poised to start the commission in a month’s time. Therefore, the recruitment of a suitable contractor, to pre-finance the contract was critical to the delivery of the works. See attached the certificate of the firms awarded the contracts for the rehabilitation and supplies.”*

#### **Auditor’s Comment**

There was no evidence that the successful contractor submitted the MWPA’s registration certificate. The issue is still unresolved.

#### **3.52.2. Terms of Contract not Fully Met**

Contrary to the provisions in the terms of the contract, the contract for the rehabilitation work to the Penthouse on the 5th and 6th floors of Delco Building totalling Le928,380,000.00 had not been executed even though 30% advance payment of Le278,514,000 had been made to the contractor.

There is the risk that these works might not be carried out at additional cost, which may result in a loss of government fund. The professional head should therefore ensure that modalities are put in place for the

planned work at the Delco Building to be immediately carried out; or the amount paid to the contractor refunded into the Consolidated Fund.

### **Official's Response**

*The PS in his response said: "In connection with Delco House procurement process, the handing over team from the Ministry of Works and Public Assets (MWPA) together with the contractor went to the rehabilitation site to do the handing over ceremony but to no avail as the whole building was locked and the Ministry could not access the keys, as a result handing over did not take place. Meanwhile, the contractor has received the 30% payment and still waiting for the proper handing over to be done to effect operations."*

### **Auditor's Comment**

There was no evidence that the rehabilitation work to the Penthouse on the 5th and 6th floors of Delco Building has commenced. The issue is still unresolved.

### **3.52.3. Irregularities in Management of Contract for the Construction of the Wellington-Masiaka Road**

Contrary to the requirement in Section 13(1) of the Public Financial Management Act of 2016, we observed irregularities in the management of contracts for the construction of the Wellington-Masiaka Road. The following instances were noted:

- supporting evidence to account for US\$230,000 as HIV sensitisation cost, US\$1,000,000 for monitoring and supervision of road works by the SLRA as indicated in the BOQ were not submitted for audit inspection and
- there was no evidence of construction of three public markets at various locations with the sum of US\$960,000 budgeted in the BOQ.

We therefore recommended that the Permanent Secretary, MWPA in collaboration with the Director General, SLRA should investigate reasons for the delays of non-compliance and ensure that the terms of the contracts are fully complied with by all parties to the contract. Any deviation from the terms of the contract must be documented and communicated to the appropriate parties.

### **Official's Response**

*The PS in his response said:*

- (i) *"HIV sensitisation has not been conducted but management has requested the contractor to conduct the sensitisation before the close of the contract.*
- (ii) *Supervision is not a one off exercise; it is a continuous process throughout the life of the project. Throughout the last five years since the SLRA, PIU has full responsibility for supervision of the project and part of this amount has been used which is far less compared to US\$3,500,000 as was required by the private consultant.*
- (iii) *Thanks for your observation. We initially encounter problems with the council for the location of the market. This was resolved and the contractor is prepared to construct the market. The latest start date for this aspect of the projects is yet to come and all stakeholders are currently engaged in sorting out suitable lands for the construction of the said markets. Letter from the SLRA to the Ministries of Lands Housing and Country Planning, Trade and Industries and Local Government and Rural Development as well as Port Loko and Waterloo District Council and the Freetown City Council are available for reference".*

### **Auditor's Comment**

We noted management's comments and observed the following:

- The HIV sensitisation had not been conducted.
- The evidence of the funds transferred to the SLRA was not submitted for verification.
- Construction is yet to commence for the proposed markets. The issues therefore remain unresolved.

### **3.52.4. Bank Withdrawals without Supporting/Adequate Supporting Documents**

Contrary to Section 100 (1bi) of the Public Financial Management Regulations of 2018, bank withdrawals which amounted to Le2,149,307,000 were without payment vouchers and the relevant supporting documents. We additionally noted that in 2019, the Ministry paid the sum of Le2,167,612,841 as rents for houses for use as Presidential Lodges and for office spaces for some ministries without any evidence of assessment by the quantity surveyors in the Ministry or evidence of assessment or basis to justify their cost.

### **Official's Response**

*The PS in his response said: "We were constrained by the relocation of staff from the office that have the documents to another office as a result of that, some documents were misplaced and difficult to find. We however have finally succeeded in putting all relevant supporting documents together for your review and finalisation."*

### **Auditor's Comment**

- Of the total bank withdrawals of Le2,149,307,000, supporting documents were submitted for a total amount of Le1,657,000,000 leaving a balance of Le492,307,000. The issue is partly resolved.
- There was no evidence submitted for the Ministry's involvement in the negotiations to determine the rent cost. The issue is still unresolved.

### **3.52.5. Standing Imprest not Retired**

Contrary to the provisions of Sections 124 (1,2,3&6) and 119 (2)(c) of the Public Financial Management Regulations of 2018, standing imprest for January, February and March 2019, amounting to Le111,000,000 was not retired and there was no evidence that this amount was held in cash or in the Ministry's bank account.

We therefore recommend that Principal Accountant should ensure that the total imprest retirement details are immediately retired, otherwise the full amount must be paid back into the Consolidated Fund

### **Official's Response**

*The PS in his response said: "The retirement for imprest expenses are also available for review and finalisation."*

### **Auditor's Comment**

Retirement details were not submitted for standing imprest for January, February and March 2019 totalling Le111,000,000. The issue is still unresolved.

### **3.52.6. Improper Management of Fuel**

Controls were not adequate to manage the supply of fuel allocated to the Ministry. For instance, a generator logbook was not maintained to account for fuel worth Le50,855,500 in 2019; and fuel utilisation records



were not submitted to account for fuel worth Le63,413,000 in 2020. This was contrary to Section 13 (1) of the Public Financial Management Act of 2016.

We recommend that the Permanent Secretary in collaboration with the Principal Accountant should ensure that monthly or quarterly fuel reconciliations are carried out, and that records to account for the utilisation of fuel are submitted, otherwise, the total amount involved should be refunded into the Consolidated Fund and evidence of refund submitted for audit review.

### **Official's Response**

*The PS in his response said: "All supporting documents with regards to fuel utilisation are available for audit review and finalisation."*

### **Auditor's Comment**

There was no evidence of fuel logbook or utilisation records to account for the supply of fuel. The issues are therefore unresolved.

### **3.52.7. Salary Paid to Staff Who Were not Available for Physical Verification**

In contraventions of Sections 112 (2) and 115 (d) of the Public Financial Management Regulations of 2018, we observed that 35 staff whose names were on the salary voucher did not show up for physical verification. A total salary of Le251,986,020 was paid to these staff during the period under review.

### **Official's Response**

*The PS in his response said: "Such findings can't be traced since the breakdown of names of the 35 staff that never showed up for physical verification were not attached in the draft external audit report for ease of reference. Against this backdrop, it was really difficult to know the 35 staff members that never showed up and efforts to get back to the external audit team for such information and other needed documents they are holding on to for this department, proves futile."*

### **Auditor's Comment**

Contrary to Management's response, the names of the 35 staff that were not available for physical verification were first submitted as part of audit queries during the field work and then included as an appendix in the draft management letter. The 35 staff did not still avail themselves for verification. The issue is unresolved.

### **3.52.8. Re-Gravelling Road Works**

The Government of Sierra Leone through the Sierra Leone Roads Authority (SLRA) awarded contracts worth Le319,203,868,055 for the re-gravelling works of 40 major and minor roads across the country. The contracts duration was from November 2020 to April, 2021. Our review of business registration documents from the Ministry of Works and Public Assets revealed that almost all of the selected contractors were given premier and class one status without any evidence that they fulfilled the set criteria in the contractor's registration checklist such as list of tools and equipment with proof of ownership, verification of administrative offices, carpentry and mechanical workshop, bank statement, audited financial statements etc. During an audit verification exercise in April 2021, we noted that the contracts were yet to be completed. Some of the contractors lacked the necessary experience to undertake such major road works; some are also financially challenged or lacked the appropriate equipment to execute the

contracts effectively. These shortfalls may be the main reasons for the delay in the completion of these works. This was contrary to the provision in Section 13 (1) of the Public Financial Management Act of 2016.

### **Official's Response**

*The PS in his response said:*

- (i) *"The contract duration at the time of the preparation of the project proposal was estimated at four months. This was basically a "PROPOSAL".*
- (ii) *Following a critical review of the project, the duration of six months was however agreed upon by the technical team at the SLRA. The project duration of six months was therefore stated in the contracts (ref. Contract Data: CC Clause 1.1 Intended Completion Date). Moreover, even the stipulated six months duration in the contract documents was "INTENDED" and can be subject of review based on the realities during the execution of the project.*
- (iii) *Your comment is noted, nonetheless the quantum of works required to be executed in the project is unprecedented. Several contractors had intended to bring equipment into the country from neighbouring Guinea and Liberia. Little did anyone imagine that the COVID-19 crisis will last until date. The associated restrictions became the biggest hindrance to the hiring of equipment from our neighbouring countries.*
- (iv) *Furthermore, some other contractors had relied on hiring equipment from private hirers. Our observations in the course of the implementation of the project revealed that, the majority of private owned equipment were not properly managed and maintenance. As a matter of fact, the rate of breakdown on site was enormous and their outputs low. We also observed that the equipment fleet in the country (especially Bulldozers required for the initial activity-clearing) is very low.*
- (v) *In view of the above, the SLRA is closely monitoring the usage of equipment by contractors and identifying and recommending sources where appropriate equipment can be found. Additionally, based on the level of completion of some contractors, the project supervision team recommends ways by which contractor can programme the use of the available resources amongst themselves to maximize the progress of the works. These measures amongst several others have brought remarkable progress in the implementation of project."*

### **Auditor's Comment**

Management's response is noted; but the contracts are yet to be completed. The issue is therefore still unresolved.

#### **3.52.9. Physical Verification of Contracts Execution for Selected Roads in the Western Area**

The MWPA has the responsibility of monitoring and supervising road projects across the country. Between the 21st and 26th April 2021, the audit team, in collaboration with the SLRA, the consultants and in some instances contractors, visited selected roads to ascertain the progress made and confirm whether or not they were in line with the objectives set out. The targeted roads were: Hillside Bypass Road, Jomokenyatta Road, Hillcut Road and the Lumley-Tokeh Road.

The audit team raised several concerns in respect of the snail pace of construction works at the Hillside Bypass Road and the Lumley-Tokeh Road. At the Jomokenyatta Road, there was no evidence of works for the erection of traffic lights, bus shelters, car parks and rehabilitation of the existing bridge at Hillcut Road. The footbridge crossing on Jomokenyatta Road had not been constructed.

The contractors, on the other hand, highlighted the undermentioned challenges:

- timely payment of contract amount by government; when due.

- delays in payment of compensation to land/property owners; thus affecting timely clearing the right of way.
- identification and negotiations for the use of quarries; there are instances where encroachment is done even after the payment of compensations.

The delays in contract execution resulted in huge interest payment by government.

### **3.53. MINISTRY OF TRANSPORT AND AVIATION: 2020**

#### **3.53.1. Irregularities in the Procurement of Vehicles**

In contravention of provisions in Sections 13(1& 2d) & 40(3c) of the Public Financial Management Act of 2016(PFMA), the Ministry carried out the procurement of vehicles for which financial irregularities to the tune of US\$237,124 was discovered during our review. We noted that even though the approved end-user request was for 100 vehicles, an additional two vehicles were included by the procurement committee at an increased cost of US\$174,354 without any justification. Our review further concluded that the unit costs of some of the vehicles were in excess of those in the successful bidder's evaluated document, resulting in an inflated total cost by US\$62,770.

The two anomalies caused the total contract price increase by US\$237,124 which could have been avoided if the responsible officials had complied with the PFMA.

We additionally noted that even though the procurement committee resolved for a pre-shipment inspection, there was no evidence that the Ministry in any way complied with this recommendation.

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

*The Permanent Secretary(PS) in his response said:*

- (i) *"Consistent with ITB Clause 31.1 in the Bid Data Sheet, the percentage for quantity increase or decrease is ten (10%) percent. (See attached Bid Data Sheet marked MTA/AQ/06/02). Based on the above, the MTA/procurement committee had the option to either increase or decrease the vehicles by 10. The number of vehicles for cabinet ministers in the bidding document was 27. Based on the existing list of cabinet ministers, this would have led to a shortfall in the allocation for ministers. In a bid to ensure due care in the process, the number of vehicles for cabinet ministers was increased by two, to accommodate the shortfall. Following the need for additional two vehicles for ministers when the procurement process was ongoing, the Ministry of Transport and Aviation (MTA)/procurement committee opted to add the two vehicles to the ongoing procurement, rather than initiating a new process. Therefore, the approval of the Ministry of Finance was sought for the procurement of the total 102 vehicles without recourse to a new procurement process. (See attached approval marked MTA/AQ/06/03). The fleet of vehicles delivered under the agreement is available for verification to confirm that the vehicles were received by the MTA and handed over to the respective end-users. See attached request from the supplier and minutes of Procurement Committee meeting.*
- (ii) *Management noted that the Procurement Committee at its meeting held on 9th January 2020, reiterated its earlier stance that due diligence be followed by conducting a pre-shipment inspection before shipment of the 102 vehicles more so the specialised vehicles. It is however worth nothing that the total bid prices of the bidder were exclusively the cost for pre-shipment inspection (See Price Schedule) and based on GCC Clause 18.1 of the Special Conditions of Contract, the cost of pre-shipment inspection is the responsibility of the purchaser, that is, the Ministry of*

*Transport and Aviation. Due to the non-availability of funds for this activity, coupled with the fact that procuring the specialised vehicles now rests with the Ministry of Foreign Affairs and International Cooperation (MFAIC), the need for a pre-shipment inspection on the specialised vehicles is unnecessary. (See attached procurement Committee Minutes and contract amendment”.*

#### **Auditor’s Comment**

We noted the response proffered by management which was not deemed sufficient to justify their action, as value-for-money considerations should underline procurement and financial management decisions of all MDAs of the state. Therefore, the issue remains unresolved.

#### **3.53.2. Government Vehicle Policy not Implemented**

Contrary to Sections 18 & 19 of the Government Vehicle Fleet Management Policy 2020, there was no evidence of a comprehensive or digitised fleet management database of all vehicles owned by the state. Similarly, a tracking system outlined in the fleet policy to document the transfer of vehicles donated to MDAs by projects and development partners was not in place. Our review therefore concluded that the Ministry had failed to deliver on its core mandate and strategy of achieving effective and efficient management of public vehicles.

#### **Official’s Response**

*The PS in his response said:*

- (i) “Management notes your findings and wants to however state that, as a Ministry, we maintain a database of all vehicles procured.*
- (ii) This Ministry had requested Statistics Sierra Leone to develop a comprehensive database of all government vehicles but they are yet to receive finances from the Ministry of Finance to carry out the activities.*
- (iii) Prints-out copies from such database of vehicles procured are however available for your inspection and verification”.*

#### **Auditor’s Comment**

Although the Ministry had developed a Vehicle Fleet Management Policy, we discovered that some of the provisions such as maintaining a comprehensive database of public vehicles were yet to be complied with by the Ministry. Therefore, the issue remains unresolved.

#### **3.53.3. Inadequate Controls over Retrieval of Government Vehicles**

In 2020, the Ministry embarked on vehicle retrieval from government functionaries to whom new ones had been assigned. Our review concluded that 18 of 39 vehicles were retrieved with documented faulty engines and mechanical defects even though there were claims from the ministries where these vehicles were assigned that most of them were roadworthy, and had been accordingly driven to the locations of delivery to the Ministry of Transport and Aviation.

We also noted that detailed information about the extent of mechanical fault established about the vehicles was not obtained by responsible officials at the time of retrieval. Instead, reliance was placed on the Sierra Leone Road Safety Authority (SLRSA) Vehicle Valuation Reports which were obtained several weeks after receipt by the Ministry of Transport and Aviation.

Furthermore, a review of status reports of the Transport Officer, the SLRSA and physical verification of a sample of retrieved vehicles indicated that some vehicles were without major components or engines

dismantled. Such lack of effective discharge of duties contravenes the provisions in Sections 13(2g) and 13(5) of the Public Financial Management Act of 2016.

### **Official's Response**

*The PS in his response said:*

- (i) *“Retrieved vehicles were reallocated based on the need and commitment from interested MDA’s or government officials that they are willing to repair the said vehicles.*
- (ii) *We have noted your findings and recommendations and want to state that there were requests from MDA’s or government officials that are the end-users.*
- (iii) *AJY 087 is a Toyota Land Cruiser V8 vehicle that was assigned to the former Minister of Local Government and Rural Development. This said vehicle immediately after the change of government was retrieved in Kenema by the vehicle recovery team with engine and essential components missing. The Criminal Investigation Department was investigating the said matter. This vehicle is available at the Yonyi Building compound for physical verification.*
- (iv) *AJI 488 is also a Toyota Land Cruiser V8 vehicle that was assigned to Albaji Mohamed Foday Yumkella, Minister of Political and Public Affairs. The said vehicle and engine are at the Sierra Motors Garage for your physical verification.”*

### **Auditor's Comment**

The audit concern was not about the existence of the vehicles, as that was confirmed through physical verification. Our concern is about the extent of damage to them, accounting for the damage and recording details of the vehicles at the point of retrieval from MDAs. Therefore, the issues remain unresolved.

#### **3.53.4. Arbitrary Reallocation of Retrieved Government Vehicles**

In contravention of Section 13(1,2g &5) of the Public Financial Management Act of 2016, there were inadequate controls over the reallocation of retrieved vehicles. Our review of records relevant to the vehicle re-allocation process ascertained that 16 vehicles were re-allocated to other officials without evidence of requests from the officials to whom those vehicles were reassigned. There was no evidence of a clear guideline for the reallocation to ensure fairness, transparency and efficiency. The audit team clearly noted the discretionary nature of re-allocating vehicles to eligible public officials which could lead to misuse of the assets.

### **Official's Response**

*The PS in his response said: “We note the findings and recommendations and want to state that there is a technical consultant in post who has been tasked to develop policy and criteria for reallocation of vehicles.”*

### **Auditor's Comment**

We acknowledged the recruitment of a technical consultant by the Ministry. There were however no requests from MDAs/individuals for reassigning vehicles submitted for verification. No clear guideline for reallocation of vehicles has been developed by the Ministry. Therefore, the issue remains unresolved.

#### **3.53.5. Inadequate Control over Stores Management**

Spare parts in respect of school buses were not supplied in accordance with contract specifications.

Our review of relevant documents and physical stores verification concluded that procured spare parts in respect of the 50 school buses to support the Free Quality Education programme were not supplied in line with the contract specifications. The contractor delivered different specifications of spare parts, with no evidence of any action taken by the Ministry to rectify the anomaly. In spite of the fact that spares were received by the Ministry, the local councils to which the management of the buses were entrusted by the central government had struggled with their meagre funds to meet the challenge of repairs and maintenance cost. The spare parts were stored intact at the Sierra Leone Road Transport Corporation (SLRTC) without any evidence of collaboration amongst stakeholders to ensure their utilisation during the period under review; thus raising questions about their fitness for purpose. This was contrary to the provisions in Section 13 (1) of the Public Financial Management Act, 2016 and Section 145 (3) of the Public Procurement Regulations, 2020.

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

*The PS in his response said: "Management noted your findings and wants to submit that the spare parts supplied by the contractor were actually found to be in variance with those specified in the contract. During the verification exercise, it was observed that the contractor supplied expensive spares (such as wind shield, and so on) that were valued above the spares stated in the contract. As a result, senior management of the Ministry decided to resolve the issue by accepting the spares given that the value of the extra spares supplied far outweigh the ones not supplied".*

### **Auditor's Comment**

- We note management's response on the issues raised but are still concern that there was no evidence that the spare parts were delivered as per contract agreement and evidence of delivery submitted for audit verification.
- A Memorandum of Understanding amongst stakeholders to ensure effective management of the buses has been developed.

Therefore, the issues remain partly unresolved.

## **3.54. MINISTRY OF YOUTH AFFAIRS- 2019 & 2020**

### **3.54.1. Procurement Plan not Updated and Unauthorised Procurement Activities**

Contrary to the provisions in Section 29(1 & 6) of the Public Procurement Act, 2016, the Ministry in 2019 and 2020 financial years, undertook procurement activities for the construction of additional 13 car wash centres, purchase of 5,000 face masks and catering services worth Le6,732,687,345. These procurement activities were not initially planned for and were also not updated in the procurement plans of the 2019 and 2020 financial years. Additionally, there was no evidence of Procurement Committee's authorisation for these procurement activities.

Procurement of these works and services might have limited the achievement of other economic intervention by the Government to reduce youth unemployment. We therefore recommended that the former Senior Procurement Officer should submit the updated 2019 and 2020 procurement plans and Procurement Committee's authorisation for the said procurement activities.

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

*The PS in his response said: "The 2019 & 2020 procurement plans were updated."*

### **Auditor's Comment**

Our follow-up indicated that the updated procurement plans that included the procurement of the additional 13 car wash centres, farm gate, 5,000 face masks and catering services were not submitted for verification. Additionally, the Procurement Committee's authorisation for the unplanned procurement of goods and services was not submitted for audit inspection. Therefore, the issue is unresolved.

#### **3.54.2. Bidding Anomalies Identified in the Construction of 28 Car Wash Centres and 70 Fishing Boats**

Bid examination is normally done to determine bids completeness, existence of signatures, establish legal validity, substantial responsiveness to technical specification, etc. Contrary to Section 53(1 & 2) of the Public Procurement Act, 2016, our review of bids opening and evaluation records revealed the following:

- the Evaluation Committee did not confirm the authenticity of documents such as audited financial statements, NASSIT clearance certificate, tax clearance certificate, bid security, etc. issued by state authorities and private institutions. For instance, we expressed doubts over audited financial statements submitted by some bidders due to the format of audit opinion, signatures and dates of audit opinion, etc, and;
- bidders evaluated as most responsive had compliance problems with the documents they submitted, such as non-submission of local council business license, audited financial statements, etc. These same reasons were used to eliminate other bidders as non-responsive.

The fairness of the examination, evaluation and comparisons of bids may be doubtful, as the process may have been skewed towards the selection of pre-determined bidders for the award of contracts. We therefore recommend that the Evaluation Committee members be held accountable for failing to adhere to a fair bid examination and evaluation process.

### **Official's Response**

*The PS in his response said: " The contracts were awarded after the NPPA and Ministry of Finance's validation and no-objection, and verification of third party documents such as audited financial statements, bid security, etc. is not a normal practice."*

### **Auditor's Comment**

We note management's comments and wish to state that the Ministry has responsibility to ensure that bidders comply with the requirements of bids prior to the award of contracts. Therefore, the issue is unresolved.

#### **3.54.3. Defects and Uncompleted Works at Constructed Car Wash Centres in the Western Area**

Contrary to provisions in the contracts, contractors failed to perform the following obligations:

- water wells with submersible pumps not constructed and installed at nine car wash centres, costing a loss of Le422,000,000,
- ramps to wash vehicles' under-carrier costing Le49,300,000 not constructed,
- incomplete supply of water storage tanks valued at Le46,000,000, and
- concrete wall fence and drainage at Bismarck Johnson Street under an addendum costing Le24,660,000 was not constructed.

These incomplete works and supplies may have resulted in loss of public funds especially when these contractors had been fully paid. The Project Director should therefore engage these contractors to fully

perform these obligations or refund the stated amounts; and evidence of engagement and performance of these obligations submitted for audit inspection.

### **Official's Response**

*The PS in his response said: "The based on recommendations from the Technical Manager there was a design modification to some sites due to the topography of the land and connection to the GUMA Valley water grid, instead of doing water well."*

### **Auditor's Comment**

There was no evidence of rectification of the defects identified in the construction works at the 10 car wash centres in the Western Area including the full supply of items such as water tanks, submersible pump, etc. or the recovery of the amount involved from the contractors. Therefore, the issues remain unresolved.

### **3.54.4. Irregularities in Car Wash Centres under Construction and Fishing Boats and Accessories**

The audit team performed physical verification of sampled car wash centres, and fishing boats and accessories in the districts and noted the following:

#### **1. Car Wash Centres under Construction:**

- The construction of five car wash centres had not started, even though advance payments had been made to the contractors. The one in Matru, Bonthe had not yet started by the contractor (contractor: MAK2 Construction) and no reason was provided. The construction of three centres in the Western Area, and one in Lungi were put on hold due to land dispute.
- At majority of the construction sites visited, contractors and their workers were not on site; this was evident especially in Kambia, Rutile, Moyamba Town, Port Loko Town and Mile 91.

#### **2. Boats and Accessories**

- Of 20 boats which were supposed to have been built, and accessories purchased, in the Western Area, only two were verified, leaving 18 not verified, due to non-cooperation of the Manager of Youth in Fisheries in Project.
- The audit team made an unannounced inspection and verified boats which were not seaworthy, due to delays in construction, poor quality timbers used and inadequate fishing nets for the type of fishing. These were confirmed by the beneficiaries.
- The audit team could not verify a boat handed over to a group, "God's Own," as members of the group alleged that the Ministry's Field Officer had taken custody of the boat from them. The Field Officer, despite several calls, failed to present the boat for physical verification.

The unverified boats may not even exist, or may not be presently being utilised for the intended purposes, thereby resulting in wastage of public resources. This might impact the repayment of the loans to the project. We therefore recommend that the 19 fishing boats are made available for audit verification. The beneficiaries should be engaged to refocus the type of fishing using the available accessories. Evidence of this engagement should be submitted for audit inspection.



### **Official's Response**

*The PS in his response said the following:*

- (i) *With regard to the 10 car wash centres in the Western Area, the PS responded that design alterations were made to the original construction drawings. And for those in the regions, it was mentioned that constructions for the car wash centres in Lungi and Matru Jong have commenced.*
- (ii) *For the fishing boats, the PS stated that they are aware of the inadequate fishing nets, construction defects on the boats and the unverified boats.*

### **Auditor's Comment**

During the verification exercise, we noted that the following information were not submitted as evidence of actions taken to address the issues on car wash centres under construction:

- minutes of senior management meeting in which decisions were reached on corrective actions on the issues raised,
- evidence of rectification of the defects identified in the construction works at the 10 car wash centres in the Western Area, including the full supplied items such as water tanks, submersible pump, etc. or
- the recovery of the amount involved from the contractors. Therefore, these issues remain unresolved.

For the boats and accessories, we noted the following during the verification exercise:

- The issues of rectification of boats with defects, and refunds being made to beneficiaries who had used their own monies to repair boats given to them have not been addressed. This issue is unresolved.
- The ASSL would follow-up on the 18 boats in the Western Area and one (1) boat in Port Loko District. The issue is therefore partly resolved.

### **3.54.5. Contracts Completion Delays**

Contrary to intended completion date section of the contract for the construction of car wash centres, the following were observed:

- We noted significant delays in the completion of contracts for the construction of the first 10 car wash centres. For instance, contracts that should have been completed on 28th February were only completed on 4th September 2019 (25 weeks after the scheduled or agreed completion date).
- Of the 28 car wash centres under construction, 17 were awarded on 25th August 2020 and the 11 awarded on 22nd December 2020. These works as per contract were to be completed in four weeks; however as at the time of our audit verification in April 2021, the 28 car wash centres have not been completed.
- The contracts for the construction 70 fishing boats, and supply of accessories were awarded on 13th January 2020. Even though no specific completion timeline was stated in the contract, we observed that the boats and accessories were handed over to the beneficiaries in November 2020. This was at least nine months' duration of boats construction.

The contractors may have breached the contract by exceeding the four weeks' construction timeline. This may have lengthened the timeline for the Ministry to provide employment for the youths in car wash at the different localities. The Project Director should re-engage the defaulting contractors to complete these works with immediate effect.

### **Official's Response**

*The PS in his response said: "These delays were caused by untimely availability of funds."*

### **Auditor's Comment**

There was no evidence submitted to show re-engagement of defaulting contractors to complete outstanding works as recommended. The issue is unresolved.

#### **3.54.6. Overpayments Observed in the Execution of Contracts**

Contrary to contract terms regarding costs of the construction of four cash wash centres by two contractors, our review of payment records revealed overpayment of Le371,691,549 to the contractors. The addenda to the contract were also taken into consideration when determining the overpayment to these contractors. Below is an analysis of the overpayments.

Contrary to the priced quotations of works for the construction of 10 fishing boats and supply of fishing accessories, our recalculations of the amounts quoted in the bid document submitted by the successful bidder revealed overstatement of bid amount by Le19,700,000. This was not detected by the evaluation committee during the evaluation stage of bids and the supplier has been fully paid at the time of writing this report.

We therefore recommended that the overpayments are recovered from these contractors and repaid into the Project's bank account and evidence submitted to the ASSL for verification.

### **Official's Response**

*The PS in his response said: "The concerned contractors have been notified and requested to repay the overpriced amount."*

### **Auditor's Comment**

During verification, the notification letter to the contractor dated 19th May 2021 for the overpriced amount was submitted and duly verified; but the letter of commitment to repay the overstated amount was not submitted. The issue remains unresolved.

#### **3.54.7. Ineligible Expenses**

In Section 2, of Part 1 of the Public Financial Management Act of 2018, ineligible expenditure was defined to be expenditure in excess of a provision of the State Budget or has been used for purposes other than for which it is approved. During our review of payment records of the Youth in Agriculture Project, the following expenditures were identified as ineligible:

- payment of Le27,200,000 to 34 alleged farmers for July and August 2019, whose names were not on the attendance register, and
- the project paid Le9,090,000 for cancellation of air ticket because it purchased this ticket without authority.

These ineligible expenditures may have resulted in loss of public funds. We therefore recommended that the former Permanent Secretary and Project Manager be held accountable and should refund this money into the Project's bank account and submit evidence for audit inspection.

**Official's Response**

*The PS in his response said: "The documents for the payment of stipend to farm workers are available for audit and that the cancellation of the air ticket was because of the restriction on overseas travelling."*

**Auditor's Comment**

Daily attendance records for payments made to workers in July and August 2019 were verified. We also noted the response from Management in respect of the air ticket cancellation; but the amount queried had not been refunded as recommended. This issue is therefore unresolved.

**3.54.8. Payments without Adequate Supporting Documents**

Contrary to Section 100(1) of the Public Financial Management Regulations of 2018, our review of payment vouchers and related supporting documents showed that total payments of Le1,318,976,000 were without adequate supporting documents such as valid tax and NASSIT clearance certificates, invoices, delivery notes, etc.

These monies may not have been utilised for the intended purposes. We recommended that the Senior Accountant in collaboration with the Administrative and Finance Officer of the projects should submit the missing payment records for audit inspection.

**Official's Response**

*The PS in his response said: "Management mentioned that the relevant documents are available for verification".*

**Auditor's Comment**

During the verification exercise, supporting documents for Le114,000,000 were submitted for sexual reproductive health sensitisation in Falaba District, leaving an outstanding payment of Le1,204,976,000 not adequately supported. This issue is therefore partly resolved.

**3.54.9. Withholding Taxes not Deducted and Paid to the NRA**

Contrary to Section 117 of the Income Tax Act of 2000 (as amended), withholding taxes totalling Le25,343,010 was not deducted from payments to contractors and suppliers and paid to the NRA.

This may have resulted in loss of public funds. We therefore recommend that this amount is immediately recovered and paid to the NRA and evidence submitted for audit inspection.

**Official's Response**

*The PS in his response said: "Management responded that 5.5% tax was not withheld because these payments related to field activities."*

**Auditor's Comment**

The ASSL is of the view that the Income Tax Act of 2000 (as amended) does not exempt payments of withholding tax based on location of activities. There was no evidence that withholding taxes totaling Le25,343,010 were not deducted from payments to contractors, suppliers and service providers and paid to the NRA. Therefore, the issue remains unresolved.

#### **3.54.10. Salary Overpayment to a Project Staff**

Contrary to Section 111(4) of the Public Financial Management Regulations of 2018 and during our review of the payroll vouchers, it was revealed that a staff was paid salaries above her entitlements with no evidence in the personal file to justify the reason for the overpayment. The total salary overpayment amounted to Le114,419,574.

This salary overpayment may have resulted in loss of public funds. We therefore recommended that the beneficiary staff should refund the overpaid salaries into the Consolidated Fund and evidence submitted for verification.

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

*The PS in his response said: "This was an error on the side of the HRMO because the Admin. / Finance Officers of the other projects are earning the same."*

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

We note management's comment on error on the side of the HRMO. Evidence to support this claim was not submitted for verification. Therefore, the issue remains unresolved.

#### **3.54.11. PAYE Overpayment by Staff**

From our recalculations of Pay-As-You-Earn (PAYE) tax, we observed that contract staff of the Youth in Fisheries Project overpaid PAYE taxes of Le13,825,000 and Le18,957,500 in 2019 and 2020 respectively. In our engagement with the Project Manager, we were informed that this was an oversight.

This may have affected the disposable income of the concerned staff. Therefore, overpayments of PAYE must be refunded to the concerned staff and evidence of this submitted for audit inspection.

#### **3.54.12. Outstanding PAYE**

Projects of the Ministry failed to fully pay Pay-As-You-Earn (PAYE) taxes in 2020 contrary to Section 116 of the Income Tax Act, 2000 (as amended). The unpaid amount stood at Le34,305,000.

These projects may not have acted in compliance with the Income Tax Act, 2000 (as amended) because of the unpaid PAYE. Government may have been deprived of its needed public funds. The Finance and Administrative Officer should provide evidence of payment of the queried PAYE to the NRA.

#### **3.54.13. NASSIT Contributions not Deducted and Paid for Staff of Projects**

Contrary to Sections 23(1a) and 25(1&2) of the Income Tax Act, 2000 (as amended), officials managing projects of the Ministry do not deduct and pay NASSIT contributions for their staff during the 2019 and 2020 financial years audited.

These projects risk being fined by the Trust. We therefore recommended that the Project Director and Managers regularise the NASSIT status and payment for these staff and submit evidence for audit inspection.

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

*The PS in his response said: "We have informed the NRA about the overpayment, the Projects had registered with NASSIT and backlog payments have been made."*

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

- During the verification exercise, a notification letter to the NRA about the overpayment of PAYE was not submitted for verification. Evidence of the project's registration with NASSIT and backlog payments was also not submitted for audit inspection. Therefore, the issues remain unresolved.

#### **3.54.14. Authorised Procurement Procedures not Followed for The Recruitment of Project Staff**

The Ministry in 2019 appointed 10 individuals as contract staff to the Youth in Fisheries Project. Evidence of advertisement of these vacant positions was not submitted for audit inspection. Additionally, farm workers were engaged in 2019 and 2020 that worked on the district youth farms. Evidence of recruitment procedures used to engage them were not submitted for audit inspection.

Open and competitive recruitment process may not have been undertaken to engage these contract staff. Therefore, the projects may have missed the opportunities of engaging high competent individuals to meet its objectives. We therefore recommended that evidence of the recruitment such as advertisement of vacant positions and evaluation of applicants, etc. are submitted for audit inspection.

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

*The PS in his response said: "The processes and procedures were followed in the recruitment of the staff."*

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

Management's response is noted, but evidence of recruitment was not submitted for audit verification. The issue is unresolved.

#### **3.54.15. Assets Management and Control**

*Unregistered Assets with the National Assets and Government Property Commission*

Contrary to Section 157(1) of the Public Financial Management Act of 2018, the Ministry failed to inform the National Assets and Government Property Commission of acquired assets worth Le4,276,337,105.74 procured in 2019 and 2020.

The Ministry did not comply with this section of the PFMR of 2018, and this could result in understated information of government-owned assets held by the Commission. We recommend that information of assets bought by the Ministry is communicated to the Commission within 15 days upon receipt of this report.

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

*The PS in his response said: "Management responded that a communication about the acquired assets was sent to the National Assets and Government Property Commission."*

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

We were not submitted with evidence of communication to the National Assets and Government Property Commission during the verification exercise. The issue is unresolved.

#### **3.54.16. Vehicles not Physically Verified and Lands Acquired Without Proper Documentation**

A Nissan vehicle with registration number AFK 011 and a Land Cruiser with registration number AIP 450 were alleged to be in the custody of the former Procurement Officer of the Ministry and the Sierra Leone Police respectively. These vehicles were not made available for physical verification. They may have been

converted for personal use, thereby resulting in loss of government assets. We recommend that these vehicles are retrieved from the former Procurement Officer and the Sierra Leone Police with immediate effect.

The Ministry in 2019 and 2020 acquired farm lands from land owning families for agricultural and car wash purposes. Additionally, the Ministry also secured right-of-use of the Sierra Leone Roads Authority (SLRA) Right of Way (RoW) on which car wash centres were constructed/to be constructed.

The document maintained for the lands acquired from land owning families for agricultural purposes were mere survey plans with signatures of persons alleged to be rightful owners of these lands instead of conveyances. A memorandum of understanding with the SLRA detailing RoW lands allocated to the Ministry for the construction of car wash centres was not submitted for audit inspection.

The Ministry may lose these lands to persons or institutions with appropriate legal title to these lands. We therefore recommended that MoUs with the SLRA are created and signed by both parties for the use of RoWs and conveyances drawn for farmlands and others. These should be submitted for audit inspection.

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

*The PS in his response said: "The transfer of ownership documents is available for verification".*

### **Auditor's Comment**

During the verification exercise, Memorandum of Understanding between the Ministry and the Sierra Leone Roads Authority on Youth in Car Wash Project signed in 2019, was the only document submitted for verification. The issues raised were not addressed and they therefore remain unresolved.

## **3.55. MINISTRY OF LANDS, HOUSING AND COUNTRY PLANNING – EASTERN REGION- 2020**

### **3.55.1. Inadequate Control over the Management of Revenue**

The following control weaknesses were identified:

- A service delivery charter, which displays relevant information about specific services offered by the Ministry's regional offices and the corresponding approved fees or charges for such services, was not displayed in a conspicuous location in the Ministry's offices within the region.
- Our review of available records maintained in respect of revenue generated from survey fees revealed that 982 survey bills were issued for a period covering three years (1st January 2018 to 31st December, 2020) at a rate of Le30,000 each. The accountable records register and monthly or quarterly returns sent to the Director of Surveys and Lands in Freetown, as well as a policy to determine the official rate of survey bills were however not submitted for audit inspection. We could therefore not confirm the total number of survey bills issued by the Ministry for the period under review.
- Analysis of files submitted by the Ministry's regional office revealed that a total of 25.7343 acres of government land was leased to individuals and institutions within the region. In spite of repeated requests, we were not provided the database of all state owned lands within the region. In addition,

a database of state lands leased to individuals and institutions was not provided for audit inspection..

We therefore recommended that the Acting Regional Surveyor should ensure that:

- service delivery charters, which display relevant information about services offered and the corresponding fees or charges for such services are erected and displayed in conspicuous locations to the entire Ministry's regional offices.
- official policy on assessment, database of lease rents and information on all arrears are provided and forwarded to the Audit Service for audit inspection.
- the accountable records register as well as monthly or quarterly returns of survey fees are produced and forwarded to the ASSL.
- the database of state-owned land and the database of state leased land are provided and forwarded to the ASSL for audit inspection.

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

*The Acting Regional Surveyor(ARS) in his response said:*

- *"It is rather unfortunate that a service delivery charter was not displayed to the public indeed. The Ministry has however decided to offer a charter to the public, which include all relevant information.*
- *The database of state-owned land and the database of state leased land have also been provided for your immediate verification."*

### **Auditor's Comment**

Our recommendations for the other findings were not implemented. It was revealed during the verification that a service delivery charter has not been displayed at the regional office. Furthermore, there has been no policy for the assessment of lease rents and information on arrears. An accountable register for recording survey bills has been maintained, monthly or quarterly returns on survey bills as well as database for State-owned lands were not provided. Therefore, the issues remain unresolved.

### **3.55.2. Non-submission of Bank Statements and Cashbooks**

Our review of available records maintained in respect of revenue generated from survey fees, lease rent and building permit fees revealed that the Ministry generated a total of Le129,224,000 for the period under review. In spite of repeated requests made to the regional office of the NRA, we were however not provided with bank statements and cashbooks to confirm that this money was actually paid into the CF, contrary to Section 36 (1a) of the Audit Service Act of 2014.

We therefore recommended that the Acting Regional Surveyor in collaboration with the Regional Manager of Non –Tax Revenue, National Revenue Authority (NRA), should ensure that records in respect of revenue generated from survey fees, lease rent and building permit fees are produced and forwarded to the Audit Service for reconciliation.

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

*The ARS in his response said:*

- (i) *"The Regional Office East generated a total of le129,224,000 in respect of revenue from survey fees, lease rent and building permit fees.*

- (ii) *It was very surprising to know that the national revenue authority did not provide bank statements and cashbooks to confirm the above amount. copies of payments made are however now available for your verification.”*

#### **Auditor’s Comment**

Our recommendation was not implemented. The Ministry did not reconcile its revenue records with the NRA and no document provided; as such, we could not ascertain whether the total amount of Le129,224,000 was paid into the CF. Therefore, the issues remain unresolved.

#### **3.55.3. Expenditure Management and Control**

In contravention of Section 17(1a) of the PFMR of 2018, we observed the following:

- There was no approved budget of income and expenditure presented to the auditors for the period under review. Therefore, we were unable to ascertain whether the Ministry’s Regional Office submitted budgets inputs to the head office for the period of 1st January 2018 to 31st December, 2020. We could not ascertain the effectiveness of the Ministry’s Regional Office in carrying out its activities as no activity plan was provided to us.
- An interview conducted with the Acting Regional Surveyor revealed that no allocations were sent to the Ministry’s Regional Office for the period under review. In spite of repeated requests, we were however not provided with any evidence of requests made to the Ministry’s head office for allocations. There is a risk that budgetary allocations to the regional office could be misappropriated, thereby resulting in a loss of government funds. The lack of monthly or quarterly allocations for the administrative running of the regional office could lead to poor service delivery.

We therefore recommended that the Acting Regional Surveyor should ensure the following:

- collaborate with the Head Office and ensure that going forward budgetary inputs should be done to ensure the effectiveness of the regional office in rendering services to the public.
- An activity plan is prepared on a yearly basis to illustrate the regional office activities and collaboration should be done with head office to ensure that monthly or quarterly allocations are provided.

#### **Official’s Response**

*The ARS in his response said: “It may interest you to know that head office is responsible for the preparation of annual budget with no reference to the regional offices.”*

#### **Auditor’s Comment**

Our recommendations were not implemented. The management’s response to the issue raised was inappropriate. The issue remained unresolved.

#### **3.55.4. Inadequate Control over Construction Work**

Our review of available records maintained in respect of issuance of building permits and discussions held with the Acting Housing Officer revealed that assessment was carried out for the payment of building fees before building permits were issued. Those assessments could however not be carried out properly as site visits were not done in most of the cases. This was in contravention of Sections (10&14) of the Freetown Improvement Act (FIA) of 1961.

We recommended the following:



- The Districts Housing Officers should ensure that site visits are always done in order to enable proper assessment of building sites.
- The Acting Regional Surveyor in collaboration with the Permanent Secretary should ensure that mobility is provided to the Housing Division within the Districts for effective inspection of building sites.

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

*The ARS in his response said: "Documentary evidence in respect of issuance of building permits is now available for your immediate verification. Assessments were also carried out to communities that were easily assessable."*

#### **Auditor's Comments**

It was revealed during verification that there had been improvement in carrying out assessments but the division is however still facing mobility constraints to reach out to certain communities and therefore no assessment was carried out in those communities. The issue is partly resolved.

#### **3.55.5. Lack of Adequate Documents to Support Construction Work**

A review of available records maintained in respect of building permits issued, and discussions with the Housing Officers within the district revealed that most builders did not have permits before carrying out the development of their sites, and due to lack of manpower and mobility, they were unable to identify defaulters as they did not have the resources to do thorough inspections within the various districts in the region. This was in violation of the 1993 Building Fees Act and section 51(1) of the 2016 PFM Act.

The Permanent Secretary, Ministry of Lands, Housing and Country Planning should ensure that adequate support is provided to the Housing Officers to enable them carry out their duties effectively, thereby aiding the effort of government in mobilising revenue.

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

*The ARS in his response said: "The Ministry does not have the resources to do thorough inspections due to lack of mobility and manpower. The Regional Office has limited staff to cover various districts within the region. Plans are however on the way to recruit some staff into the system to enable us carry out our duties effectively."*

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

Our recommendation was not implemented as the challenges continue to limit their operations.

#### **3.55.6. Failure to Submit Requested Document for Inspection**

During the audit, in spite of repeated requests for the submission of adequate records for audit purposes, we observed that the Ministry of Lands, Housing and Country Planning's regional office did not submit the following records relevant to the audit, contrary to section 36(1) of the Audit Service Act of 2014 and sections 3 & 5 of Chapter 117 of the Crown Ordinance Act of 1960 (Unoccupied Lands):

- Database of government-owned land within the Eastern region.
- Database of leases and GoSL lands sold to individual and institutions within the Eastern region.
- Database of arrears for lease rent for the period under review
- An approved policy by the MLHCP for the assessment and collection of lease rent and survey fees.

It was recorded that the Acting Regional Surveyor should ensure that an:

- electronic database is maintained for all lease offered including any information on outstanding balances on lease rents.
- A revenue mobilisation strategy must be developed for the payment of outstanding balances on lease rents.
- official policy on assessment, database of lease rents and information on all arrears and a revenue mobilisation strategy must be developed for the payment of outstanding balances on lease rents is provided and forwarded to the Audit Service for inspection.

### **Official's Responses**

*The ARS in his response said the following:*

*"The under mentioned records requested for audit are now available for your verification. See below:*

- (i) Database of GoSL owned land within the Eastern region*
- (ii) Leases and GoSL land sold to individuals and institutions within the Eastern region are in the database in Freetown.*
- (iii) Database of arrears for lease rent, although we don't have arrears*
- (iv) Ministry has not provided any for the assessment and collection of lease rent and survey fees."*

### **Auditor's Comments**

- The Ministry has put measures in place to ensure that database of arrears for lease rents is maintained and this was confirmed as appropriate. Our recommendation was partly implemented.
- A database of GoSL owned lands was however not provided for audit inspection. Further inquiry revealed that the database of state-owned lands is being maintained at the headquarters in Freetown. Therefore, we keep this issue in view for the next audit.

## **3.56. LOCAL GOVERNMENT SERVICE COMMISSION- 2020**

### **3.56.1. Cash withdrawals without supporting /Adequate Supporting Documents**

Contrary to provisions in Section 100(1b), of the PFMR of 2018, the Commission spent Le50,000,000 on fuel without any evidence of utilisation in the form of signed list of recipient to suggest that value was obtained from this expenditure. In the same vein, relevant documents were not submitted to account for a total of Le47,935,000.

The Executive Secretary and Accountant that were in post during this period should ensure that the relevant supporting documents are submitted or the entire amount refunded to the Consolidated Fund.

### **Official's Response**

*The Executive Secretary in his response said: "This is a recurring audit query spanning way back before assumption of Office as Executive Secretary in May 2020. All the withdrawals i.e. the two cheques - Le50,000,000 and the Le47,935,000 were done by the erstwhile Executive Secretaries. Attempts were made to bring to their attention through formal correspondences but to no avail. Similar letter was also extended to them in this case evidence of those actions are available for inspection."*

### **Auditor's Comment**

Relevant supporting documents were not submitted to account for funds which amounted to Le50,000,000 and Le47,935,000 respectively. Therefore, the issue is unresolved.

## **3.57. DECENTRALISATION SECRETARIAT: 2020**

### **3.57.1. Irregular Staff Recruitment**

The Decentralisation Secretariat recruited six staff with a total annual basic salary of Le760,800,000 without the participation of the Public Service Commission (PSC) or their concurrence for the process to be carried out. This was done contrary to an earlier recommendation by the Public Service Commission and the provision in Rule 2.10 of the Government of Sierra Leone Civil Service Code, Regulations and Rules which requires that permanent and pensionable staff of government be appointed by the Public Service Commission.

Such action could have discouraged competition and consequently leading to unfair appointment at the detriment of other suitable citizens.

We therefore recommended that evidence for the participation of the PSC or their concurrence for the process to be carried out should be submitted for audit review.

### **Official's Response**

*The Director in his response said: "Staff members were recruited after concurrences received from the Ministry of Finance and the Office of the President. The Public Service Commission was asked to go through with the recruitment which they did and that relevant supporting records in respect of the entire recruitment process are available for your review."*

### **Auditor's Comment**

The audit recommendation was not addressed as concurrence from the Public Service Commission to carry out the recruitment was not submitted for verification. Therefore, the issue remains unresolved.

## **3.58. JUDICIARY OF SIERRA LEONE - 2020**

### **3.58.1. Inadequate Control over Revenue Management and Control**

Used receipts books to support total revenues collected of Le397,795,600 were not submitted for inspection.

We therefore recommended that the Commissioner, Non-Tax Revenue should provide used receipts books for audit inspection.

### **Official's Response**

*The Master and Registrar in his response said: "The National Revenue Authority noted the audit recommendation, and their responses are as follows. Three of the four used receipt books valued ant Le397,795,600 (court fees, fines, and liquor licenses) as stated in Appendix A1 are available for audit verification. These include: 663751 – 663800, 723501 – 723550 and 725801 – 725850. The remaining receipt number ranges from 635501 -635550 is yet to be traced."*

### **Auditor's Comment**

During verification, evidence of three of six used receipt books with receipt numbers (range) 663751-663800; 723501-723550 and 725801-725850 which amounted to Le82,852,500 were presented and verified. The remaining three used receipt books with receipt numbers ranging from 635501-635550 and 725851-725941 with reported revenue totalling Le314,943,100 were yet to be presented for verification, and therefore considered unresolved.

**Fast Track** - Used receipts books to support total collected revenues of Le38,144,164 were not submitted for inspection. We recommend that the Commissioner, Non-Tax Revenue should provide the used receipts books for audit inspection.

### **Official's Response**

*The Master and Registrar in his response said: "Two out of the three used receipt books totalling Le38,144,164 (court fees, fines and liquor licenses) as stated in Appendix A3 are available for audit verification. These include: 633351 – 633400 and 723101- 723158. The remaining receipt book ranging from 716351 - 716400 is yet to be traced".*

### **Auditor's Comment**

During verification, of the four used receipt books, evidence of three used receipt books with receipt numbers ranging from 633351-633400 and 723101-723158 totalling Le30,751,164 was presented and verified. The remaining one used receipt book with receipt numbers ranging 716351-716400 with reported revenue totalling Le7,393,000 is yet to be presented for verification. Therefore the issue is considered partly resolved.

### **3.58.2. Revenues Collected but not Traced to the Sierra Leone Commercial Bank Transit Account**

Total collected revenues of Le243,921,700 were not traced to the transit account held at the SLCB. As such, we are unable to trace this amount to the Consolidated Fund (CF) at the Bank of Sierra Leone. We recommended that the Commissioner, Non-Tax Revenue should provide evidence of revenue transferred from the transit bank to the CF.

### **Official's Response**

*The Master and Registrar in his response said:*

- (i) 'As listed in Appendix A4, below are details of revenue collected and deposited into various commercial bank accounts in for the period under review.*
- (ii) Court fines (Revenue Code 1301) amounting to Le10,000,000 was deposited into the GT Bank Account. Deposit slip and bank statement are available for verification.*
- (iii) Court fees (Revenue Code 1236) amounting to Le67,500,000 was deposited into the RC Bank Account-0056877. Deposit slip and bank statement are available for verification.*
- (iv) Court fees (Revenue Code 1236) amounting to Le11,100,000 was deposited into OARG Account (801) instead of 586. Deposit slip and bank statement available for verification.*
- (v) Court fees (Revenue Code 1236) amounting to Le145,000,000 was wrongly posted but reversed and posted into 586. Deposit slip and bank statement available for verification.*
- (vi) Court fees (Revenue Code 1236) amounting to Le1,625,000 was deposited into OARG Account (801) instead of 586. Deposit slip and bank statement are available for verification.*

- (vii) *Court fees (Revenue Code 1236) amounting to Le780,000 was deposited into the OARG Account (801) instead of 586. Deposit slip and bank statement are available for verification.*
- (viii) *Court fees (Revenue Code 1236) amounting to Le594,000 was deposited into the OARG Account (801) instead of 586. Deposit slip and bank statement available for verification.*
- (ix) *Court fees (Revenue Code 1236) amounting to Le912,000 was deposited into the OARG Account (801) instead of 586. Deposit slip and bank statement are available for verification.*

### **Auditor's Comment**

Evidence of deposit slips and bank statements of various revenue collection transit accounts show payments being made into these transit bank accounts, instead of the revenue collection transit account designated for the Judiciary of Sierra Leone. The total amount of Le241,706,500 was presented and verified. Leaving a balance of Le2,215,200, with no evidence of deposits and transit bank account statement presented for verification. This issue therefore remains unresolved.

### **3.58.3. Procurement Splitting to Evade Competition**

We observed that procurement worth Le894,273,835 and Le 294,731,327 regarding refurbishment in favour of Abimer Construction and General Supply, and electrical works in favour of Fortune Electricals respectively, were split into tranches in order to avoid the due procurement process of open bidding and national competitive bidding (NCB).

We recommended that the Procurement Manager should provide appropriate reason why the procurement was divided, and the inappropriate procurement method used.

In addition, going forward, the Department should design and implement a framework contract with a suitable supplier for the procurement of the refurbishment works, electrical and comply with all relevant procurement laws and regulations.

### **Official's Response**

*The Master and Registrar in his response said:*

- (i) *"The auditor's recommendation is noted (to provide appropriate reasons why the procurements of works were divided to avoid NCB procurement methods)*
- (ii) *Due to emerging issues faced by the Judiciary, such as treason trial, establishment of a sexual offence model court, procurement activities were discussed in the Procurement Committee meeting that warranted the approval of the updated procurement plan. All the said activities were sourced by RFQ procurement methods at various times and Abimer Construction and General supply emerged as the most responsive bidders among the other competitors.*
- (iii) *Below are details of the various procurement activities for total net payment of Le894,273,835 to the contractors for which various contracts were signed as indicated in Appendix B.*
  - *Additional work for the rehabilitation of Sexual Offence Model Court amounted to Le20,167,528(PV NO. 1197.)*
  - *Rehabilitation of Jurors' rooms at Court Nos. 1&2 for treason trials which amounted to Le67,432,100 (PV No.921 &950). Juror trials commenced after 29th April prison Escape.*
  - *Refurbishment of room space into waiting room and information center amounted to Le65,137,555 (PV NO. 1307,1331 &1362.)*
  - *Rehabilitation of Judges robbing room amounted to Le95,817,188(PVs No. 1344 & 1361)*
  - *Refurbishments of IT office, old security post, and construction of new security post amounted to Le187,348,707 (PV No.1614.)*

- Refurbishment of High Court Number 2, IT booths in court Numbers 1,2&7 amounted to Le66,506,973 (PV NO. 1388 & 1448.)
- Refurbishment of High Court No. 7 to Judges chambers and waiting room for Sexual Offences Model Court amounted to Le123,769,485(PVs No. 1106, 1123 & 1178)
- Conversion of former sub-treasury office to information room for Sexual Offences Model Court amounted to Le68,592,825 (PVs No. 1198 &1223)
- Refurbishment of Male, Female & Juvenile holding cells amounted to Le48,693,960 (PVs No.986 & 1028)
- Covering of main Law Court Building and female cell amounted to Le43,083,496(PVs No. 1034 & 1105)
- Refurbishment of Supreme Registry, painting of Judges chambers etc. amounted to Le91,457,260 (PVs No.1487 & 1527.)
- Aluminium cabinet and replacement of doors amounted to Le16,266,758 (PVs No. 1477, 1040 & 1099).”

#### **Auditor’s Comment**

Management’s comments are noted. We however still conclude that the queried procurement was artificially split to avoid using the appropriate procurement method. Therefore, these issues remain unresolved.

#### **3.58.4. Procurement Requirements not Strictly Followed-Advance Payments**

We observed that 100% payment (advance payment) for campaign gift items and translation service costing Le416,380,932 (US\$42,075) and US\$615.37 respectively was made in violation of Section 135 (3) of the Public Procurement Regulations of 2018. The said payment was made before the signing of the contract. In addition, there was no payment guarantee provided for the advanced payment made as stipulated in the standard bidding document.

We recommended that the head of the Procurement Unit should provide explanation supported by documentary evidence to justify why 100% payment was made and the basis why advance payment exceeded the stipulated maximum 30%; and provide payment guarantee to support the advance payment.

#### **Official’s Response**

*The Master and Registrar in his response said: “Considering dealing with a foreign vendor (in terms of payment methods) and the urgent need to deliver the campaign materials, led to full (100%) payment of the contract amount. The goods were delivered to the Sierra Leone Mission at the UN, in the USA with no risk encountered. The business of the Judiciary was to provide the monies for the exercise. The Judiciary was not stricto-senso to procure in terms of the procurement procedures. It was our duty to provide the funding provided by government to the UN Mission to supply the campaign materials: not the Judiciary to supply the campaign materials provided to support the candidate, who in any case was appointed as ICC Judge. The Money spent fulfilled its purpose. Payment clause in the agreement depends on deliverables and not as advance payment.’*

#### **Auditor’s Comment**

During the verification, our recommendation regarding the issue of advance payment was not implemented, and payment guarantee was also not provided during the verification. These issues therefore remain unresolved.

### **3.58.5. Advance Payment to Suppliers Exceeding 30%**

In contravention of Section 135 (3) & (4) of the Procurement Regulations of 2018, total advance payments of Le496,736,705 made to various suppliers exceeded 30% of the contract sum.

In addition, no evidence of advance payment guarantees was attached to procurement documents or submitted for audit inspection.

We recommended that the Procurement Manager should give explanation with documentary evidence, justifying advance payments made and the reason why advance payment exceeded the stipulated maximum of 30%.

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

*The Master and Registrar in his response said:*

- (i) *"The auditor's recommendation is noted.*
- (ii) *Going forward, the Procurement and Logistic Manager will adhere to advance payment requirement as in the Public Procurement Regulations. The undermentioned should however be noted.*
- (iii) *Payments to service providers to all details in Appendix E1 depend on deliverables and in some instances, they were pre-financed by the contractors.*
- (iv) *With regard electrical maintenance, recommendations from the licensed electrical engineer to overhaul the electrical installation of the main Law Courts Building, was considered by Management as an urgent action to address, and the contractor almost pre-financed the work.*
- (v) *Payment in most of the agreements depends on deliverables for some items in Appendix E1 and not as advance payment.*
- (vi) *All works listed in Appendix E1 were completed with no risk encountered."*

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

During verification, advance payment guarantee was not provided and as a result, this issue remains unresolved

### **3.58.6. Withholding Taxes not Deducted and Paid to the National Revenue Authority (NRA)**

Total payments of Le524,353,9322 made to various suppliers did not attract withholding taxes amounting to Le48,910,567.86 during the year under review. This was in contravention of Section 117 of the Income Tax Act of 2000.

We recommended that the Master and Registrar should ensure that withholding tax revenue is recovered from the various suppliers and paid to the NRA. Otherwise, the said amount must be refunded into the Consolidated Fund.

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

*The Master and Registrar in his response said: 'With regard withholding tax deductions as specified in Appendix K, the following are some of the issues surrounding the non-deduction of withholding taxes.*

- *Of Le48,910,567.86 withholding tax claimed to be deducted, Le43,719,998 relates to the campaign materials' vendor whose business is registered and located out of the country and the business delivered and utilised out of the country.*
- *Le2,150,665 accounted for refunds to Judges for which payment were made to their service providers who repaired their official vehicles.*

- *Other items in Appendix K related to payment for adverts and some utility services such as DSTV.”*

#### **Auditor’s Comment**

Management’s comments are noted. Evidence of payment of withholding tax to the NRA was not submitted during the verification as recommended. Therefore, the issue remains unresolved.

#### **3.58.7. SLRSA Certificate before and after Vehicle Repairs not Submitted for Audit**

We observed that there were no specific personnel in charge of repairs or maintenance of vehicles, as every employee was repairing his or her own vehicle, and then forward claims for refund without any evidence of inspection from the Sierra Leone Road Safety Authority (SLRSA) before and after the maintenance of these vehicles. A total payment of Le93,264,555 was expended on maintenance of vehicles for the period under review without submitting inspection reports from the SLRSA. Therefore, we could not confirm the eligibility of these payments.

We recommended that the Principal Accountant should provide the inspection reports from the SLRSA (before and after the repairs). He must also submit all supporting documents for the said repair.

#### **Official’s Response**

*The Master and Registrar in his response said: “A Senior Transport Officer under the supervision of the Court Operations Manager has been recruited and part of his functions is to ensure that the policies on vehicle repairs & maintenance are adhered to (taken vehicles to SLRSA for inspections and collect certificate of completion).*

- *Almost all vehicles repaired during the period under review, with the exception of few vehicles from some Resident Judges who are out of Freetown followed the policy.*
- *The vehicle maintenance policy has been approved by the J&LSC with other policies which allowed Judges to repair their official vehicles in a case of emergency and request for refund.*
- *Some of the vehicles allocated to Judges were second-hand vehicles donated to Judiciary.*

#### **Auditor’s Comment**

Management’s comments are noted. It is stated in the Judiciary policy of vehicle repairs and maintenance that vehicle allocated to judges should follow the government of Sierra Leone’s Policy on vehicle repairs and maintenance. It is further stated that vehicles attached to the Hon. Chief Justice are exempt from SLRSA inspections and certification. Evidence of certificates of inspections before and after maintenance for queried vehicles were not submitted for verification. Therefore, the issue remains unresolved.

#### **3.58.8. Fixed Assets Management**

The Department did not maintain a comprehensive assets register for the recording of fixed assets. Procured assets valued at Le1,695,526,843 were not recorded in the Assets/Inventory Register.

We recommended that the Principal Accountant should ensure that an assets / inventory register is developed and maintained to record all fixed assets and other consumables. The register should contain the specification, value, unique identification code, location, the status of usage; the acquisition date; and the maintenance records of the assets.



### **Official's Response**

*The Master and Registrar in his response said: "The Judiciary of Sierra Leone Assets Register was submitted to the auditors and almost all those assets listed in Appendix N were captured in the register with their specification, value, date of acquisition, unique identification code, location and status."*

### **Auditor's Comment**

Management's response is noted. During the verification exercise, a comprehensive assets register containing headings such as specification, value, unique identification code, location, the status of usage; the acquisition date; and the maintenance records of the assets was presented and some entries of various assets in it. Upon review, we observed that the acquisition date indicated in the register for all the entries does not correspond with the dates on the invoices of the procured assets, making it impossible for the auditors to establish that the Assets Register submitted reflects the recording of those procured assets. Therefore, this issue remains unresolved.

## **3.59. JUDICIARY OF SIERRA LEONE, NORTH EAST REGION-2020**

### **3.59.1. Inadequate Control over the Management of Assets and Facilities**

We observed the following:

- An assets register for the management of the Court's assets was not maintained.
- Physical inspection of assets held by the Courts revealed that most of the assets were not coded with unique identification codes.
- A location inventory that shows assets held in each office location was not maintained.
- Verification of the Courts' facilities and interviews with key personnel revealed that the water system at the Court was not in proper working condition. The submersible machine was no longer functioning as it couldn't pump water to the various units within the Court. As a result, inmates at the correctional Centre had to fetch and supply water to the Courts from the surrounding community. In one instance, the auditor witnessed a correctional service officer engaged in fetching water to the courts.
- The septic tank at the Court was filled and has not been emptied. As a result, the tank most times overflows and pollute around the Courts compound, and in the process emitting stench all over the place.
- During the inspection of the Courts' facilities, we noted that the following facilities were either not available or non-functional:
  - ❖ printer and photocopier for the registry;
  - ❖ adequate stationery for the smooth, efficient and effective running of the Courts;
  - ❖ functional back-up/standby generator for the building that hosts both the Magistrate and the High Courts;
  - ❖ cabinet for the filing of case files in the regional offices (High Court and Magistrate Court).
  - ❖ non-functional fans and broken light bulbs;
  - ❖ leakages in the roof of the courts; and
  - ❖ broken chairs.

We recommended that the District Registrar should ensure the following:

- that a fixed assets register is maintained and regularly updated for proper management and monitoring of the Courts' assets;
- assets are marked with unique identification codes;
- an inventory listing of assets held at each location should be maintained; and
- the water system within the courts is addressed. The septic tank is immediately emptied and adequately maintained to ensure a conducive working environment.

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

No management's response was proffered and there was no evidence of implementation of the recommendations. The issues remain unresolved.

#### **3.59.2. Court Records not Properly Maintained**

We observed that the manual ledgers in which all new and existing court cases were recorded and the monthly returns forms of completed cases were not clear enough to be easily understood and analysed. This was due to courts personnel's unclear handwriting styles even though computers were available to the personnel.

We recommended that in collaboration with the Human Resources Officer and the Master and Registrar, the District Registrar should ensure that the court officials are trained on basic computer skills and electronic record keeping skills in Microsoft Word and Excel.

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

No management's response was proffered and there was no evidence of implementation of the recommendations. The issue remains unresolved.

#### **3.59.3. Ineffective Juror Services**

The Criminal Procedure Act of 1965 provides the enlisting of persons to function as jurors within the high court proceedings for all felonious cases, such as murder, robbery with aggravation, manslaughter, sexual offences, treason, etc. The audit team however observed that the service of jurors was not significantly effective within the courts. Interviews with court personnel and discussions with a juror revealed that the jurors usually do not attend/appear in courts because they are not given any form of incentive (stipend, lunch, transportation, etc.) for their services. We also discovered that most of those listed as jurors in the District were retired personnel who most times could not afford to pay for their transportation cost to and from the Court. Therefore, they are most times absent from court proceedings even though there is a penalty or consequence for not attending court proceedings.

We recommended that the District Registrar, in collaboration with headquarters, undertake a review of the setbacks to enable an effective juror system within the Courts.

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

No management's response was proffered and there was no evidence of implementation of the recommendations. The issue remains unresolved.

#### **3.59.4. Periodic Reconciliations between the NRA and the Courts not Carried out**

During the review of case files for both the High Court and the Magistrate Court, the audit team observed that huge sums of money were generated by both Courts, which the National Revenue Authority collected. There was no evidence of periodic reconciliation between the two institutions' records provided by the Courts. We recommended that the Courts should ensure that periodic reconciliations are carried out between their records and the NRA to promptly detect and correct any significant difference. This will further enhance accountability and transparency in ensuring that public funds are accurately recorded and reported.

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

No management's response was proffered and there was no evidence of implementation of the recommendations. The issue remains unresolved.

#### **3.59.5. Imprest not Provided for the Courts Operations**

During the audit, we observed that the Region did not receive any imprest from headquarters in Freetown to undertake daily operational expenses of the two Courts for the period under review. As a result, the audit team observed several inadequacies such as damaged light bulbs, broken chairs, non-functioning fans, etc., that could have been addressed if the Courts had been provided with imprest. We recommended that the Master and Registrar ensure that a monthly or quarterly imprest is provided for all the regional offices to support the daily expenses of the operations of the regional offices.

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

No management's response proffered and there was no evidence of implementation of the recommendations. The issue remains unresolved.

### **3.60. OFFICE OF THE PRESIDENT- 2020**

#### **3.60.1. Overseas Imprest not Appropriately Retired**

Appropriate retirement details were not provided for payments with regard to US\$135,000, an equivalent of Le1,327,758,800, made for various overseas travels by HE the President and the First Lady. We recommended that the State Chief of Protocol should provide the necessary retirements; otherwise, the said payments will be disallowed and surcharged.

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

*The Secretary to the President (SP) in his response said: "This Office believes that the money in question i.e. US\$135,000 provided as imprest for His Excellency the President and First Lady was utilised for that purpose. Retirement details in respect of imprests paid to His Excellency the President will however henceforth be obtained, in accordance with the Public Financial Management Act, 2016."*

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

The necessary original (as per the auditee), retirement details were made available during the audit verification process. Following detailed verification, inspection, and other standard audit checks, including checks with third parties where applicable and possible, we concluded that:

- the sum of US\$110,000 or Le1,080,504,300 should be refunded by the payees (i.e. State Chief of Protocol and the Personal Assistant to the First Lady), as the retirement receipts were marred by discrepancies, inaccuracies and inconsistencies. The receipts provided have also been disputed by the concerned third parties.
- further investigation to be carried on the transaction on PV No. 83325 of 10<sup>th</sup> March, 2020 for an amount of \$25,000 or Le247,254,500; the retirement receipt is marred by discrepancies, inaccuracies, and inconsistencies.

These issues remain unresolved.

### **3.60.2. Overseas Travelling Expenses to Lebanon**

A review of payment vouchers and supporting documents relating to the President's travel to Lebanon revealed the following:

- The circumstances that led to the selection of the company (a wholesaler and general distributor of pharmaceuticals, toiletries, household goods and chemist) to provide private jet service is unclear.
- Original and true copy of receipts to support total payment of US\$156,113.73 for hotel accommodation and medical treatment was not submitted for audit inspection.
- travelling officers were paid excess Daily Subsistence Allowances (DSA) totalling US\$7,404 and US\$564 was underpaid DSA.
- Of the funds provided to cover the cost of medical bill for the President and subsistence allowances, payments totalling US\$73,416 was made to cover the cost of accommodation of eight travelling officers, even though full DSAs which amounted to US\$75,852 to cover such cost had been paid to them. This is an evidence of double dipping.

We recommended that the Principal Assistant to the Secretary to the President in collaboration with the State Chief of Protocol and the Accountant should provide explanation supported by documentary evidence the circumstances that led to the selection of the company to provide private jet service. They should also ensure that originals of receipts for hotel accommodation and medical treatment are provided for audit inspection.

In addition, the excess DSAs paid should be recovered and refunded into the CF, and DSAs of US\$564 be paid to the underpaid concerned; and the 70% of the entitled DSA totalling US\$75,852 paid to the eight travelling officers be recovered and refunded into the CF.

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

*The SP in his response said: "Please be informed that the choice of the company was done through the Office of the State Chief of Protocol (SCOP), after consultation with His Excellency the President.*

*It should be noted that the security of the President should not be compromised in making such a decision. Thus, searching for any available aircraft is not an option.*

*Regarding the payment of DSA above the normal rate, please see a minutes in respect of an appeal for additional funds to be made available to the delegates given the expensive rates of hotel accommodation in Lebanon at that time. The circumstances at that time also warranted the officers to be in the same hotel with the President.*

*The observation that has to do with a refund of US\$564 to a certain officer is not clear to this office.*

*It is difficult to understand and appreciate the fact that money spent by the President on his officers would be regarded as double dipping since the officials did not put in request for this, and that the money was given voluntarily by the President. This gesture is common with every President from time immemorial. This is also a common practice between senior officers and their juniors across all Ministries/ Departments/ Agencies (MDAs).”*

#### **Auditor’s Comment**

- We noted management’s response regarding the circumstances that led to the selection of the company to provide private jet services. In the absence of a clear and detailed procurement process, we conclude that it’s reasonable to enquire why a company whose main business is wholesale of pharmaceuticals, toiletries, household goods and chemist, was selected to provide private jet hiring services. We therefore conclude that this matter remains unresolved.
- “Original” receipts all with dates in September 2020, to support total payment of US\$352,481.77 for hotel accommodation and medical treatment was presented during the audit verification exercise.

We however concluded that one of the retirement receipts of US\$156,113.73 for hotel accommodation dated 18th September 2021, was marred by discrepancies, inaccuracies and inconsistencies. It was also disputed by the concerned third party, whose record show that the bill remains outstanding. In view of such discrepancies and dispute, the matter still stands and the amount of US\$156,113.73 should be refunded by the payee, the State Chief of Protocol.

We noted that hospital bills to the value of US\$170,489.04 were settled in cash at the hospital in question. The audit concludes that although the amounts had been paid and supporting documents provided, in the interest of transparency, good public financial management practice, and exemplary anti-money laundry reasons, we are of the opinion that such a settlement should have been done through a bank transfer. Given the level of cash involved, the matter is being highlighted as a reference for future transactions.

- Regarding the overpayment of US\$7,404 as per diem to officers, management’s response is noted; however, it fails to clear the matter considering the fact that the cost of accommodation for these officers was covered by the imprest. The audit concludes that until there is evidence of refund into the CF, the issue remains unresolved.
- With regard to per diem of US\$564 payable to the concerned officer, no evidence of payments was made available for verification, therefore the matter remains unresolved.
- With regards to the payment for accommodation for officers in receipt of full per diem (which is usually meant to cover the cost of accommodation and sustenance) for traveling officers, the accommodation element of 70% of the per diem is refundable, as the state cannot pay twice for the same transaction. The audit concludes that the sum of US\$73,416 should be recovered from the affected officers and paid back into the CF, and unless and until full recovery of these funds are made, the issue remains unresolved.

#### **3.60.3. Updated Asset Register not Maintained**

We observed that items worth Le675,087,000 in respect of furniture and equipment may not have been recorded in an assets register, as an updated register was not presented for inspection. Assets could go missing without trace. We recommend that the Director of Estate in collaboration with the storekeeper at the Office of the President should provide an up-to-date assets register.

### **Official's Response**

*The SP in his response said: "Please take note that action has been taken on your recommendation and there is evidence for inspection."*

### **Auditor's Comment**

An updated assets register was made available during the audit verification exercise. Upon inspection of the asset register, we observed that date of acquisition and unique identification numbers (codes) are yet to be updated in the register, therefore the issue remains partly resolved.

### **3.60.4. Funds Utilised for Ineligible Activities**

Total payments of Le15,688,500 made from the Operational and Administrative cost for the Office of the First Lady was made towards activities not related to the operation and administration of the office, and such are therefore deemed contestable. We recommend that the head of Administration and Finance should ensure that evidence of refunds of those contestable payments into the CF is also presented for audit inspection.

### **Official's Response**

*The SP in his response said: "Documents are now available for inspection."*

### **Auditor's Comment**

Until evidence of refunds into the CF of those constable payments totalling Le15,688,500 is presented, this issue is considered unresolved.

### **3.60.5. Unutilised Funds not Remitted into the Consolidated Fund**

The closing balance as at 31st December 2020 in the account of the First Lady stood at Le7,467,340,013.13 which was unused by the Office, was not returned into the Consolidated Fund as required by Section 124(1) of the Public Financial Management Regulations of 2018. We therefore recommend that the head of Administration and Finance in the Office of the First Lady should provide an explanation supported by documentary evidence why closing balance was not returned into the CF.

### **Official's Response**

*The SP in his response said: 'The reason being that the Office would have starved for funds as allocation for a new financial year is almost always delayed, and this would have hampered the operations of the Office, which has flagship programmes for the vulnerable population, especially girls.'*

### **Auditor's Comment**

We note management's comment on this matter. We conclude that not only did the Office of the First Lady fail to comply with Section 124(1) of the Public Financial Management Regulations of 2018, it also may not have implemented activities for which these funds were provided; therefore, this matter is unresolved.

## **3.61. OFFICE OF THE VICE PRESIDENT- 2020**

### **3.61.1. 50% Advance Payment instead of 30% and Advance Payment Guarantee not Submitted**

An advance payment totalling Le250,000,000, which is more than 30% of the contract sum was made to Malador Associate (SL) Ltd for the refurbishment of the Office of the Vice President, contrary to Section 135(3) of the Public Procurement Regulations of 2018 (PPR). Advance payment guarantee was also not submitted in contravention of section 135 (3) & (4) of the Procurement Regulations of 2018.

We recommended that the Procurement Manager should give explanation in writing supported by documentary evidence, justifying why 50% advance was paid rather than the 30% as stated in the Public Procurement Regulations of 2018.

### **Official's Response**

*The Secretary to the Vice President in his response said: "The Office of the Vice President and his front desk Officers' offices were in very bad shape and needed urgent refurbishment. The Vice President requested that the entire job should be done within three weeks. It was because of the above that the contract agreement spelt out for an advance payment of 50% while the remaining was to be paid after the satisfactory completion of the contract."*

*Management notes the audit recommendation, the contract agreement is available for audit inspection but going forward, management is assuring the audit team that it will not entertain such contract agreement."*

### **Auditor's Comment**

The request of the Vice President to fix the front desk of his office did not in any way suggest that the contractor should be paid 50% rather than a 30% deposit as per the NPPA Act of 2016. We therefore conclude that the reason for the breach is unacceptable, and as a result, this matter remains unresolved.

### **3.61.2. Payments to Bereaved Families Without an Approved Policy**

An amount totalling Le1,079,823,000 was paid from the Consolidated Funds by the Government of Sierra Leone to bereaved families of deceased public officers for the year 2020 without an approved policy on state funeral and related matters. We also observed that retirement details were not provided to support Le65,000,000 government contributions paid.

We recommended that these payments be disallowed and surcharged on the approving officers, except for evidence that these undertakings were in accordance with applicable laws or approved policy.

Furthermore, the Secretary to the Vice President should ensure that retirement details for the unretired amounts be submitted for inspection.

### **Official's Response**

*The Secretary to the Vice President in his response said: "The policy for Civic and State Funerals and Government's Contribution to Bereaved Families had been drafted and sent to the Ministry of Finance for their concurrence. Fortunately, the Ministry of Finance had sent their 'no objection' of concurrence. Cabinet paper on the drafted policy had been developed and sent to Cabinet and now waiting for approval. A copy of the draft policy and Cabinet Paper are available for audit verification."*

*Furthermore, the Ministry of Foreign Affairs and the House of Parliament had submitted the retirement for resources giving to them in respect of the funeral of the late Mrs Agnes Dugba and Hon. Almammy O. Kamara. While the remaining forty million given to the Ministry of Local Government for the funerals of the late Paramount Chief Steven P. Bayon and Paramount Chief Mohamed Soko Koroma Messi V was purely for traditional rights."*

*Management noted the audit recommendation, and therefore retirements and analysis of how resources for traditional rights were spent is ready for audit verification."*

### **Auditor's Comment**

The concurrence of the Ministry of Finance and the Cabinet Paper referred to in the Management's Response were both provided during verification. It was however noted that although the Financial Secretary in his letter to the Secretary to the Vice President on 6th January 2021 states: **"Given the very importance of the Auditor-General's recommendations spanning back several years, the**

***Honourable Minister has requested that the matter be treated with the urgency it deserves.***” The policy document as at October 2021 is still awaiting presentation to Cabinet for their approval; therefore, the matter remains unresolved.

We verified retirement details of Le25,000,000 paid initially to the Ministry of Foreign Affairs for the funeral arrangement of late Mrs Agnes Dugba. We were however not provided retirement details for Le65,000,000 paid for the funeral arrangements of late Hon. Alimamy O. Kamara, PC. Steven P. Bayon & PC. Mohamed Soko Koroma Messi V.

### **3.61.3. Payments without Justification**

The sum of Le188,345,000 was paid out in cash to persons including “stakeholders”; Traditional Performers, Bike Riders Association, Chairladies, Security Forces, Mami Queens, Medical Representatives and Paramount and Section Chiefs towards local travels by the Vice President without prudent justification and in unverifiable circumstances.

We recommended that the Senior Accountant should ensure the submission of all supporting documents to justify the payments made in cash.

#### ***Official’s Response***

The Secretary to the Vice President in his response said: *“Some of the documents for the various trips made by the Vice President outlined were with the Senior Accountant who died in Ghana in March, 2021. After his death, management was constrained to gain access to the office of the deceased without his family members. “The family of the deceased arrive a little after the audit exit meeting, therefore retirement for various trips made by the Vice President outlined above are now available for audit inspection and verification.*

*Moreover, appropriate retirements of the supporting documents mentioned by the audit team are also available for audit verification”.*

#### **Auditor’s Comment**

The comments by the Vote Controller that records were kept in the sole custody of the late Senior Accountant are a clear indication that were internal control weaknesses.

Notwithstanding, during verification, the office provided payment vouchers totalling Le1,121,798,000 together with some supporting documents. A review of those payment vouchers and the accompanying supporting documents disclosed the details outlined below.

- From Special Imprest of Le 277,370,000 paid on 23rd December 2020, for a three-days visit to Kono, we observed Le68,510,000 was paid out in cash without prudent justification to Singers and Dancers, Bike Rider groups, Paramount Chiefs, Petty Traders Associations etc, in contravention of section 13 of the PFM Act of 2016.
- From Special Imprest of Le96,788,000 paid on 6th October 2020, for a two-days visit to Bo, we observed that Le9,190,000 was paid out in cash without prudent justification, to Traditional Healers, Ataya Base Associations, Paramount and Section Chiefs, in contravention of section 13 of the PFM Act of 2016.
- From Special Imprest of Le 271,560,000 paid on 30th September 2020, for a four-days visit to Bo, we observed that Le30,630,000 was paid out in cash without prudent justification to “Stakeholders”, Traditional and Cultural Dancers, Medical Representative, and Paramount Chiefs in contravention of section 13 of the PFM Act of 2016.



- From Special Imprest of Le205,020,000 paid on 27th May 2020, for a three-days visit to Bombali, Port Loko, Kenema and Bo Districts, we observed that Le44,480,000 was paid out in cash without prudent justification to “Stakeholders”, Medical Representative, as tips in contravention of section 13 of the PFM Act of 2016.
- From Special Imprest of Le271,060,000 paid on 7th December 2020, for a four-days visit to Bo, we observed that Le35,535,000 was paid out in cash without prudent justification to “Stakeholders”, Traditional Performers, Bike Riders Association, Chairladies, Security Forces, Mami Queens, Medical Representative as tips in contravention of section 13 of the PFM Act of 2016.

### **3.62. OFFICE OF CHIEF MINISTER(OCM)-2020**

#### **3.62.1. Expenditure not Supported by Adequate Documents**

A detailed review of expenditure vouchers and supporting documents revealed the following:

- Payments amounting to Le13,500,000 made to suppliers for goods and services were without adequate supporting documents such as a delivery note, distribution list, attendance register etc.
- The required documents were not attached to the payment vouchers to support total daily subsistence allowances of Le86,836,000.
- There was no acknowledged receipt, and no evidence of request sent to the media houses to render services. There was also no attestation from the media houses to support payment of Le136,000,000 made to media houses.
- Five payments which amounted to Le97,225,000 were made to carry out different activities, however, the amounts expended were not retired.

We recommended that the Director of Finance should provide the required supporting documents. Otherwise, the said amounts should be refunded into the Consolidated Fund.

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

*The Permanent Secretary in his response said: “Management has noted the audit exceptions on inadequate supporting documents and has taken actions to rectify these anomalies.*

*Outstanding supporting documents such as request and approval, receipt, certificate of goods received and invoices, delivery notes, report on work completion etc. to support payment vouchers in respect of Office General, daily subsistence allowance and for payments without vouchers totalling Le2,867,998,648 are now available for inspection.”*

#### **Auditor' Comment**

- Supporting documents were not presented for the one payment of Le13,500,000 on PV-027NOV20.
- There was no evidence of acknowledgements by the recipients for the sum of Le86,836,000, therefore this amount should be refunded by the vote controller.
- Supporting evidence for payment of Le136,000,000 was not presented for verification.
- Retirement details for payments of Le97,225,000 were not submitted during verification. The issues remain unresolved.

### **3.62.2. Withholding Taxes Deducted but not Paid to the National Revenue Authority**

A total of Le247,589,233 deducted from suppliers' payments as withholding tax was not paid to the NRA. We recommended that the Director of Finance should ensure that payment is made immediately to the NRA and the proof of payment submitted for audit inspection.

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

*The Permanent Secretary in his response said: "Management has noted the audit observation on withholding taxes and will seek to pay all outstanding withholding taxes, and evidence of payment will be made available for inspection by the ASSL."*

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

There was no evidence of the payments of withholding taxes to the NRA. The issue therefore remains unresolved.

### **3.62.3. Pre-Finance Payment not refunded by Greening Ltd.**

An advance payment of Le72,000,000 was made to a staff of the Chief Minister's Office to pre-finance the activities of Greening (SL) Ltd. on World Environmental and National Tree planting Day on 5th June 2020. There was however no certificate of Greening SL (Ltd.) to justify that it is operating as an NGO.

We recommended that the Director of Finance should ensure that the amount be refunded and paid into the Consolidated Fund, and evidence of refund should be made available for audit verification. The certificate to prove that Greening SL Ltd. is eligible to operate as an NGO should also be provided for audit inspection.

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

*The Permanent Secretary in his response said: "Management noted the audit observations. The said amount paid to Greening SL Ltd. was however in honour of a request from the Ministry of Environment to facilitate its activity as they were newly created and without allocation and as such, could not fund the Ministry's activities. Management has obtained the certificate of registration of Greening SL Ltd. and a repayment plan as to when the said amount will be refunded. The request from the Ministry of Environment and the certificate of Greening SL Ltd. are available for inspection by ASSL."*

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

The amount of Le72,000,000, as well as evidence to confirm the NGO status of Greening Ltd, are all outstanding, therefore these issues remain unresolved.

### **3.62.4. Payments Made to Paramount Chief and to Bereaved Family without Justification**

Two assistance payments of Le29,700,000 were made to individuals without any basis. We recommend that the Director of Finance should provide the basis to justify why the payments of Le29,700,000 were made. Otherwise, the said payments should be disallowed and surcharged.

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

*The Permanent Secretary in his response said: "The assistance payments were to facilitate community engagement with Paramount Chiefs and daily subsistence allowance for a two-day consultative meeting. The relevant payment vouchers are available for inspection by the ASSL."*

### **Auditor's Comment**

The sum of Le29,700,000 paid to the Chief and a bereaved family are still outstanding. Therefore these issues remain unresolved.

### **3.62.5. Unjustified Allowances Paid to Civil Servant Attached to the OCM**

A total of Le558,700,000 was paid to civil servants assigned to the Office as risk allowances for which there was no provision in the Civil Service Code, Regulations and Rules. The payments were therefore considered unjustifiable.

We recommended that the vote controller and Head of Finance should provide explanation supported by documentary evidence why risk allowances were paid to staff in contravention to the provision of the Civil Service Code, Regulations and Rules.

### **Official's Response**

*The Permanent Secretary in his response said: "There is no other allowance for civil servants, except for the monthly "special allowance" approved by the Ministry of Finance (captured in the budget) to enhance the civil servants in this office to brace themselves for the enormous tasks. It is meant to increase efficiency & a productive work environment. Approved policy and budget are available for audit inspection'.*

### **Auditor's Comment**

Management comment is noted. It is clearly stated under the allowance column in the payroll of the civil servant of the Office that some staff do receive other allowances. The issue therefore remains unresolved, and the vote controller should ensure that the amount is refunded by the concerned officers.

### **3.62.6. Payroll Inaccuracies**

A review of the payroll records of the CMO revealed the following:

- Total gross salaries of Le1,060,081,190 were paid to four personnel whose names were not on the staff list. We could not confirm whether these individuals were staff of the office.
- Seven months total gross salaries of Le183,125,504 were paid to a staff with PIN No. 737514. His name was however not on the staff list for the year-end of 2019 and 2020; and his personnel file was not presented for audit inspection.
- Six staff were paid salary arrears of Le313,420,129 but their terms of reference, and source documents that justifies the reason for the payments were not presented for audit inspection.
- Two staff were paid a total gross salary of Le274,543,168 for January to June, but their appointment letters were not presented for audit inspection.
- During the year, five starters were not paid gross salaries which amounted to Le584,257,912, for which they were entitled.

We recommend that in collaboration with the Head of Finance, the Head of Human Resources should provide an updated staff list, proof of monthly payroll reconciliation, terms of reference and the personnel files of the individuals who were paid salaries but were not on the staff list; otherwise, the amount should be disallowed and surcharged.

### **Official's Response**

*The Permanent Secretary in his response said: "The Office of the Chief Minister is not responsible for payment of salary. The Accountant General's Department and the HRMO are charged with that mandate. For some of these anomalies, several*

*correspondences have however been forwarded to the HRMO & Accountant General to address those anomalies. Copies of correspondence sent are available for inspection by the ASSL.*

*Aissatou Bab was a staff in the Office of the Chief Minister during the period under review. The updated staff list was not submitted. The updated staff list and appointment letter are however available for inspection by the ASSL.”*

#### **Auditor’s Comment**

- Payroll confirmation reports sent to the Director General of Human Resources Management Office were presented for October, November, December 2020 and January 2021, and February and March 2021. Upon inspection of the documents, the following were noted:
  - ❖ One of the individuals had been posted to the Ministry of Gender & Children Affairs.
  - ❖ Another was assigned to the Cabinet Secretariat
  - ❖ Two were not in their record.
- Based on the above, the two individuals could not be accounted for by the HRMO, and were paid salaries of Le380,089,206. We however conclude that the vote controller should request the Accountant General to remove their names from the payroll until their whereabouts had been established.
- For the seven monthly gross salaries which amounted to Le183,125,504, and paid to the staff with PIN No. 737514 (January –July), the payroll confirmation presented did not cover these months.
- There was no response provided for the arrear of Le313,420,129 paid to six staff. Their terms of reference and source documents to justify the reason for the payments were not presented for audit inspection. The issue therefore remains unresolved.
- There was also no response provided on the total gross salaries of Le274,543,168 paid to two individuals and their appointment letters were not presented for audit inspection.
- There was no response provided for the issue regarding the five individuals who were not paid gross salaries for the period, which amounted to Le584,257,912, for which they were entitled to. We therefore conclude that the concerned staff be paid accordingly. The issues therefore remain unresolved.

#### **3.62.7. Management of Quick Books Accounting Software**

Our observation revealed that the Office of the Chief Minister used QuickBooks for recording of financial transactions. There was however no evidence to indicate how it was acquired, license payments made and what support services were received.

Inspections and observations further revealed that the QuickBooks application was only installed on one desktop computer. This action poses a high risk, especially if the desktop computer is damaged.

We recommend that the Finance Director and the Chief Technical Officer in collaboration with the ICT Manager at the Office of the Chief Minister should ensure that all necessary documents relating to the acquisitions and payments of license in respect of QuickBooks are presented for inspection, and necessary action is taken to install QuickBooks on other desktop computers and evidence of such actions be sent to the ASSL.

### **Official's Response**

*The Permanent Secretary in his response said: "The QuickBooks package has been in operation for over two years and the basis of acquisition was reviewed in prior audit by the ASSL. All relevant documents are however available for inspection. Additionally, there is regular back-up being done on a weekly basis to the Office server."*

### **Auditor's Comment**

- Documents relating to the acquisition, license payments, and support services were not made available for verification.
- The desktop computers with QuickBooks application were not made available for our inspection at the time of verification.
- Two assistance payments which amounted to Le29,700,000 were also made, and the bases for these payments were not submitted for audit inspection. Therefore, these payments are unjustifiable. The issues remain unresolved.

## **3.63. COMMISSIONS OF INQUIRY - 2019&2020**

### **3.63.1. Procurement Splitting to Evade Competition**

Contract for the supply of computer consumables and toner cartridges worth Le435,550,500 in 2019 was divided and awarded to the same supplier Magala Enterprise using Request for Quotation, instead of National Competitive Bidding, this was contrary to Section 37(2) of the Public Procurement Act of 2016.

We recommended that the Procurement Officer should provide explanation with documentary evidence why RFQ method was used instead of NCB; and in the future, appropriate planning should be instituted and maybe consider the need for framework contract.

### **Official's Response**

*The Permanent Secretary in his response said: "The splitting of consumables/ink was due to the late approval of the Commission's budget and there was a limited time for the Commission of Inquiry to wrap up its operations. Going through NCB would have cause serious delay in accessing the funds for purchasing."*

### **Auditor's Comment**

Management's response is noted, but the response does not address the issue at hand. This issue remains unresolved.

### **3.63.2. Procurement Activities not Supported by Adequate Documents**

Adequate supporting documents were not submitted to support the procurement of office furniture and computer and accessories for the sums of Le365,832,500 and Le199,867,500 respectively from Index Enterprise using the National Competitive Bidding Method. In addition, there was no description in the signed agreement for the type of computers, copiers and scanners to be procured as indicated in the bid documents.

We therefore recommended that the Procurement Officer must submit all the missing documents identified and must also make available for inspection the touch screen computers said to have been procured. Otherwise, the amount expended on computers should be refunded into the Consolidated Fund.

### **Official's Response**

*The Permanent Secretary in his response said: "documents available for verification."*

### **Auditor's Comment**

During audit verification, evidence of newspaper advertisement, letter of regret to unsuccessful bidders, letter of approval from the NPPA for no-objection for the reduction of advertisement period to five days were submitted for inspection.

Documents such as register of bidders, bid opening minutes and attendance register, letter of acceptance by successful bidder, signed agreement containing specification of computers, copiers, and scanners to be procured were however not submitted for audit inspection. This means we could not confirm if what was delivered is in fact what was contracted and paid for, therefore this issue remains unresolved.

### **3.63.3. Hiring of Consultant without Due Procurement Process**

The Commission hired the service of a consultant to value the assets of Politically Exposed Persons without adhering to Section 59(1) of the Public Procurement Act, 2016. The procurement of service contract was not undertaken by the Commission.

We recommended that the Procurement Officer in collaboration with the Accountant should provide evidence of procurement procedure that was followed in the hiring of the consultant.

### **Official's Response**

*The Permanent Secretary, Ministry of Justice in his response said: "The initial fee for valuation submitted by the Commission's Secretariat was Le750 million. Given that the process did not go through procurement, it was difficult to pay Mr. Campbell his valuation fee."*

*Given the availability of documentary evidence produced by the secretariat on work done, audit advised that we seek for the payment of compensation from the Office of the President which was however duly approved. Evidence is available for verification."*

### **Auditor's Comment**

Management's response is noted. The issue violates Section 59(1) of the Public Procurement Act, 2016 and therefore remains unresolved as we are unable to determine if value-for-money was achieved during this procurement.

### **3.63.4. Disbursement to third parties on behalf of Committee Members**

We observed that Le30,000,000 and sum of Le280,000,000 were paid through third parties as accommodation and sitting fees respectively for committee members (reviewers of the COI report) without adequate documents such as accommodation receipt, committee members' acknowledgement of sitting fees, letters of committee members' appointments. In addition, we were not provided with the names of the said committee members. As a result, we were unable to verify their existence.

Included in the Le280,000,000 is Le82,500,000 paid as sitting fees for an extra three-month period even though the committee members completed their task within three months.

We recommended that the Permanent Secretary should provide evidence of receipt of sitting fees by committee members, otherwise amount paid as sitting fees should be refunded into the CF; and must also ensure that the Le82,500,000 paid as extra three months sitting fees should be refunded into the Consolidated Fund.

### **Official's Response**

*The Permanent Secretary in his response said: "Please be informed that the Le280,000,000.00 sitting fees were paid to committee members in anonymity to prepare COI White paper."*

*The following personnel received payment of sitting fees and honorarium on behalf of five committee members as follows:*

- *The Attorney General and Minister of Justice (Dr Priscilla Schwartz)*
- *The Deputy Minister of Justice (Umaru Napoleon Koroma)*
- *Senior State Council (Aliou Vandi Koroma)*

*Evidence of payment vouchers is available for verification*

*There was no payment of Le82,500,000 made in respect of extra sitting fee to the committee members for three months. Please note that a disbursement of Le165,000,000 is the remaining three month sitting allowances as honorarium payable to committee members base on Executive Clearance and Finance Concurrence. Evidence available for inspection*

*Payment of Le30,000,000 was received by the Deputy Minister of Justice (Umaru Napoleon Koroma) on behalf of one committee member whose identity was anonymous due to sensitivity of the assignment to settle accommodation fee. Payment voucher available for verification.”*

### **Auditor’s Comment**

In relation to Management’s response, we would like to remind them of Section 119 (2) of the 1991 Constitution of Sierra Leone, which 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 corporation, company or other body or organisation established by an Act of Parliament or statutory instrument or otherwise set up partly or wholly out of Public Funds, shall be audited and reported on by or on behalf of the Auditor-General, and for that purpose the Auditor-General shall have access to all books, records, returns and other documents relating or relevant to those accounts.

In view of the above, we conclude that this issue remains unresolved and the funds be refunded in full by the responsible officers.

### **3.63.5. Special Imprest not Retired**

The Commissions did not retire special imprest totalling Le6,000,000. We recommended that the Accountant should provide retirement documents on the imprest disbursed, otherwise the said amount should be refunded to the Consolidated Fund and evidence of payment forwarded to the ASSL for verification.

### **Official’s Response**

*The Permanent Secretary in his response said: “Evidence of retirements is available for verification”.*

### **Auditor’s Comment**

We however observed during verification that Le6,000,000 was paid as top-up allowances to contractors, for June and July 2020, although there was no evidence in their contract indicating entitlement to the same. As a result, the issue of special imprest for the sum of Le6,000,000 remains unresolved which the Vote Controller should collect and refund into the CF.

### **3.63.6. Withholding taxes not Paid from Remuneration Paid to Judges**

According to Section 110 of the 1991 Cons of SL, “No taxation shall be imposed or altered otherwise than by or under the authority of an Act of Parliament. Judges for the commissions and six contract staff were appointed and paid a net remuneration of Le4,354,177,700 and Le2,985,000,000 respectively without

provision of Le253,417,949.74 and Le164,175,000 as withholding taxes to be paid to the NRA, although there is no evidence of ratification from Parliament for tax exemption.

We recommended that the Permanent Secretary and the Accountant should ensure that Le253,417,949.74 and 164,175,000 are paid to the NRA, and evidence of payment forwarded for inspection.

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

*The Permanent Secretary in his response said: "Please note that the Ministry received an approval by an Executive Clearance for payment of net remuneration only to Judges of the COI as state, which is consistence with the approved budgeted amount and the payments were done based on the said approval and their Contract documents.*

*Please note that the Ministry can only be at liberty to deduct withholding tax if its gross amount that was approved in the Executive Clearance.*

*The contract document of the contracted staff including the Coordinator of COI and other Counsel, indicated the contract amount are in net figures not gross and this figure was exactly the same to what was approved by the Executive Clearance. As a result, payment was done on the same base on their contract document. Evidence is available for your verification."*

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

During audit verification, letter of executive clearance from the Office of the President for the payment of the net salaries to contract staff as highlighted in the contract details of the contract staff were submitted for audit inspection. With such instructions, one would have expected the Ministry's Accountant to gross-up the net salaries to take account of the tax deductions, but this was not the case.

Furthermore, the Ministry being the legal adviser of government failed to note that their action was in contravention of Section 110 (1) of the 1991 Constitution of Sierra Leone, which states that no taxation shall be imposed or altered otherwise than by or under the authority of an Act of Parliament and furthermore, the situation did not fit the exemptions provided for in the same provision.

As a result of the aforementioned, this matter remains unresolved and the vote controller who is the withholding agent that failed to withhold tax as required by the Income Tax Act 2000 (as amended) should be personally liable for this amount in accordance with Section 129 of the same Act.

#### **3.63.7. Fuel Mismanagement**

There was no supplier's fuel statement and no properly maintained fuel register to support fuel utilised by the commissions worth Le Le1,055,610,000, submitted for audit inspection. We recommend the Accountant should submit supplier's statement and a properly maintained fuel register.

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

*The PS in his response said: "Receipts and payment vouchers to confirm payment correctly made to supplier and updated fuel register are available for verification."*

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

During audit verification, payment vouchers, suppliers' receipts and distribution statements, were submitted for inspection. We however noted inconsistencies in the way fuel was distributed in the absence of a policy. For instance, we observed vehicles with registration numbers AOR 252 and AOR 248 in a three-day period in 2019 collected 940 litres and 450 litres respectively. We therefore conclude that the vote controller and COI Secretariat, failed to prudently manage the fuel purchased for the operations of the COI.



### 3.63.8. Ineligible Accommodation and Allowances

Although judges of the Commissions were not entitled to free accommodation, they were housed at the Sierra Estate Management Company (SEMCO) property in Goderich at a total rent charge of Le1,775,386,399 (only Le1,719,599,311.92 relates to the period up to 31<sup>st</sup> December, 2020; the balance Le55,787,087.08 relates to FY2021). The three Judges also received monthly allowances which amounted to Le890,000,000 which was not indicated in the letter of appointment issued to them.

We recommended that the Permanent Secretary should ensure that the three judges settle their accommodation bills.

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

*The Permanent Secretary Ministry of Justice in his response said: "We (The Permanent Secretary and Lead Counsel) had initial engagement with the NASSIT Lawyer and agreed that a contract be drawn up. The former AG MoJ did not give consent to its signing. The cost of accommodation for judges was captured in initial budget that was drawn up which the Attorney General Minister of Justice rejected. The cost of accommodation was therefore not factored in the revised budget.*

*However, I had asked the coordinator of the COI Secretariat to get the Management of NASSIT to send in the financial implications."*

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

During verification, we observed that the three judges received additional monthly allowances as detailed below, although there was no evidence of entitlement either in their appointment letters or any other documents.

Financial Year	Justice Biobelle Georgewill	Justice Bankole Thompson	Justice William Annan Atuguba	Total
2019	150,000,000	190,000,000	190,000,000	530,000,000
2020	60,000,000	180,000,000	120,000,000	360,000,000
<b>Total</b>	<b>210,000,000</b>	<b>370,000,000</b>	<b>310,000,000</b>	<b>890,000,000</b>

As far as the records are concerned, the three judges were appointed by the Office of the President on a composite net salary of US\$10,000. There is no mention in their appointment letters or any other document that has been presented for audit verification, that they were entitled to accommodation at the expense of government.

Although we have been provided with a lease agreement between the Ministry of Justice and NASSIT on behalf of SEMCO their property management company, there is no basis for such an agreement as government had no obligation whatsoever, to provide accommodation for the judges. The audit therefore concludes that the judges owe SEMCO (a NASSIT investment company) the rent accrued during their stay.

The Attorney General and Minister of Justice should ensure that the judges settle their outstanding rent of Le1,775,386,399 to SEMCO. Furthermore, the vote controller should recover the sum of Le890,000,000 paid to judges as allowance, which they were not entitled to receive.

### **3.63.9. Honorarium Paid to Personnel without Basis**

We observed that a total of Le576,000,000 was paid as honorarium to staff of the Ministry of Justice, and Commissions who were also receiving monthly salaries from the consolidated fund, and we were however not provided the basis upon which the amounts paid were arrived at.

We recommended that “The Permanent Secretary should ensure that the Le576,000,000 be refunded into the CF and evidence of refund submitted to the ASSL for verification.

#### ***Official’s Response***

*The Permanent Secretary in his response said: “Civil servants attached to the Ministry of Justice and the Commission of Inquiry were on special assignments other than their normal tour of duty, often involving long hours of work with the attendant safety and security risk associated with the COI.*

*As a result, meeting was held and was agreed to forward request for honorarium to be given to staff at the end of the exercise. A request was duly made to and granted by the Hon. Attorney General and Minister of Justice and also Executive Clearance was given for payment of honorarium as a token of appreciation for the high level of professionalism, dedication and commitment demonstrated by civil servants and other staff who served in the three Commissions of Inquiry.*

*Note:*

*Section 110(1) of the Public Financial Management Act of 2018 is not clear as to the method of payment of honorarium, this payment was a one-off payment and personnel individual collected their amount with signed vouchers available for verification.*

*Evidence of request and minutes of meetings are available for verification.”*

#### **Auditor’s Comment**

During audit verification, an approved supplementary budget, minute of meeting and executive clearance that granted the payment of honorarium as a token of appreciation for the high level of professionalism, dedication and commitment demonstrated by civil servants and other staff who served in the three commissions of inquiry were submitted and verified. We were also provided performance appraisals that forms the basis for the various amounts paid to staff.

Notwithstanding all of the above, we conclude that the vote controller was not prudent in the management of the public resources of Le576,000,000 in line with Section 13 of the Public Financial Management Act of 2016.

### **3.63.10. Disbursement for Activities not Related to the Commissions of Inquiry**

The Commissions expended a total of Le516,342,835.73 from the Commissions’ account on behalf of the Ministry of Justice in the 2020 financial year, for different activities such as overseas travelling, lunch and food supplies for treason trial, budget preparation process etc.

We recommended that the vote controller and the Accountant should ensure that all monies withdrawn from the account of the Commissions that does not relate to their operations be refunded and deposit slip and bank statement submitted to the auditors for verification.

#### ***Official’s Response***

*The Permanent Secretary in his response said: “The Ministry was unable to timely access its allocation from the Ministry of Finance, which however forestall some of its major activities which may adversely affect the achievement of its deliverables.*

*In order to ensure the smooth operations of its functions and to provide effective oversight on the activities of the Commission of Inquiry, the Ministry has to loaned from the COI account subject to the approval of the Hon. Attorney General and*

*Minister of Justice with the intent of refund once the Ministry allocations are received. The Ministry has refunded substantial figure of the said loaned amount and it is still ongoing.”*

#### **Auditor’s Comment**

During audit verification, from a total amount of Le516, 342,835.73 withdrawn from the Commissions’ account in the 2020 financial year, the Ministry has refunded Le211,310,000.00 into the Commission’s account. An outstanding amount of Le305,032,835.73 remains unrefunded.

#### **3.63.11. Contract Staff Employed without Due Recruitment Process**

The Commissions employed the services of contract staff without following due procurement process and were paid Le2,730,000,000 and Le430,000,000 for the 2019 and 2020 financial years respectively. We recommend that the Secretariat Coordinator in charge of administration should provide explanation in writing, supported by documentary evidence why the contract staff did not go through formal and procedural recruitment process.

#### **Official’s Response**

*The Permanent Secretary in his response said: “Evidence available for verification.”*

#### **Auditor’s Comment**

During audit verification, documentary evidence such as newspapers / notice of advertisement for the recruitment of contract staff, letters of application by candidates, list of short-listed candidates, and attendance register of candidates during interview and evaluation report of interviews conducted were not submitted for audit inspection. Therefore, this issue remains unresolved as Le3,160,000,000 has been expended without any regard for value-for-money and transparency.

### **3.64. SIERRA LEONE POLICE (HEADQUARTERS)-2020**

#### **3.64.1. Fixed Assets Management: Sierra Leone Police (SLP) Peacekeeping Academy**

A physical observation of the Sierra Leone Police (SLP) Peacekeeping Academy revealed that the site has been left dormant for a considerable time even after a huge investment in the same. We also noted the following:

- an office space had been constructed to roof height but has been abandoned for years now,
- the quarters that were being developed for staff were incomplete,
- the construction that was being done by a Chinese company had stopped.
- one mobile concrete mixer had been abandoned on site,
- the block making facility is grossly underutilised, and the costs of the Academy to date have not been included in the assets register.

We recommended that the Director of Infrastructure should ensure additional work be done to the Peacekeeping Academy to ensure its completion.

#### **Auditor’s Comment**

There was no official response provided on how the issues relating to the SLP Peacekeeping Academy are going to be addressed. The issue therefore remains unresolved.

### 3.64.2. Assets Not Included in the Fixed Assets Register

A review of procurement documents for assets procured revealed that, 40 motorbikes valued at Le868,080,000 and 25 faulty motor vehicles parked at the Kingtom garage were not included in the Fixed Assets Register(FAR). The Vehicles and Motorbikes Register was not provided; the values/costs of some assets were not included in the FAR, especially for building constructed and 9.4% of SLP land is not surveyed.

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

*The Inspector General of Police(IG) in his response said the following:*

- (i) *“The Assets Management Unit depends on information emanating from the procurement unit, stores at Kingtom and other units about assets deployed across the regions and divisions. In that regard, the Asset Management Unit has prepared the SLP Asset Register for 2020 and submitted to the Audit Service Sierra Leone. During the verification exercise, the Audit Service however discovered that some assets procured were not included in the register and therefore, requested an update of the register. An updated soft copy of the updated asset register is available for verification.*
- (ii) *In response, the Asset Management Unit requested information from the procurement unit about the supply of 20 vehicles and forty 40 motorbikes, and the Internal Audit Unit also provided information about other assets procured in 2019, but not included in the register.*
- (iii) *Currently, the Asset Management Unit has updated the Asset Register 2020 considering the above request from Audit Service Sierra Leone. Attached are photocopies of documents used to update the register.”*

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

- An updated assets register was made available. The 40 motorbikes procured were however not recorded in the assets register.
- The estimated cost of assets donated and lands procured were not stated in the asset register.
- Three parcels of SLP lands were not surveyed and are without conveyance.
- There was no official response provided as regards developing a maintenance plan for the repairs and maintenance of faulty vehicles. We were informed during the audit verification exercise that steps had been taken to dispose of the faulty vehicles, but no document was provided to substantiate that. The failure to have a maintenance plan that should be incorporated within its annual budget for 2020 in respect of the faulty vehicles, and the failure to provide documents of disposal steps taken so far, led us to conclude that the issue remains unresolved.
- There was no official response provided on how the issues relating to the SLP Peacekeeping Academy is going to be addressed. The issues therefore remain unresolved.

### 3.64.3. Revenue Management and Control

#### **Service of Armed Guard**

We observed that there has not been a proper coordination and reconciliation between Head of Revenue and the Head of the Operations Support Division(OSD) As a result, the finance team is not fully aware of the total number of guards deployed.

We recommended that the Head of Finance should provide communication guidelines between the revenue unit and the OSD.

**Auditor's Comment**

There was no Management's response to this issue and during verification exercise, communication guidelines between the Head of Revenue Generation and the Head of Operational Support Division was not submitted. The issue therefore remains unresolved.

**Police Clearance**

There were no guidelines with regard to exemptions from paying fees for clearance.

We recommended that the Director of Support should provide guideline with regards to exemptions from paying fees for clearance.

**Official's Response**

*The IG in his response said: "Management and the Revenue Generation Committee have decided to include proper guidelines for exemptions (gratis) on clearance and agreed to be included in the charter."*

**Auditor's Comment**

During verification, no guidelines were provided with regard to exemptions from paying fees for Police Clearance. The issue therefore remains unresolved.

**Interpol**

There were three Interpol stations across the country, at the Queen Elizabeth II Quay, Gbalamuya and Gendema. A visit was made to the Water Quay and Gbalamuya station and observed they did not have the required logistics such as radios and digital equipment to carry out their functions effectively. Besides the three crossing points, numerous other crossing points were without Interpol presence. Despite Le2,616,700,000 budgeted to be spent on radios and digital equipment to strengthen the immigration activities at the border crossing points, we observed that no payment was made to support Interpol activities during the year.

The following were also observed when records at the Quay were inspected:

- Receipt numbers were not indicated on the revenue receipt book maintained.
- Records were not maintained in respect of Interpol clearance issued from January - 20th September 2020.
- From 21st September - 31st December 2020, a total of 1,909 vehicles went through Interpol at the Quay, but payment records were not submitted for inspection. Since Le50,000 was to be collected as Interpol fee per vehicle, there was therefore, a potential cash loss of Le95,450,000.

The database used at the Guinea border in Kambia, was not on real time, as it was copied from Freetown. We therefore recommended that the Director of Support should ensure receipt numbers are indicated on the revenue cashbook being used at the Interpol stations. The Director of Support should also investigate Interpol's operation at the Quay and ensure that the database used in Kambia is updated to capture live events. The Inspector General of Police should solicit support from the central government to procure the radios and digital equipment that will strengthen Interpol's activities at the border crossing points.

**Auditor's Comment**

Official responses were not provided for the issues relating to Interpol. Response done by the Interpol Coordinator at the Queen Elizabeth Quay on the issues addressed to the Internal Audit was however made available during the audit verification exercise. The following were noted:

- The response did not address the issue of receipt numbers as it was not indicated on the revenue cashbook being used at the Interpol stations.
- Management did not state plans to carry out investigations on the Interpol operations at the Quay to enhance accountability and improve revenue generation.
- Management did not state plans to update the database used in Kambia to ensure that it captures live events.
- There were no indications that management had solicited support from the central government to procure the radios and digital equipment that will strengthen Interpol activities at the border crossing points. The issues therefore remain unresolved.

### **3.65. SIERRA LEONE POLICE, SOUTHERN REGION- 2020**

#### **3.65.1. Inadequate Budgetary Support**

We observed that the budget allocation was not fully funded to support the Regional Office and the seven divisions in the Southern Region, for them to effectively carry out their operations. For the year under review, the Sierra Leone Police Southern Region budgeted Le10,861,150,000 to cover its operational activities in the seven divisions and the regional headquarters. A review of the regional office's cashbook revealed that only Le80,000,000 was allocated for the year under review. The underfunding may adversely affect police operations in the Regional Office and the seven divisions in the Southern Region.

We recommended that the AIG-South in collaboration with the Inspector General of Police (IGP) and other key officials, such as the Permanent Secretary (PS) in the Ministry of Internal Affairs and the Financial Secretary (FS) in the Ministry of Finance should ensure that the required budgeted allocation is provided for the regional office on a timely basis to cover the annual regional operational activities of the SLP in the Southern Region. Otherwise, underfunding of the regional office will continue to adversely affect the operations of the SLP in the southern region.

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

*The AIG South in his response said: "It is true that the Regional Police, Southern Region budgeted the sum of Le10,861,150,000 to cover its operational activities for the 2020 financial year. The budget was to cover the procurement of spare parts, lubricants, stationery and other day-to-day operational activities. The budget that is normally allocated to the SLP by the Ministry of Finance is a budget selling that is reduced against the actual budget requested and as a result the SLP now has to prioritise and also reduce allocation within the SLP. The government budget allocation is centralised at Police headquarters in Freetown and the procurement of spare parts, lubricants, stationery and other items are done in Freetown and distributed to the region including southern region. Nevertheless, the former AIG South has discussed the issue with management of Police headquarters and management has assigned the Regional headquarters South for an improvement in allocation for 2021 financial year."*

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

Management's response is noted. The SLP South is still constrained with funding. This issue remains unresolved.

### **3.65.2. Non-Preparation of Budget Estimate for the Medicare Scheme**

There was no evidence that a budget was prepared for the Medicare Scheme for the financial year 2020. As a result, there was no estimate of what was needed to implement the medicare scheme in the Southern Region. The staff list submitted however revealed a total of 1,065 police personnel in the region for 2020; and each of the personnel made a monthly contribution of Le20,000 into the Medicare Scheme, which is deducted at source. Total deductions which should have been made for the financial year 2020 amounted to Le255,600,000 (that is Le20,000 for 1,065 personnel for 12 months).

We recommended that the AIG-South, the Regional Support Officer (RSO) and the Community Health Officer (CHO) in charge of the Police Health Center in Bo should ensure that a budget/estimate for the required medicare for the Southern Region is prepared on an annual basis.

#### **Official Response**

*The AIG South in his response said: "It is very true that there was no evidence of Medicare budget prepared in the region for the period under review, as there was no estimate of what was needed to implement the Medicare Scheme in the Southern region. The regional headquarters does not determine the estimate of what is needed for the Medicare Scheme in the Southern Region. The Medicare budget for the region is drawn by the budget committee at Police Headquarters Freetown for the running cost of the Police Health Centre and other medical related issues in the region."*

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

Approved medicare budget for the SLP Southern Region was not submitted for verification. This issue remains unresolved.

### **3.65.3. Inadequate Funding of the Medicare Scheme**

From a review of medicare cashbook and bank statements submitted for audit, we observed that Le120,000,000 was remitted to the SLP Southern Region to fund the Medicare Scheme for the financial year 2020, leaving an outstanding of Le135,600,000 (that is 53%) of the estimated amount that was deducted at source, but not allocated to the region to fund the Medicare Scheme for the year under review. This may affect the effectiveness of the implementation of the SLP medicare scheme in the region.

We recommended that the AIG-South should collaborate with the Inspector General of Police (IGP) and the Director of Support Services and other officials at the SLP headquarters to ensure that the medicare allocation is remitted on a timely basis. The IGP and management team should make a meaningful increase to the amount allocated to the regional office in respect of medicare support to cater for all the intended beneficiaries in the Southern Region.

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

There was no official response to the issue. Medicare funding is still a challenge for the SLP Southern Region. This issue therefore remains unresolved.

## **3.66. SIERRA LEONE POLICE NORTH-EAST - 2020**

### **3.66.1. Payments for Armed Security Services Not Confirmed**

We reviewed the list of armed guard security personnel maintained by the SLPHQ and SLPNE. Enquiries from the institutions for which the armed-guard service is provided revealed that payments were made into the centralised police account. We could however not confirm that Le475,200,000 was paid into

account number 1100666 at the Bank of Sierra Leone for 36 personnel providing security guard services across the region, as the bank statements were not submitted for review.

We recommended that the Assistant Inspector General-North East should liaise with the SLPHQ to ensure that a copy of the bank statements is given to the region so that payments made by institutions can be confirmed by the regional finance unit and possibly by the auditors order to enhance accountability.

### **Official's Response**

*The Assistant Inspector General in his response said: "It is true that payments for all armed guard personnel for the provision of security to private businesses are made directly to police headquarters through a special Police Account no. 1100666 at the Bank of Sierra Leone in which SLPNE couldn't have access to. He added that institutions pay for their armed guard personnel deployed at their respective institutions in bulk rather than individual payment in the various regions. E.g. Rokel Commercial Bank made bulk payment for all armed guard personnel deployed at all Rokel Commercial Banks in the country into the said account monthly. Bank slips of such payments are available for verification. There are some banks or institutions within the region who are not paying for those armed guard deployed for the year under review. Requests for payments on such banks have been distributed to them for necessary action; photocopies of these requests are available for verification."*

### **Auditor's Comment**

The audit team reviewed the bank slips and the requests sent to the various institutions for the payment of armed security personnel. We could not determine the number of armed guards for which payments were made, as information about them and their locations was not provided. Moreover, we could not determine the periods for which payments were requested from the institutions concerned.

### **3.66.2. Transfers Made in Cash Instead of through the Bank**

Even though the regional office maintained a dormant imprest account with the Sierra Leone Commercial Bank, we observed that transfers of imprest and Medicare were done by cash instead of through the banking system.

We recommended that the AIG should liaise with the SLPHQ to ensure the following:

- all imprest and other transfers are made through the imprest account maintained by the SLPNE at the Sierra Leone Commercial Bank;
- imprest allocations are made regularly and on a timely basis to support the effective operations of the SLPNE.

### **Official's Response**

*The Assistant Inspector General in his response said: "Since the Government created the single treasury account in 2018, all monies sent to the region were made in cash. He added that the audit observation had been noted, and money sent as imprest will now be deposited into the imprest account before being utilised."*

### **Auditor's Comment**

Management's response has been noted. The issue however remains unresolved.

### **3.66.3. Medicare Funds not Fully Transferred**

We observed that police personnel in the northeast region contributed Le305,280,000 in 2020 for medical provision. For two quarters in 2020, only Le62,600,000 was provided by headquarters for medicare services. Therefore, the low level of medical provision increases the risk of medical bills not being paid for



serving personnel and the private hospitals that provide services for personnel in divisions like Kamakwie, Kabala, Mongo and Mile-91. This could result in service providers withholding their services, thereby adversely affecting the personnel in those divisions.

We recommended that the Regional Support Officer in Collaboration with the AIG should liaise with the SLPHQ to ensure the timely remittance of the remaining Le242,680,000 medicare contribution. In future, policies should be designed to clearly explain the collection and utilisation of the medicare contributions and such policies maintained for reference and audit purposes.

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

*The Assistant Inspector General in his response said: "Since some personnel undergo major medical operations in or out of the country, such medical services demand huge sums of money. As a result, some amount of the total contribution approved by the Executive Management Board (EMB) for the various regions is distributed, while some funds go to major medical operations conducted on personnel in or out of the country."*

### **Auditor's Comment**

Management's response has been noted. The policy on such medical allocations was however not made available for verification. Moreover, the SLPNE only received allocations for two quarters.

#### **3.66.4. Inadequate Essential Equipment**

The following inadequacies were observed:

- There was insufficient essential equipment at the police clinic. Essentials such as beds, tables, delivery sets, mattresses to carry out major and basic health care services were inadequate. From interview conducted with key personnel and physical verification carried out, it was revealed that general medical consumables that support the effectiveness of health care delivery, such as gloves, mattresses, aprons, soap etc. were in short supply.
- The police clinic had no functioning ambulance. As a result, patients were mainly transported to the clinic using motorbikes, worsening their medical condition or exposing them to a high risk of an accident.
- During physical inspection of the police clinic infrastructure, we noted that the clinic building had very limited space to accommodate the number of patients who visited the clinic. This exposed the patients to congestion and possible easy transmission of diseases.

We recommended that the Community Health Officer liaise with the AIG North-East to ensure the following:

- The necessary equipment is provided to enhance the work of the medical staff of the police clinic. In addition, medical consumables needed by various units of the Hospital are made available to enhance effective health care services delivery;
- request be made for an ambulance to convey patients in critical medical condition and emergency cases; and
- the rehabilitation and expansion of the hospital building and provision of placenta pit and incinerator for proper disposal of medical waste.

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

*The Assistant Inspector General in his response said: "We appreciate the audit observation. He added that a request had been sent to the Director of Support Services, Police Headquarters by the Community Health Officer North East since 23rd*

*February 2016 for the provision of basic essential equipment, including the construction of a laboratory and delivery rooms. He furthered that Police authorities have yet taken necessary action in respect of the said request sent. On the ambulance, he stated that a request was also sent to the Director of Support services PHQ by the Community Health Officer North East since 16th March 2017, but police authorities have yet done that in Freetown.*

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

The audit team reviewed the requests sent to the Director of Support Services at the PHQ for an ambulance, laboratory, delivery beds and other essential items. These items had not been provided, and the need is still there.

#### **3.66.5. Comprehensive Assets Register not Maintained**

There was no indication of the historical cost and/or fair market value, the date of acquisition and the maintenance records of assets in the assets register maintained by the SLPNE, which contravened Sections 159(3a, 3b & 5) and 160(2c & 2d) of the Public Financial Management Regulations of 2018.

We recommended that the Asset Management Unit should liaise with the Regional Support Officer and AIG to ensure that the acquisition cost or fair market value, and acquisition dates are indicated in the fixed assets register.

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

*The Assistant Inspector General in his response said: "We agree and appreciate the finding. He added that the Asset Management Office for the region was opened on 18th May 2018. And Almost all of the assets indicated in the Asset Register for SLPNE are older than the Asset Management office. He furthered that those items were bought by the SLPHQ and used in Freetown, which were later supplied to the region only when the need arose."*

#### **Auditor's Comments**

Management's response is noted. The Regional Support Officer and the Asset Manager should liaise with the SLPHQ to ensure that the required information is made available for inclusion into the asset register.

#### **3.66.6. Assets not Properly Managed**

We conducted a physical verification of fixed assets in the region, and noted that there was a fleet of vehicles and motorbikes in the warehouse at Mena which were not in use. Some of them were serviceable, while others were out of use.

We recommended that the Assistant Inspector General and the Regional Support Officer, North-East should liaise with the SLPHQ to ensure that the unserviceable assets are disposed of, and the serviceable ones are maintained to provide the region's much-needed mobility.

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

*The Assistant Inspector General in his response said: "The Asset Committee Department at police headquarters, through the force's Transport Officer, Kingtom, has been informed several times about the boarding of the scrap vehicles and motorbikes abandoned at the Police Garage, Makeni (Mena). No response has however been received by way of action."*

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

Management's response is noted. The correspondence indicating that the Transport Officer at Kingtom was notified about the said assets was however not made available for verification.

### 3.66.7. Inadequate Facilities for Operational Effectiveness

During the audit, we observed that the regional office and the various divisional offices encountered multiple challenges that affected their operations in achieving the key mission of the Sierra Leone Police. These challenges include but are not limited to:

- Lack of sufficient office space for personnel to perform their duties effectively and efficiently, especially the Family Support and Crime Units. In addition, the crime unit 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 was not commensurate to the geographical size of the area covered by the police. Therefore, the SLPNE cannot fully cover the whole region in terms of patrols and response to crimes and distress calls.
- The detention cells at the Makeni, Kabala, Magburaka and Pamlap Divisions cannot accommodate a large number of suspects held for investigations. This facility at the Makeni Division was built to accommodate 25 inmates. Makeni city has expanded over the years, leading to the increase in crime. Congestions in the detention cells may also lead to other health and social problems of the detainees, especially during this Covid-19 pandemic.
- Fuel supply to the North-East was inadequate to enhance the day-to-day operations. As the population increases, the crime rate also increase, which requires a direct need for adequate fuel to carry out police activities; otherwise, it would be difficult for the police to perform its duties effectively.
- The divisions lacked computers, printers and photocopiers to help in the execution of police duties. Most office work is done at computer cafes, which could expose the force to inadvertently divulging classified security information to the public.

We recommended that the Regional Support Officer and AIG North-East should liaise with the SLPHQ and other authorities to ensure the following:

- There is an appropriate office accommodation for the Crime and Family Support Units across the region to ensure the good working condition and a conducive working atmosphere for personnel.
- Additional detention cells for various police divisions should be provided as the number of criminal cases is on the increase.
- Collaborate with the SLPHQ and other stakeholders to ensure adequate fuel supply to the North-East
- The office is provided with the appropriate office equipment, stationery and support required to carry out its functions efficiently and effectively.

### **Official's Response**

*The Assistant Inspector General responded said the following:*

- *“The regional office has been requesting from Police Headquarters, Freetown for necessary renovation to uplift and expand some offices that lack office space, especially the Family Support Unit, CDIID, Registry, CID, Regional Transport, Communication office, the Police Hospital, etc, and PHQ Freetown has yet acted on it. In the area of insufficient personnel at the Crime Unit, this has significantly affected our administrative and operational activities, not only the crime unit but all departments in the Sierra Leone Police Force countrywide.*
- *We appreciate these concerns raised by the audit team. This report will however be added to the several requests being made by the Regional Commander, North East to the Inspector General of Police at Police Headquarters in*

*Freetown for operational vehicles as the available vehicles in the region are not sufficient to carry out our everyday police operations in the region.*

- *The detention cells at Makeni, Kabala, Magburaka and Pamlap Divisions could not accommodate large number of suspects being held for investigation. It is true that cells in the above-mentioned divisions to name but a few are insufficient to accommodate suspects. These concerns are usually discussed during the Executive Management Board (EMB) meetings held every Wednesday. Police authorities are aware of this challenge and are working tirelessly on it in a bid to construct more police buildings in the various divisions across the country.*
- *Fuel supply to the North East Region was inadequate to enhance the day-to-day operational activities. We appreciate this concern and police headquarters was duly informed for necessary action.*
- *We appreciate the observation made by the auditors. The current Regional Commander North East, Mr. Gabriel G.M. Tommy when assumed office met this challenge and has presented this same concern to the Executive Management Board (EMB) meetings held on every Wednesdays for an immediate supply of computers, printers and photocopiers for the region including the Regional Police Headquarters in Makeni”.*

#### **Auditor’s Comment**

Management’s response is noted. The audit team received and reviewed the request for the expansion of some of the units; he issues however remain unresolved.

### **3.67. SIERRA LEONE CORRECTIONAL SERVICE (HEAD OFFICE) – 2020**

#### **3.67.1. Virement of Fund by the Sierra Leone Correctional Service(SLCS)**

The Department spent an excess of Le28,138,670,054 on diet and feeding when compared to its budgeted amount of Le25,000,000,000. The excess amount was not supported by any evidence of a memorandum requesting a supplementary estimate. This was in breach of Section 26(1) of the Financial Management Regulations of 2018; and could have led to non-implementation of other activities which were budgeted for and approved by the Ministry of Finance.

We recommended to the Director General should provide written explanation supported with documentary evidence why Le28,138,670,054 meant for other budgeted activities was used on diet and feeding.

#### **Official’s Response**

*The Director General in his response said: “The approved budget for diet feeding for inmates was inadequate and the Sierra Leone Correctional Service (SLCS) considered this very important as it has security implications and therefore prioritised the feeding of inmates to ensure the security and welfare of inmates.”*

#### **Auditor’s Comment**

We recognised the fact that the feeding of inmates is important and may have security implication, thus the need for it to be prioritised. Section 26(1) of the Financial Management Regulations of 2018 was however violated. This issue therefore remains unresolved.

#### **3.67.2. Construction Work Outsourced Rather than Done In-house**

Within the SLCS, there is a unit which comprises carpenters, builders, plumbers, etc that can undertake construction and maintenance if properly monitored and capacitated. We however observed that the

rehabilitation of a septic tank at the Bo Male Correction Centre; and the roofing of cells and construction of septic tank at the Kailahun Correction Centre for a contract cost of Le56,000,000 and Le84,699,000 respectively, were done by an outside contractor, instead of using in-house personnel.

We recommended to the Director of Support Service to provide written explanation, supported by documentary evidence why construction work was not done by the in-house department which is funded by taxpayers.

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

*The Director General in his response said: "The Sierra Leone Correctional Service (SLCS) Technical Unit still lacks the capacity and is staffed with less personnel and therefore cannot partake in all technical jobs across our correctional centres. The Sierra Leone Correctional Service will work assiduously to capacitate this unit when we receive request to support the technical unit. More so, all the machines were burnt down during the April 29th, 2020 incident."*

### **Auditor's Comment**

Management's response is noted. We were however not provided with evidence to substantiate that the technical unit lacked the capacity and that all machines were burnt down. This issue was therefore remains unresolved.

### **3.67.3. Procurement Splitting to Evade Competition**

We observed that a total of Le175,176,430 was disbursed for the procurement of office store & supplies. We however noted that the procurement process was split into small thresholds and the Request for Quotation (RFQ) method was used, instead of the National Competitive Bidding (NCB). This action contravenes Section 37(1) of the Public Procurement Act of 2006.

We recommended that the Director of Support Services should provide explanation, backed by supporting documents why the procurement was split using the RFQ instead of the NCB method.

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

*The Director General in his response said: "The procurement processes were split due to the fact that the requests were received by the end users at different times. We admit to the findings of the external auditors and promised."*

### **Auditor's Comment**

During the verification exercise, management did not provide appropriate evidence why the procurement was divided. This issue is therefore unresolved.

### **3.67.4. General Observations**

Physical observations of the correctional centre and recreational centre revealed the lack of vital facilities for inmates. The centre lacked hospital for first-aid intervention; and lacked personnel to escort inmates to court; it also lacked proper secured vehicles. There was no vocational training equipment, and security scanner(s) for visitors. There was also lack of adequate safe drinking water; as the centres were overcrowded.

We further observed that since the April 2019 incident at the correctional centre, inmates' records like warrant of release were burnt down. As a result, many inmates are languishing in prison because their warrant of release could not be traced.

We recommended that the Director General in collaboration with the Ministry of Internal Affairs should:

- ensure that a hospital is built in order to alleviate the severe health conditions of inmates;
- ensure that competent personnel are recruited to fill the shortage of staff;
- ensure that vehicles are procured to facilitate the movement of inmates to court;
- de-escalate the issue of delay in indictment to the Registrar General and make frantic efforts to ensure the court clerks in the various courts provide copies of warrant of releases.

### **Official's Response**

*The Director General in his response said the following:*

- (i) *"The old female prison at Pademba Road is currently being converted to a hospital where sick inmates will be treated. The institution is on the verge of recruiting staff for the institution and will ensure that competent personnel are recruited to fill the staff shortage".*
- (ii) *"The SLCS has procured 22 vehicles to facilitate the movement of inmates and officers, additionally the issues of the delay in the indictment of inmates have been escalated to the Registrar General and the issues is being looked into".*
- (iii) *"The issue of equipment to the Male Reintegration Centre is being looked into and vocational centre to transform inmates will be set up in the near future".*
- (iv) *"Efforts will be made to ensure that accommodation is provided for female inmates by reducing overcrowding at the Centre. Scanners have been provided for the Male Correctional Centre and same will be done at the Female Correctional Centre. Imprest is always provided to all centres whenever allocation is received including the Female Correctional Centre. The Centre has trained and qualified counsellors, but more trained and qualified personnel will be recruited in the near future."*

### **Auditor's Comment**

Management's response is noted. These issues however remain unresolved and will be followed up in subsequent audits.

## **3.68. SIERRA LEONE CORRECTIONAL SERVICE, SOUTH- 2020**

### **3.68.1. Assessment of Service Delivery**

The SLCS exists as part of an integrated justice system to protect society by keeping inmates in secure and humane conditions whilst encouraging and actively assisting in their rehabilitation and re-integration by a professional workforce. We observed the following:

- Overcrowding at the correctional centres is a big challenge. The number of inmates has exceeded the capacity of the correctional centres in the region. A review of the correctional centre's daily update of 10th March 2021 indicated that there were 744 inmates at the correctional centres in the Southern Region, even though total capacity for all the six correctional centres in the region is 388. This shows a significant increase when compared to last year's inmates of 681 when reviewed on 16th June 2020. This difference of 63 inmates represents 9% increase in inmates over the year. This statistics of inmates shows that the number of inmates has almost doubled the capacity of the correctional centres. Furthermore, the Bo Male Correctional Centre in particular, is the most overcrowded centre with 274 inmates, for a centre built for a capacity of 80. The excess of 194 inmates resulted in overcrowding at the Centre.

- The official quarters for correctional officers were inadequate. Of the 237 correctional officers in the southern region, only 94 were occupying quarters. The remaining 143 (i.e. 60%) were not residing at official quarters. This issue was reported in the previous audit report and no action was taken.
- There were various types of trainings in the different correctional centres in the South and these include adult literacy, tailoring and religious training. The correctional centres in Pujehun, Moyamba and Mattru Jong were involved in agricultural training while Bo correctional centre was undertaking baking for the male inmates and beadwork for the female inmates. It was however revealed that start-up kits were not given to inmates when they completed their sentences and/or released from detention. There was no evidence of training policy maintained by the SLCS, South. This issue was reported in the previous audit report and no action was taken.
- There were no closed-circuit television (CCTV) installed at the correctional centers to enhance the security. In addition, the floodlights and solar lights at the Bo Correctional Center were not functioning.
- The height of the Bo Male Correctional Center perimeter fence is low to prevent intruder or escapees from trying to jump over the fence.
- There was only one medical laboratory in the entire southern region and this is located in the regional headquarters in Bo. It was also revealed that reagents were not available in this laboratory.
- Although one ambulance has been allocated to the SLCS regional headquarters in Bo, as a result of the recommendations made in the previous audit report, we noted that there was no ambulance to convey sick inmates on referral from Pujehun, Bonthe, and Moyamba Districts to Bo or Freetown for medical treatment.
- Electricity was a big challenge for the regional office and the six correctional centres. The EDSA was not supplying regular and reliable electricity to the regional office and the correctional centres in Bo. We further observed that that there was no back-up generator at the Bo Female Correctional Centre
- Water supply to the correctional centres' regional office and staff quarters has improved over the period; but that in the Correctional Centres in the other districts is still challenging.
- The SLCS Southern Region is constrained with the supply of stationery to carry out its day-to-day operations in the regional office and the six correctional centres.
- Enquires revealed that uniforms were last supplied in 2016 for officers. Lack of annual supply of uniforms for officers may cause officers to either acquire uniforms that may be slightly different from the required uniform or use uniforms that have badly worn out.

We therefore recommended that the Regional Commander-South should:

- collaborate with the Director General of SLCS to ensure that measures are put in place to avoid overcrowding in the correctional centers within the Southern Region. The Director General of SLCS should liaise with the Ministry of Internal Affairs and other relevant institutions to develop plan for the expansion of the existing correctional center facilities to accommodate the rising number of inmates in future. The Director General of SLCS should liaise with other stakeholders in the justice and law enforcement sector to review “bail policy/requirement” with the view of reducing inmates on trials for minor offences at the correctional centres. This will drastically reduce overcrowding problem and government expenditures on supplies to inmates in correctional centres.

- collaborate with the Director General of SLCS in Freetown and other stakeholders to ensure that additional staff quarters are constructed to accommodate all correctional officers in the southern region.
- collaborate with the Director General of SLCS in Freetown and other stakeholders to ensure that the start-up kits are provided to inmates when they are released from correctional service. They should properly plan to include the cost in the annual budget of the SLCS. The Regional Commander-South should liaise with the Director General and other senior officers responsible for training to provide training policy for the institution. This should be made available to the ASSL for verification.
- collaborate with the Director General of the SLCS in Freetown and other stakeholders to ensure that CCTV cameras were installed in the correctional centres to enhance the security of the centres.
- The floodlights and solar lights are immediately repaired or replaced.
- collaborate with the Director General in Freetown and other stakeholders to ensure that the height of the Bo Male Correctional Center perimeter fence is increased to at least 5.2 meters in order to prevent inmates or other unauthorised persons from scaling the fence.
- liaise with the Director General of the SLCS and other stakeholders to establish medical laboratories at the various correctional centres in the Southern Region. They should also ensure that adequate reagents are supplied to the medical laboratories.
- Additional ambulances are assigned to the other districts.
- continue to liaise with the Director General in Freetown and other stakeholders to ensure that, the correctional centres in the other district have one ambulance each.
- collaborate with the Director General in Freetown and other stakeholders to ensure that standby generators are provided to supply electricity in the various correctional centres in the region.
- collaborate with the Director General in Freetown and other stakeholders to ensure that a sustainable measure is instituted to solve water supply challenges in the correctional centres in the other districts within the region.
- collaborate with the Director General in Freetown and other stakeholders to ensure that adequate stationery is supplied to the SLCS, Southern Region.
- collaborate with the Director General in Freetown and other stakeholders to ensure that uniforms are supplied to correctional officers on an annual basis.

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

*The Regional Commander in his response said the following:*

- (i) *“Overcrowding is being reported to the correctional headquarters in Freetown on a daily basis and convicted inmates are conveyed to other centres that are less overcrowded to help decongest centres that are overcrowded.*
- (ii) *The issues of staff quarters are of concern and therefore, we have been informing correctional headquarters administration for action.*
- (iii) *We have been engaging Non-governmental organizations for assistance.*
- (iv) *The issues of staff quarters are of concern and therefore, we have been informing Correctional headquarters administration for action.*
- (v) *This issue is of concern and therefore, we have been informing Correctional headquarters administration for action.*
- (vi) *This issue is a concern and therefore, we have been informing Correctional headquarters administration for action.*
- (vii) *This issue is a concern and therefore, we have been informing Correctional headquarters administration for action.*



- (viii) *Correctional headquarters administration promised by 2021 to provide standby generator for all centres.*
- (ix) *The United Nations Development programme has constructed a bore-hole for the supply of pipe borne water which is now feasible. We have engaged the United Nation Development Program to replicate the same to other centres*
- (x) *Information cascaded to correctional headquarters in Freetown, while waiting for ministry of finance to disburse funds.*
- (xi) *This issue is a concern and therefore, we have been informing Correctional headquarters administration for action.”*

#### **Auditor’s Comment**

We note management’s response. There was no evidence to show that the recommendations were implemented. This issues remain unresolved.

#### **3.68.2. Fixed Assets Management and Control**

There was inadequate control over the management of fixed assets. We observed the following:

- The SLCS Southern Region is constrained with vehicles for official use by the heads of the correctional centres to enhance their effective operations at the various districts. This issue was raised in the previous audit report. A follow-up revealed that one official vehicle has been assigned to the Regional Commander in the SLCS South. The heads of the correctional centres however still go without official vehicles.
- Interview of the officers-in-charge of the correctional centres revealed that there was only one utility vehicle at the Bo District Correctional centres to convey inmates from correctional centres in Bo to attend court hearings. In addition, there was no vehicle attached to the other four correctional centres in Pujehun, Moyamba, Bonthe, and Mattru to convey inmates to attend court hearings in Bo and Moyamba. The lack of vehicle grossly affects the movement of inmates from one point to another, especially in the case of the Moyamba Correctional centre where court sittings are held in different locations outside the Moyamba Town. For example, the Correctional Centre Manager in Moyamba District revealed that the centre had to move inmates from Moyamba Town to circuit courts in Shenge, Gbangbantoke, Rotifunk, and Taiama.
- Office equipment such as computers, printers, photocopiers, desks, chairs and cabinets, were not adequate to help in the effective execution of duties of the SLCS in the Southern Region. Furthermore, there was no internet facility in the Regional Office. Most times, official work is done at public internet cafes because of the non-availability of the above equipment.
- The SLCS Regional Headquarters had inadequate office space to accommodate some vital staff such as the IEC Officer, etc. More than one officer shares single room to carry out their official duties.

The Regional Commander should therefore:

- collaborate with the Director General of the SLCS and other stakeholders to ensure that vehicles and motorbikes are provided for the Officers-in-charge of correctional centres in the various districts in the Sothern Region.
- collaborate with the Director General and other stakeholders to ensure that utility vehicles to convey inmates from correctional centres in the various districts to attend court hearings.
- liaise with the collaboration with the Director General and other stakeholders to ensure that office equipment, furniture, and stationery are supplied to the region and

- collaborate with the Director General and other stakeholders to ensure that additional offices are provided at the regional headquarters to accommodate all staff.

### **Official's Response**

*The Regional Commander in his response said the following:*

- (i) *"Vehicles have been procured and distributed to Moyamba, Matru Jong and the Regional Commander's office in Bo including an ambulance to serve the region.*
- (ii) *Information reaching us indicates that the utility vehicles are on their way.*
- (iii) *This issue is a concern and therefore, we have been informing correctional headquarters administration for action.*
- (iv) *This issue is a concern and therefore, we have been informing Correctional headquarters administration for action."*

### **Auditor's Comment**

We note management's response. There was no evidence to show that the recommendations were implemented. This issues remain unresolved.

## **3.69. SIERRA LEONE CORRECTIONAL SERVICES, NORTH EAST- 2019 & 2020**

### **3.69.1. Inconsistency in the Unit of Measurement for Diet Supply**

We observed that the unit of measurement in the contract details for some of the items differed from that on the delivery notes. For instance, in the contract details, 'litre' was slated as the unit of measurement for palm oil and vegetable oil. Moreover, the Centre lacked measuring instruments to determine the actual quantities delivered.

We recommended that the Manager of the Mafanta Correctional Centre and the Regional Commander should explain why the units of measurement for the supply of regular diet in the contract agreement, is different from the one in the delivery note. Furthermore, serious efforts should be made to obtain a measuring scale/instrument to determine the actual quantities delivered at any given point.

### **Official's Response**

*The Regional Commander in his response said: "We understand the concerns of the audit regarding the unit of measurement and has engaged head office to ensure that going forward items to be delivered are qualified in the contract agreement based on the currently available measuring instrument."*

### **Auditor's Comments**

Management's response is noted. The issue is however unresolved.

### **3.69.2. Inadequate Control over the Management of Fuel**

We noted that operating records for fuel valued at Le30,000,000 for August to December 2020 was not provided to substantiate the utilisation of such fuel by the four correctional centres. Moreover, no evidence of fuel reconciliation between the fuel dealer's records and that of the Department was provided to confirm the balance maintained by the dealer.

We recommended that fuel operating records to substantiate the utilisation of funds were provided for verification. Furthermore, a periodic reconciliation should be done on a regular basis to detect all errors and mistakes.

### **Official's Response**

The Regional Commander in his response said: *"We would ensure that all Correctional Centres maintain fuel utilisation records to enhance the reconciliation with the fuel dealer's records. He added that periodic reconciliations are now being done between the fuel dealers and the Correctional Service."*

### **Auditor's Comment**

Fuel operating records and reconciliation were not submitted for verification. Therefore, the issue is unresolved.

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

We observed from our review of the assets register that some uncoded assets were not included in the assets register submitted for audit. This made it difficult for the audit team to confirm the ownership and existence of some of the SLCS, North- East Region assets. Furthermore, the audit team noted the encroachment of the landed property of the SLCS North- East Region.

We recommended that the Regional Commander should ensure that all assets owned and controlled by the Correctional Services are coded, and a comprehensive assets register is maintained. Furthermore, the landed properties of the Sierra Leone Correctional Services are protected by clearly demarcating boundaries across all the lands it owns.

### **Official's Response**

The Regional Commander in his response said: *"The asset register had been updated and is now available for verification. As for the landed property, he stated that management had already taken action. The services of surveyors have been hired to survey all the lands of SLCS in the North-East. The process has started with the Kabala Correctional Centre and the survey document is now available for verification."*

### **Auditor's Comment**

The updated fixed assets register was not submitted for verification. The issue is unresolved.

### **3.69.4. Inadequate Facilities and Supplies for Operational Effectiveness**

We inspected the Correctional Centres of Makeni, Mafanta and Magburaka and we observed the following:

- The Makeni Centre was meant to hold 86 inmates, and as at the time of auditing, it had 214 inmates, which was far above the maximum limit of inmates to be held in the Centre.
- Makeni Correctional Centre has minimal quarters available to accommodate 86 staff manning the Centre. Furthermore, the officer quarters at Mafanta Correctional Centre were deplorable as most of the houses were unfit for dwelling. In this regard, most of the officers reside far away from the Centre.
- Special diet for inmates was not supplied to the northeast region for the entire period under review.
- Most of the beds in the cells where the inmates were kept in the Makeni Male Correctional Centre were extremely dilapidated. This has the propensity to expose the inmates to the transmission of communicable diseases like tuberculosis, Covid-19, etc.
- The detention cells at the Makeni Correctional Centre were not ventilated. Moreover, the ceilings are shallow and made of corrugated iron sheets, making it extremely hot for human habitation.
- There is no official vehicle for the Makeni Correctional Centre to move inmates from one centre to another.

We recommended that the Regional Commander should liaise with headquarters to help solve the identified problem areas.

### **Official's Response**

*The Regional Commander in his response said: "The Government has taken the following action:*

- (i) Construction of correctional Centre at Kamakwie to ease the congestion at the Makeni Correctional Centre.*
- (ii) Special diets are now being supplied as they used to be.*
- (iii) Land has been secured for the construction of the Mongo Correctional Centre."*

### **Auditor's Comments**

- Management's response to ease the congestions is noted. The issue however remains the same and will be followed up in our next audit.
- No evidence was submitted to confirm that a special diet is now being supplied.
- The issues relating to the Makeni Correctional Centre remains the same, as no management response was proffered.

## **3.70. SIERRA LEONE CORRECTIONAL SERVICE, EASTERN REGION - 2020**

### **3.70.1. Procurement Processes and Procedures not Followed**

Procurement records such as local purchase order agreement, delivery notes and letter of acceptance and contract award with regards to the Eastern Region for the supply of rice, drugs, cooking gas, baking flour, toiletries and diet were not produced.

We could not ascertain the supply specifications or schedules of requirement and details. The Regional Commander should therefore ensure that list of contract awarded and the contract agreement are retained at Regional Office and that the delivery note and purchase order are produced for audit inspection.

### **Official's Response**

*The Regional Commander in his response said the following:*

- (i) "These documents are maintained in Freetown at the Head Office by the Procurement Unit. The Regional Commander and management are still working on the decentralisation of the procurement documentation system at regional levels.*
- (ii) The supply schedule available runs for over a long period; so the ones we submitted are what the department is currently using. The update of schedule of requirement comes from head office in Freetown at the procurement unit. This process is part of the procurement process.*
- (iii) The regional commander has forwarded this concern for quick resolve for the next year."*

### **Auditor's Comment**

The issue of procurement process and supply procedures will be followed up during next audit.

### **3.70.2. Fixed Assets Management and Control**

Inventory list of equipment, medical apparatus, furniture and assorted supplies for the Direct Observation Treatment Centre (DOTC) of the Sierra Leone Correctional Service –Kenema were not provided, neither

updated in the assets register for audit inspection and review. Additionally, inventory register for carpentry workshop and productions was not available.

We therefore recommended that the Estate Officer, Eastern Region should maintain an inventory list of medical equipment in the DOTC laboratory and update in the asset register.

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

*The Regional Commander in his response said: "The updated asset register is submitted for audit inspection including the donated carpentry workshop assets."*

### **Auditor's Comment**

The asset register is now updated with the medical equipment including the carpentry tools but the productions for 2020 was not accounted for. This issue is partly resolved.

## **3.71. OFFICE OF THE ADMINISTRATOR AND REGISTRAR GENERAL (OARG)-2020**

### **3.71.1. Lack of Reconciliation between the NRA Revenue Records and the Consolidated Fund**

We observed that the NRA cashbook reported excess revenue of Le143,337,524.38 compared to amount reported in the consolidated revenue report.

We recommended that the Commissioner, Non-Tax Revenue should investigate and provide explanation with documentary evidence for the difference between the consolidated revenue report and the cashbook. Otherwise, the Le143,337,524.38 reported as excess revenue in the cashbook should be paid into the Consolidated Fund and evidence of payment forwarded to the ASSL for verification.

### **Auditor's Comment**

There was no management response to the issue and during verification, the cashbook revenue excess over the Consolidated Revenue Report was not addressed. Therefore, this issue remains unresolved.

### **3.71.2. Lack of adequate staff records**

Majority of staff files lacked information such as letter of appointment, letter of acceptance, educational achievement, social security number and annual performance appraisals were not done.

We recommended that the Senior Human Resources Manager should provide evidence of annual performance appraisals.

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

*The Registrar General in his response said the following:*

- (i) "Management has noted the auditor's concern and frantic effort will be taken to ensure that the query is address. The affected staff will be instructed through the Senior Human Resource Officer to submit all relevant information as highlighted by the auditors to fully update their files.*
- (ii) The annual performance appraisal of staff from grade 1 – 10 was conducted by the Senior Human Resource Officer and evidence of such are available for audit verification."*

### **Auditor's Comment**

During the audit verification, relevant information of queried personnel, and annual performance appraisals of staff from grade 1 – 10 were not submitted for verification. Therefore, the issues remain unresolved.

### **3.71.3. Non-Compliance with Relevant Laws and Regulations**

A review of both the Muslim and Christian marriage certificates registered by the Department revealed that 13 marriage instruments were registered at the Department without court order, even though they have exceeded 10 days' period stipulated in Cap 256 Registration of Document Act.

We recommended that the Registration Officer in charge of marriage certification should provide explanation with documentary evidence why marriage certification was done without a court order even though they had exceeded 10 days' period as stipulated in Cap 256 Registration of the Document Act.

### **Official's Response**

*The Registrar General in his response said: "The marriage certificates that were registered out of time without court order were as a result of concession given for clients whose marriages were affected by the Covid-19 outbreak in the country. The process was properly planned and monitored to ensure that only those with genuine cases were given the concession in order for it not to be misused by staff in the section. As Covid-19 is an emergency that requires emergency measures, management want to assure you that such will not happen in the future."*

### **Auditor's Comment**

Management's response is noted. The response provided however does not warrant the violating of Cap 256 registration of document Act. This issue remains unresolved.

## **3.72. IMMIGRATION DEPARTMENT (HEADQUARTERS) - 2020**

### **3.72.1. Revenue Not Traced in the Bank Account**

A total of Le591,435,000 stated in the NRA Finance Officer's record as lodgements into the NRA Immigration Account at the Bank of Sierra Leone (BSL) was not traced to the bank account at the BSL, and reconciliation between the NRA's Finance Department and Bank of Sierra Leone was not done.

We recommended that the Commissioner, Non-Tax Revenue should provide evidence to confirm that the individual lodgements totalling Le591,435,000 were banked into the Immigration NRA Account at the BSL, and to provide evidence of reconciliation with the BSL. Otherwise, the amount not traced should be paid into the Consolidated Fund by the Commissioner.

### **Official's Response**

*The Commissioner, Non-Tax Revenue in his response said: "The said amount of Le588,335,000 has been traced to the Bank of Sierra Leone statements as individual transactions not as aggregate transactions. In other words, the auditors took into consideration the aggregate figures from the Accountant General's pay-in slip and not the individual transaction as stated on the bank statement. A total balance of Le3,100,000 is yet to be traced."*

*Copy of the bank statement and pay-in slips where this transaction can be traced are available for your inspection. To prevent future happenings of this, the revenue officers are advised to record the transactions individually on the Accountant General's pay-in slip to deposit cheques, this will help in the auditing and reconciliation processes."*

### **Auditor's Comment**

From the total amount of Le591,435,000, evidence of remittances to the Consolidated Fund was provided for a total of Le584,835,000. The remaining three remittances totalling Le6,600,000 are yet to be traced to the Consolidated Fund. The issue regarding the Le6,000,000 therefore remains unresolved.

### **3.72.2. Gratis Visa Granted to Ineligible Individuals**

We observed during our review that gratis visa (single and multiple entry) to the tune of Le776,400,000 were granted to individuals that did not meet the eligibility criteria.

We recommend that the Director of Operations should submit all attestations, and applications to support gratis visas issued. Otherwise, the Director should pay into the Consolidated Fund the potential revenue loss of Le796,400,000 and evidence of payment forwarded for inspection. In addition, Senior Management should communicate the eligibility criteria for exemptions, and the need for attestations from the invitee to the Ministry of Foreign Affairs, and evidence of communication be made available during the audit verification.

### **Official's Response**

*The Director of Operations in his response said the following:*

- (i) *"It is factual that visas were issued based on exemption of fees to applicants without their attestation attached granting them waivers. This was however done because these applications were from international organisations and MDA's that falls under exiting bilateral conventions with the Sierra Leone Government granting them waiver of visa and residential permit fees. Copies of such conventions are available for your inspection and future reference.*
- (ii) *As recommended, a memorandum has been issued to the Ministry of Foreign Affairs requesting all international organisations and MDA's that are covered by existing conventions and contract waivers to attach attestation confirming their eligibility status to exemption of visa fee and residential permit for their applicants. A copy of this memorandum is also available for your inspection."*

### **Auditor's Comment**

- Management's comment is noted. During verification, the policy guidance on visa fee waiver for foreign nationals and the memorandum issued to the Ministry of Foreign Affairs were made available. Upon inspection of the policy guidance, it was clearly stated that no individual Ministry, Department or Agency (MDA) has authority to grant/authorized waiver and, or gratis to any Organisation, Agency, Company without reference to the Government of Sierra Leone through the House of Parliament for approval, and a representative from the Sierra Leone Immigration Department be part of the process. The requests that were queried which amounted to Le124,800,000 relates to applications from the various MDAs in respect of single entries. The grant agreements were not made available for audit inspection.
- The Consular Unit did not present the attestations (Note Verbal) to address Le152,800,000 worth of gratis visa.
- Requests from the Ministry of Foreign Affairs in respect of gratis visas (Single Entry) worth Le498,800,000 were also not made available during the audit verification. The issues therefore remain unresolved.

### 3.72.3. Evidence of Utilisation of Bid Proceeds not Submitted

We observed during our review that evidence on how total proceeds of Le6,000,000 from the sale of bid documents was utilised were not submitted for inspection.

We recommended that the Senior Procurement Officer should provide the missing procurement documents for audit review.

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

*The Chief Immigration Officer in his response said: "Bid register and standard bid documents for all the contracts stated above are available for your inspection."*

#### **Auditor's Comments**

- The bid register for the procurement of computer consumables was submitted and inspected during verification. We noted that there is no record of the purchase and submission of bids in the bid register. There is also no evidence of the utilisation of the proceeds of Le1,000,000. The issue therefore remains unresolved.
- Similarly, the bid register, standard bidding documents and the minutes of the bid opening for the procurement of stationery, computers and motorbikes were presented during the audit verification. On inspection of these documents, twenty bidders had bid for these contracts. The selling price for each bid document was Le250,000. Therefore, the total proceeds from the sale of these bid documents amounted to Le5,000,000. There are no supporting documents of the utilisation of these proceeds. The issue therefore remains unresolved.

### 3.72.4. Assets Register not Submitted for Inspection

Furniture worth Le217,750,000, computer ancillaries worth Le398,500,000 and eight motor bikes worth Le340,000,000 were said to have been delivered by contractors to the department during the year, but were not made available for physical verification, and there is no fixed assets register.

We recommended that the Officer-in-Charge of stores and the Senior Procurement Officer should make the assets available for physical verification. The Senior Accountant should also make the assets register available during the audit verification.

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

*The Chief Immigration Officer in his response said the following:*

- (i) *"The findings are noted and that management will make available all assets procured during the year under review to the auditors to confirm their physical existence. We will also make available copies of registration documents for motorbikes supplied to confirm ownership because most of the motorbikes are in the provinces monitoring the various unmanned crossing points. Auditors can corroborate with the findings of their colleagues in the provincial offices to ascertain the existence of these motorbikes."*
- (ii) *Management wants to state that there is an asset register at the Immigration Department, though not updated to include assets bought during the year under review. We have started the procurement process for the updating and coding of all assets procured during the year under review and even beyond."*

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

The tangible assets procured and delivered during the audit period were not made available during the audit verification; the fixed asset register was also not made available, and the copies of registration



documents for motorbikes were not made available. We were therefore not able to confirm whether they were delivered, whether are being used for the operations of the Department, and whether they had been properly managed. The issue therefore remains unresolved.

### **3.73. NATIONAL FIRE FORCE, KENEMA-2020**

#### **3.73.1. Inadequate Control over Store Items**

There was no evidence to suggest that all store items were taken on charge before they were issued to the various departments. This was in contravention of Section 182 (1) of the PFMR, 2018.

The Regional Commander and Storekeeper should ensure that all items are taken on charge before they are issued to the various departments.

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

*The Regional Commander in his response said: "Going forward, management will ensure that all store items are taken on charge before they are issued to the various departments."*

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

Our audit recommendation was not implemented. We will keep this in view for next audit.

#### **3.73.2. Fire Hydrant and Water Supplied**

Most of the water hydrants in the township of Kenema were dysfunctional. This could be a major setback in the fight against fire outbreaks in the city, and as a result, the fire service resulted to access water from the stream. This was in contravention of Cap 68(1) of the National Fire Force Act.

We therefore recommended that the Regional Commander should ensure that they monitor and supervise all fire hydrants and water supplies within the region to ensure they are properly kept. Additionally, the Regional Commander should ensure that there is liaison with SALWACO for water supply.

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

*The Regional Commander in his response said: "Fire hydrant is one of our major constraints during firefighting. This issue has been flagged with the Sierra Leone Water Company in charge of the hydrants. The problem has not been resolved. Senior officers at our Headquarter station in Freetown are however making every effort to erect static water tank to resolve this issues."*

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

Our recommendation was not implemented. Therefore, the issue remained unresolved.

### **3.74. SIERRA LEONE POLICE, EASTERN REGION-2020**

#### **3.74.1 Revenue Management and Control**

The controls over the receipt, custody and recording of revenue were inadequate as allocations to the regional office was collected in cash by the accountant instead of being remitted through the bank account

We could not ascertain whether revenues in arrears amounting to Le2,143,200,000 in respect of Police Armed Guards assigned to commercial banks and institutions were paid into the SLP account maintained

for that purpose. Similarly, Police Armed Guards were also posted to private offices for which there was no evidence of payment of Le33,200,000 in respect of their services.

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

There was no management's response or document submitted to address the issues raised.

#### **3.74.2 Payments Without Supporting Documents**

Contrary to section 100(1b) of the Public Financial Management Regulations, 2018, we observed that payment for purchase of medicines totalling Le78,000,000 was without payments vouchers and the relevant supporting documents.

We recommended that the PVs and all relevant supporting documents are immediately submitted to the audit team for inspection; otherwise, the amount involved should be paid back onto the Consolidated Fund.

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

There was no management's response or document submitted to address the issues raised.

#### **3.74.3 Assessment of the Detention Facility**

We noted that police cells at the Kenema Division was outdated, unhealthy, lacked proper toilet facility (already full), the space was limited, the ventilation was poor and there was no facility to take bath and shower. This was in contravention of the provisions in the United Nation Standard Minimum Rules for Treatment of Prisoners (Mandela Rules)

Even though the Kenema Division and the Local Police Partnership Board started a self-financing and construction of multipurpose building and detention facility; the building has not been completed as a result of limited financial constraints encountered by them.

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

The issue relating to the general condition of the detention facility was not responded to by Management. Therefore, the is remains unresolved.

The construction work on the multipurpose building will be kept in view for next audit

# PART III

## CHAPTER IV – LOCAL COUNCILS

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## MAIN POINTS

### Introduction

A combined audit (financial and compliance) was carried out on the 22 Local Councils (LCs) for 2020. A financial audit was done with the view of expressing an opinion on the Financial Statements submitted for the year ended 31st December, 2020. It focused on cash and bank, revenue and receipts, disbursements, payroll, and assets management.

The compliance audit covered the period between 1st January to 31st December, 2020 and focused on the evaluation of the subject matter (Procurement Planning, RFQ and Tendering Process for the Procurement of Goods, Works and Services) against suitable criteria (Public Procurement Act of 2016 and Public Procurement Regulations of 2020) to form a conclusion on the entity's compliance with the criteria.

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

Each management of the 22 LCs is responsible for the preparation and fair presentation of their financial statements in accordance with the Cash Basis International Public Sector Accounting Standard (Cash Basis IPSAS) and other applicable laws and regulations. This is for such internal control as management determines 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 concern and using the going concern basis of accounting. Otherwise, management either intends to liquidate the entity, 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.

### ***Objectives of the Audit***

The objectives of the financial audit were as follows:

To express an opinion on the 2020 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 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 2020.

The objective of the compliance audit was to obtain reasonable assurance on whether the councils' procurement activities undertaken in 2020 were free from material non-compliance with the Public Procurement Act of 2016 and the Public Procurement Regulations 2020, whether arising from fraud or error, and to form a conclusion on whether the Public Procurement Act 2016 of and Public Procurement Regulations of 2020 were complied with.

### **What We Did**

The financial audit was conducted in accordance with the Audit Service Sierra Leone Manual which is based on International Standards of Supreme Audit Institutions (ISSAI). These standards state 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, as the subject matter was 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 Public Procurement Act of 2016 and the Public Procurement Regulations of 2020.

Our findings and recommendations from the audits of the councils were discussed with the key personnel involved, and communicated in individual management letters for their comments and necessary action. Responses received, where deemed appropriate, have been included in this report.

### **Why It Is Important**

The LCs 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. The Financial Statements of councils are key instruments through which account is given on how finances are managed to provide the basic services and deliver on development priorities and whether the performance targets, as agreed with the communities, were achieved. The general public will therefore be interested in whether the information submitted by councils were correct as well as the level of internal control exercised over the use of funds.

### **What We Found**

The annual financial statements for the 22 LCs were submitted for audit before or shortly after, the legislative deadline of 31st March, 2021.

Significant matters identified in the audit examinations across all LCs fall into the following categories:

- i. Late submission of financial statements
- ii. Quality of financial statements submitted by LCs
- iii. Reporting on the performance of LCs
- iv. Financial audit outcomes
  - LCs revenue
  - Expenditure Management and Control
  - Report on other legal and regulatory requirements
  - Human resource management and Payroll Administration
  - Other Financial Management Issues
  - Expenditure management control
  - Fixed assets management
  - Free Quality School Bus Service
  - Sectorial Service Delivery
- v. Compliance audit outcome
- vi. Follow up on outstanding previous audit recommendations

Our review revealed that total estimated cash losses during 2020 amounted to Le4.3 billion. The main composition and analysis of this losses are summarised in Table 4.1 below:

<b>Table 4.1</b> <b>Summary of Cash Losses -2020</b>	
<b>Nature of Cash Loss</b>	<b>Le</b>
Revenue Irregularities	1,173,720,902.00
Payments Irregularities	615,971,076.00
Tax Irregularities	384,513,072.71
Stores/Inventory Irregularities	589,915,000.00
Payroll Irregularities	805,709,776.00
Sitting fees and other allowances paid for meetings not held and to absentee persons (Councillors and Ward Committee Members)	581,981,381.00
Procurement irregularities leading to loss of public fund	182,838,400.00
<b>Total</b>	<b>4,334,649,612.71</b>

Even though the above issues are common across different councils, however, some are better than others.

These observations are expanded upon in more details below and in even greater details in the individual council reports submitted to the Minister of Local Government and Rural Development for ultimate submission to Parliament.

#### 4.1. SUBMISSION OF FINANCIAL STATEMENTS TO THE AUDITOR-GENERAL

##### 4.1.1. Late Submission of Financial Statements

The provisions in the Public Financial Management Act of 2016 and the Local Government Act (LGA) of 2004 require all government spending entities to prepare annual financial statements at the end of each financial year. Section 81 of the LGA of 2004 mandates all local councils to prepare a statement of its annual account in conformity with existing financial regulations and submit it to the Auditor-General on or before the 31st March after the end of every financial year. It was observed that nine or 41% of the 22 LCs failed to submit their 2020 Financial Statements for audit within the statutory deadline of 31st March, 2021. On average, all the financial statements were only submitted some 20 days after the statutory deadline date. This resulted in a considerable delay and waste of resources in executing the entire audit process; thus the statutory deadline date of 30th June, 2021 for the publication of the audited reports was not met.

Table 4.2 gives names of defaulting councils and dates of submission of financial statements.

<b>Table 4.2</b>				
<b>Councils and Dates of Submission of Financial Statements</b>				
<b>No.</b>	<b>Name of Council</b>	<b>Due Date of Submission of Financial Statements</b>	<b>Date of Submission of Financial Statements</b>	<b>Days Delayed in Submission of Financial Statements</b>
1	Kono District	31st March, 2021	8th April, 2021	8 days
2	Kailahun District	31st March, 2021	9th April, 2021	9 days
3	Koidu New Sembehun City	31st March, 2021	10 th April, 2021	10 days
4	Bonthe Municipal	31st March, 2021	16th April, 2021	16 days
5	Western Area Rural District	31st March, 2021	20th April, 2021	20 days
6	Kenema City	31st March, 2021	21st April, 2021	21 days
7	Koinadugu District	31st March, 2021	23rd April, 2021	23 days
8	Kambia District	31st March, 2021	7th May, 2021	37 days
9	Freetown City	31st March, 2021	7th May, 2021	37 days

#### 4.2. QUALITY OF THE FINANCIAL STATEMENTS SUBMITTED FOR AUDIT

Like in the prior years, all 22 councils submitted financial statements that contained material misstatements in one or more areas.

The councils were able to achieve unqualified audit results (clean audit opinions) because they used the opportunity provided by the ASSL to correct all misstatements identified during the audit. Those councils that were not willing and/or able to correct all the misstatements could not avoid the qualification of their financial statements.

The non/partial correction of misstatements by councils was primarily due to the unavailability of information or documentation required to determine the correct amounts that should be reflected in the financial statements.

The councils still had to do material adjustments during the actual audit. This suggests that the financial statements were being submitted simply to meet the legislated deadline, with no regard for their accuracy or correctness. In this vein, the councils continue to rely on the audit process to identify



material errors and omissions in the financial statements. It must however be noted that reliance solely rests on the auditors to identify corrections to the financial statements in order to obtain an unqualified audit opinion. This is not a practice that should be encouraged and these unqualified opinions may therefore not be sustainable. It would be far more appropriate for administrative units to have internal and quality control procedures designed to find errors and omissions in place at all times.

The ability of the councils to produce financial statements that are free from material misstatement is influenced by the existence of a sound system of internal control. The ASSL noted that the non-existence of an effective internal control mechanisms or the slow response by the councils' managements in addressing internal control deficiencies continues to be the main reason preventing certain councils from obtaining improved audit results.

We therefore recommended as follows:

Councils and their related oversight bodies should be more involved in the monitoring of key governance matters and related internal controls and hold transgressors accountable for poor performance.

Key council personnel should take responsibility for guiding and directing the development and performance of the system of internal control.

Mayors/Chairpersons should hold officials accountable for not implementing the recommendations of the ASSL, internal audit units, audit committees and other oversight bodies.

### **4.3. REPORTING ON PERFORMANCE OF THE COUNCILS**

#### **4.3.1. Category of Audit Opinions Issued in 2020**

Seventeen (17) of the 22 LCs, representing 77%, got unqualified audit opinions for the financial year ended 31st December, 2020. These councils were able to reasonably address errors initially identified during the audit process. These errors were largely related to fair presentation of financial statements. The councils were however able to account accurately for the financial transactions they have carried out during the period under review. This performance was however reduced by 5% as the LCs recorded 18 (82%) unqualified audit opinions in 2019.

Four councils (Karene, Tonkolili, Port Loko, Districts and Port Loko City Councils): which represents 18% of the 22 LCs received a qualified audit opinion. This simply means that these councils were unable to adequately and accurately account for all the financial effects of the transactions and activities they conducted. The financial statements prepared and submitted by these councils were unreliable in certain areas.

One council (Koinadugu District Council) which represents 5% of the 22 LCs received an adverse opinion. This indicates that the Council's Financial Statements are misrepresented, misstated, and do not accurately reflect the financial performance of the Council.

#### ***Progress Analysis***

The LCs also recorded some improvements as well as regressions when compared to 2019. Of the 22 LCs, 14 (64%) had maintained excellent performance. These councils continued to record unqualified audit opinions. Three councils (Falaba, Kambia and Kono District Councils) improved by moving from qualified or adverse opinion to unqualified audit opinion, and four councils (Karene, Tonkolili Port Loko Districts and Port Loko City Councils) regressed in performance by moving from an

unqualified to qualified audit opinion. One Council (Koinadugu District Council) failed to improve in performance by maintaining an adverse opinion.

Individual council performance based on audit opinions for the 2020 financial is given in Table 4.3

Table 4.3 Councils' Opinion 2020			
No.	Name of Council	Type of Audit Opinion	
		2020	2019
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	Qualified
7	Freetown City	Unqualified	Unqualified
8	Kailahun District	Unqualified	Unqualified
9	Kambia District	Unqualified	Adverse
10	Kenema District	Unqualified	Unqualified
11	Kono District	Unqualified	Qualified
12	Kenema City	Unqualified	Unqualified
13	Koidu New Sembehun City	Unqualified	Unqualified
14	Moyamba District	Unqualified	Unqualified
15	Makeni City	Unqualified	Unqualified
16	Pujehun District	Unqualified	Unqualified
17	Western Area Rural District	Unqualified	Unqualified
18	Karene District	Qualified	Unqualified
19	Port Loko District	Qualified	Unqualified
20	Port Loko City	Qualified	Unqualified
21	Tonkolili District	Qualified	Unqualified
22	Koinadugu District	Adverse	Adverse

#### 4.3.2. Outstanding Performance By Councils Since 2012

In 2012, nineteen (19) LCs started using a financial management information system, (the PETRA accounting package) which uses the same 27 digits' chart of accounts structure as that of the central government. The objective was to improve accountability, transparency and financial management reporting for councils.

The financial statements of the councils are prepared in accordance with the Local Government Act of 2004 and its underlying Financial Regulations. Furthermore, the financial statements are prepared in compliance with Cash Basis International Public Sector Accounting Standards (Cash Basis IPSAS) adopted by the Government of Sierra Leone for all Local Councils in Sierra Leone since 2012.

Other significant aspects of the audit outcomes of the LCs during the nine-year period (2012-2020) are given below:

- Only the Makeni City had maintained clean audit opinions (unqualified opinions) since 2012.

- One council (Bombali District) had maintained clean audit opinions (unqualified opinions) since 2013.
- One council (Port Loko District) maintained clean audit opinions (unqualified opinions) from 2012 to 2019.

*Table 4.4 gives a detailed analysis of the individual LCs performance*

TABLE 4.4										
COUNCILS' PERFORMANCE SINCE 2012										
NO	NAME OF COUNCIL	TYPE OF OPINIONS								
		YEAR ENDING 31 <sup>ST</sup> DECEMBER								
		2012	2013	2014	2015	2016	2017	2018	2019	2020
1	Makeni City	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified
2	Bombali District	Qualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified
3	Port Loko District	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Qualified

#### **4.4. OUTCOMES ON THE FINANCIAL AUDIT OF LOCAL COUNCILS**

##### **4.4.1. Local Councils' Revenue Management and Control**

In accordance with Section 45 of Part VII of the Local Government Act of 2004, local councils are financed through the following sources: own-source revenue, central government grants including donor funds and transfers for services delegated from government ministries.

According to the Local Government Act of 2004, local council own-source revenue comprises of the taxation revenue and non-tax revenue. The Chief Administrators are personally responsible for ensuring that adequate safeguards exist and are applied for the assessment, collection of and accounting for such revenues and other public moneys relating to their departments or offices.

Local Councils shall therefore make adequate efforts to collect revenues from their own-sources.

##### **A. Own-Source Revenue Audit Outcomes - 2020**

Our review of revenue management of the 22 LCs during 2020 revealed the following:

##### **Karene District Council**

- A total of Le68,599,994 was not banked or accounted for.
- Six general receipt books were not submitted for inspection
- In addition to the method of calculation, evidence of banking was not submitted in respect of monies amounting to Le10,586,400 recognised in the Financial Statements as local tax precept from the 13 chiefdoms within the District.
- Receipt books not traced to revenue voucher listings totalled Le328,401,400.
- The Council did not maintain a database of registered businesses and property within the District.

##### **Bombali District Council**

- The Council only collected 20% of the total budgeted own-source revenue (Le240,553,720 out of Le1,181,076,383). This indicated that the Council was not aggressive in its revenue collection drive and could have difficulties in the future should the government stop funding Council operations. We further observed that the service charter was not updated and exhaustive.
- Revenue arrears were not accurately reported in the Financial Statements. Based on the records submitted, a total of Le155,000,000 was supposed to have been paid by the telecommunication companies operating within the District. Only Le3,489,917 was reported in the Financial Statements, leaving a balance of Le151,510,083 not disclosed as revenue arrears by the Council.

##### **Falaba District Council**

- A total of 45 original receipts were detached from their respective receipt books and their duplicate receipts were blank.
- The audit team could not confirm a total amount of Le242,356,450 for 2020 disclosed in Statement 16, as detailed schedules of individual revenue streams which summed up to the disclosed amounts were not made available for inspection.
- Local tax precept of Le55,034,080 was collected and paid by the 13 chiefdoms in the District. The Council was unable to predetermine the actual amount of local tax precept as records relating to

the amount collected and expenditure incurred during the collection process were not made available by the District Officer (DO).

- Own-source revenue totalling Le613,612,880 were generated in 2020. The audit team could not however trace the revenue receipt books to the revenue voucher listings (schedules) as the systems generated ID number on the revenue voucher list was not indicated on the receipt books for ease of reference.

#### **Koinadugu District Council**

- Own-source revenue streams incorrectly classified and reported. We observed that 12 different revenue streams totalling Le489,800,500 were reported under fees and charges instead of reporting them separately in the Financial Statements. This indicates that no revenue was collected from these sources, as shown in the Financial Statements.
- The revenue projections of the different revenue streams were not realistic. For example, the forecast for property rates stood at Le300,000,000 in 2020, even though revenue collected from the same in 2019 was Le7,644,000.

#### **Makeni City Council**

- The Council only collected 37.5% of the total budgeted own-source revenue (Le2,199,624,720 out of Le5,851,486,409). This indicated that the Council was not aggressive in its revenue collection drive and could have difficulties in the future to finance critical service delivery activities should the government stop funding Council operations.
- There was inaccurate reporting of revenue arrears in the Financial Statements. The CADASTRE system was not user-friendly. Once the user roles over into a new fiscal year, there was no way to review the previous year's records which deterred the auditors from ascertaining the exact amount of revenue arrears for 2020. Therefore, the revenue arrears of Le6,078,550,144.00 reported in the Financial Statements for tax and non-tax revenues could not be relied upon as a breakdown of the various property and businesses that summed up to the total was not made available for inspection.

#### **Port Loko City Council**

- The Council only collected 10% of the total budgeted own-source revenue (Le65,676,900 out of Le640,478,099). This indicated that the Council was not aggressive in its revenue collection drive and could have difficulties in the future should the government stop funding Council operations. We further observed that the Council did not have in place a service charter indicating the procedures and prices of services rendered by the Council.
- The Council did not maintain a comprehensive database of property and business within its jurisdiction. As a result, the Council could not accurately project revenues from the various sources and determine revenue arrears.
- Several receipts were issued to the general public for various revenue streams with blank counterfoil receipts.
- The CADASTRE system was not effective. The CADASTRE report was not submitted and the auditors were not given access to the CADASTRE system to ascertain the system's effectiveness.
- Revenue arrears were not disclosed by the Council

### **Port Loko District Council**

- Surface rent amounting to LeF,240 was neither recorded in the revenue cashbook/PETRA system nor banked.
- The CADASTRE system was not in use during 2020. The valuator was using an excel sheet to record data.
- A total of 13 receipt books were not submitted for audit purposes. In this regard, we could not determine whether monies collected from these receipt books were appropriately brought into account. Consequently, we are unable to ascertain whether the Council's total own-source revenues are free from material misstatements.
- The Council only collected 45% of the total budgeted own-source revenue (Le683,540,505 out of Le1,533,225,000). This indicated that the Council was not aggressive in its revenue collection drive and could have difficulty in the future should government stop funding Council operations.
- There was inaccurate reporting of revenue arrears in the Financial Statements. The Council's revenue arrears of Le1,019,143,168 disclosed in the Financial Statement could not be relied upon as a breakdown of the various property and businesses that summed up to the total was not made available for inspection.

### **Tonkolili District Council**

- There was the absence of a CADASTRE system due to lack of business continuity and disaster recovery plan. During the year under review, the Council's valuator died. In the absence of a disaster recovery plan, all information relating to the Council's CADASTRE system hosting the data for both property rates and business licences were lost because the Council could not access the CADASTRE's computer as the password was not known by any key personnel, not even the Chief Administrator who supposedly should have supervisory responsibilities over the deceased valuator.
- Revenues from property taxes were not collected from several towns within the District including Mile 91, Matotoka, Masingbi, Yele, Bumbuna and Makali during the period under review.
- We were not provided with any service level agreement between the Council and the Motor Drivers' Union regarding revenues collected from the lorry park.
- Even though the Chiefdom Administration of Kholifa Rowalla superintends the collection of market dues in the Magburaka township, we observed that the 20% of fees collected were not paid regularly to the Council. Besides, the whole arrangement was fraught with difficulties as there was no established mechanism through which both councils could determine the total collections at any given point.
- An analysis of the Council's own-source revenue budget and actual collection showed that the Council budgeted Le2,063,770,000 for own-source revenue. The actual revenue collected stood at Le442,336,654 (approximately 21% of own-source revenue budget), leaving a variance of Le1,620,433,346 (79% of own-source revenue budget) uncollected.
- Furthermore, the team noted that from the total received revenue of Le10,378,803,436 for the period under review, only Le442,336,654 was collected as own-source revenues, representing approximately 4.26% of the total revenue. This implies that the TDC was 95.74% dependant on the central government to implement its planned activities.

### **Kambia District Council**

- Local tax precept was not reported for seven chiefdoms within the District.
- A total of Le17,741,273.00 recorded in the PETRA cashbook as own-source revenue generated during the year was not banked intact. Moreover, the audit team was not provided with evidence to substantiate the utilisation of funds.
- Receipt books were not traced to revenue voucher listings. The system-generated ID number on the revenue voucher list was not indicated on the receipt books for ease of reference. Moreover, revenues collected for specific revenue streams were batched together and posted as a bulk figure to the PETRA system with no details (breakdown) of which transactions the amount related to.

### **Kenema District Council**

- We observed that the Kenema District Council is not making efforts to improve on all sources of their own-source generated revenue. This was evidenced by the significant fall in 'Other Non-Tax Revenue' by Le660,167,432; when prior year figures (Le705,178,682) were compared with current year figures (Le45,011,250).
- The CADASTRE system that is supposed to record, process, hold and produce information relating to property within the District was found to be faulty.

### **Kailahun District Council**

- The database for taxpayers maintained by the Valuation Department was not updated on a regular basis.
- There were poor controls over the printing and issuance of demand notices to tax payers. The Valuation Department printed and issued demand notices. Since the signature of the Chairman and the CA were already scanned into the system, there were no complimentary controls in place to monitor and approve the printing and issuance of demand notices by the Council.
- There is no interface between the Council's CADASTRE system and the PETRA system. Further examination revealed that there was no evidence of revenue reconciliation between the Valuation Office and the Finance Office, the demand notices issued and the monies received. As such, we cannot rely on the Le1,266,344,778 disclosed in Statement 16 in the Financial Statements as revenue arrears.

### **Moyamba District Council**

- There was no agreement to determine the payment of local tax precepts by the 14 chiefdoms in the District.
- The Council failed to collect local tax precepts budgeted for the 2020 Financial Year totalling Le30,000,000. Out of the 14 chiefdoms in the District, only nine chiefdoms paid local tax precepts in 2020 for the 2019 Financial Year leaving five chiefdoms that did not pay.
- The Council valued the government property in the District amounting to Le1,229,679,000 for the period between 2009 and 2019. There was no evidence that the government has honoured this bill. In addition, there was no evidence that assessment was made for government property for 2020 Financial Year.
- The Council failed to collect own-source revenue from the hiring of truck, amounting to Le28,500,000.00 and from a jetty and 10 lockable stores.



### **Bonthe Municipal Council**

- Evidence of advertisement for the recruitment of revenue collectors was submitted and verified, but as at the time of writing this report, the Council does not have revenue collectors to collect revenue on behalf of the Council.
- The Council failed to collect own-source revenues from 25 revenue streams estimated at Le85,400,000 without justification.

### **Bo City Council**

- Comparison of 2020 budgeted own-source revenue of Le4,316,586,000 and actual own-source revenue collected of Le3,075,133,061 revealed a difference of Le1,241,452,939 (29% of the total own-source revenue budget) not achieved.
- Three telecommunications companies have communication poles erected within the Bo City. A review of bank statements, duplicate receipts and other records did not show evidence that these companies paid property taxes to the Council for their poles.
- The Valuation Department was without mobility to effectively carry out field work on assessment of property, distribution of demand notices and enforcement of payments.
- Arrears of property taxes in respect of government buildings in Bo City as at 31st December, 2020 amounted to Le4,595,261,000. There was no evidence to confirm that the central government has partly or fully settled these arrears.

### **Bo District Council**

- There was no agreement to determine the payment of local tax precepts to the Council by the 16 chiefdoms in the District. We however observed from the receipt books that precepts paid by different chiefdoms to the Council varied from 5% to 10% of the total local taxes collected.
- The Council failed to collect local tax precepts totalling Le101,749,831 which represents 76% of the budgeted local tax precepts for 2020.
- The Council failed to collect own-source revenues amounting to Le324,218,720 from 12 budgeted revenue streams for the year under review.

### **Pujehun District Council**

- The Council did not receive any payment in respect of local tax precepts in 2020. Additionally, there was no evidence of an agreement in place to determine the payment of local tax precept to the Pujehun District Council.
- The Council failed to collect own-source revenue from 13 revenue streams. That was an indication that the own-source revenue mobilisation of the Council was not effective for the year under review. This amounted to Le39,460,000.
- Comprehensive database for own-source revenue was not made available for audit as there was no backup system to retrieve prior year's database.

### **Bonthe District Council**

- The CADASTRE system was faulty. Therefore, the auditors could not retrieve the CADASTRE report for the year under review. In addition, samples of demand notices and distribution lists for the year under review were not submitted for verification.

- The Council received the sum of Le21,006,128 in respect of local tax precepts in 2020. There was no agreement/MOU in place to determine whether the chiefdoms made the correct payment of local tax precepts to the Bonthe District Council.
- The Council failed to collect own-source revenue from 22 revenue streams estimated at Le628,900,185. That was an indication that the own-source revenue mobilisation of the Council was very ineffective for the year under review.

#### **Bonthe Municipal Council**

- The Council's performance in own-source revenue collection was poor for the year under review when compared with the budget. The total budgeted own-source revenue for 2020 was Le60,000,000 and actual own-source revenue collected was Le21,492,000. This resulted in a difference of Le38,508,000 (64% of the budgeted own-source revenue was not achieved).
- The Council failed to collect own-source revenue from 12 budgeted own-source revenue streams. That was an indication that the own-source revenue mobilisation of the Council was not effective for the year under review.
- There was no evidence that three companies which erected communication poles in the Bonthe Municipality paid property taxes to the Council for these poles.

#### **Western Area Rural District Council**

- On 1st May 2020, the Council awarded contracts to three contractors for the collection of property rates totalling Le1,950,000,000. It was however observed that a total of Le1,393,500,000 was paid to the Council, leaving a balance of Le606,500,000.
- A total of 176 local tax receipt books with an estimated value of Le88,000,000 were issued out in 2020. Of this amount, only Le9,640,000 was disclosed as revenue from local tax in the Financial Statements.

#### **Freetown City Council**

- During our review of the daily revenue cash collection and analysis sheet, we noted that there was no evidence of banking by the Head of Municipal Trade for Le70,000,000 collected from market keepers.
- During 2020, the Council acquired a new property tax assessment application. This system contains records of the features of property in the municipality of the Council, and also assesses the tax payable in respect of these property. The 2020 Financial Statements did not disclose details such as description, maintenance or operational obligations for this application. Additionally, end-user licence agreement was not submitted for audit inspection.
- From the review of the Council's previous CADASTRE records, we verified property rates arrears for various property within the Freetown Municipality of at least Le35 billion. Our engagement with the system users and review of the demand notes printed from the Mop tax revealed that arrears for the property were not included.

## **B. Grant Transfer Audit Outcomes - 2020**

### **Bonthe District Council**

#### *Budgeted Government Grant not Received*

It was observed that the Council did not receive 51.6% of its budgeted government grants for primary health, solid waste and road devolved sectors in 2020.

### **Karene District Council**

#### *Grant Transfer Correspondence and Bank Advice Not Submitted*

The Council received Le5,042,572,090 in 2020 as grants from the Government of Sierra Leone (GoSL) to support its operations. The Council however did not submit the transfer correspondence from the Fiscal Decentralisation Department (FDD) and the bank transfer advice to confirm whether the total tied grants for the different sectors were transferred to their respective bank accounts.

## **4.5. EXPENDITURE MANAGEMENT AND CONTROL**

All disbursements of public money should be supported by an appropriate payment voucher and other relevant documents. We however noted that some disbursements were without supporting documents, other disbursements were undertaken for which some supporting documents were submitted. The nature of these supporting documents was however insufficient to fully substantiate the payment concerned.

The following are major anomalies identified in the expenditure management of the 22 LCs during 2020:

### **Port Loko District Council (PLDC)**

#### *Payments without Adequate Supporting Documents*

Payments totalling Le113,505,192 were made without adequate supporting documents, such as receipts, delivery notes, invoices, reports on activities implemented, attendance lists, etc.

#### *Counterpart Funding Agreement with the European Union*

The Council signed a counterpart funding agreement with the European Union in 2018. The Council was expected to provide counterpart funding of €63,751 (Le596,426,022.22) towards implementing the project. The Council had only contributed Le332,102,000.00 in cash and in kind towards the EU project implementation. The Council's failure to fulfil its remaining commitment of Le264,324,022.22 to the project resulted in the EU not remitting the remaining funds to the Council. Moreover, the closure report to justify that the remaining closure activities, settlement of the project's outstanding liabilities, and the whereabouts of the project's assets were not submitted for audit review.

#### *Items Delivered but not Accounted For*

During our verification at the Lungi Government Hospital, we observed that there were no records/evidence to show that goods and services totalling Le308,000,000 procured by the PLDC were delivered to the hospital and utilised for their intended purposes. Therefore, we could not ascertain whether the goods and services were delivered and used for their intended purposes.

### *Ineligible Expenditure*

A review of payment vouchers and other related supporting documents revealed that payments totalling Le60,423,006 were made to individuals regarding daily subsistence allowances, facilitator fees, transport allowance etc., who were not entitled to such payments.

## **Karene District Council**

### *Transactions without Clear Descriptions*

We observed a lack of clarity in some of the component schedules supporting the Financial Statements. Transactions totalling Le583,394,546 were posted to the PETRA Accounting System without clear descriptions of the specific type of expenditure the object codes belong to.

### *Land Documents not Made Available*

The audit team was not provided with the survey document from the Ministry of Lands and a certified land agreement between the landowner and the Ministry of Education to substantiate the payment of Le10,000,000 for the acquisition of land for the Education Office.

### *Excess Bank Charges Levied on Council Accounts*

Even though it is a standard practice for banks to charge commission on turnover, we observed that during the review of bank statements submitted for audit, the Kamakwie Community Bank levied one percent (1%) bank charges for every amount transferred into the Council's accounts. As a result, the Council paid a total of Le48,934,095.49.

### *Overspending of the Budget*

The Council exceeded its budgeted amount for various expenditure line items by Le553,171,100. To understand how the budget was overspent, we reviewed the Petra Accounting system and realised that some of the budget line items were given "allow to exceed" by staff responsible for the administration of the PETRA system.

### *Supplementary Budget not Submitted*

The Council revised its budget by Le2,030,743,628 for which the supplementary budget to support this revised figure was not submitted for audit inspection.

## **Kambia District Council**

### *Loan Given to Councillors with no Evidence of Repayments*

The audit team discovered that the Council granted loans of Le7,000,000 to councilors from its limited own-source revenue meant for developmental purposes with no evidence of loan repayments. Without a loan policy, signed loan agreement, fixed monthly salary and budget line for this activity, the team could not understand the rationale of granting loans to councillors.

### *Unconfirmed Payments in Respect of the Kambia District Government Hospital*

Verification of activities undertaken in 2020 at the Kambia District Government Hospital revealed that activities costing Le248,550,000 for the repairs and maintenance of X-ray machines, procurement of laboratory reagents, procurement of blood bags, furniture and repairs to hospital infrastructure were not carried out. The audit team was shown an infrastructural work that was paid for in 2019.

## **Freetown City Council**

### *Excess Expenditure Without Authority*

From a review of a sample of actual against budgeted expenditures, we observed an overspending of Le214,854,574. The necessary authorisation for this overspending was not submitted for audit inspection.

Management responded that the unbudgeted and overspending in some budget lines was as a result of virement from one budget line to another due to some exigencies but the authority for such action was not submitted for audit inspection.

## **Port Loko City Council**

### *Payments without Supporting Documents/Adequate Supporting Documents*

Payments totalling Le142,661,220 were made without payment vouchers and the relevant supporting documents. Additionally, payment vouchers totalling Le949,399,082 were without adequate supporting documents such as request forms, PET forms, invoices, receipts, minutes, delivery notes, training manuals, etc., to substantiate the use of funds.

### *Disbursements Pending Approvals in the PETRA System*

Amounts totalling Le111,401,587 relate to transactions that were not approved in the PETRA Accounting Software. As these transactions were not approved and ultimately not recognised in the Financial Statements, the total expenditure figure in the Financial Statements may therefore have been misstated.

### *Flawed Payment System for Contracts*

During the audit, we realised that the Council's payment method did not bring about value for money to its communities. In some instances, the Council made payments in full before suppliers/contractors had delivered on their respective contracts. Moreover, we observed that payments of Le278,135,000 were made for goods/works not delivered to the respective beneficiaries during the review period.

## **4.6. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

### *Delays on the NASSIT Contribution Payments*

Section 25(3) of the National Social Security and Insurance Trust Act of 2001 stipulates that the contributions referred to in Subsections 1 and 2 shall, within fifteen days after the end of each month, be paid to the Trust.

Upon review of payment vouchers, NASSIT receipts and related correspondences, it was observed that the Freetown City Council paid interest charges of Le33,214,208.58 to NASSIT because it delayed payments of staff contributions during the year under audit. For instance, staff contribution from January to September 2020 was paid to NASSIT on 28th October, 2020. The paid fine was not budgeted and represented loss of public funds.

### *Withholding Taxes not paid to the National Revenue Authority*

Section 130(1) of the Income Tax Act of 2000 stipulates that: "Any tax that has been withheld or should have been withheld by a withholding agent shall be paid by such agent to the Commissioner within fifteen days of the end of the month in which it was or should have been withheld". Withholding taxes which totalled Le193,374,220.91 deducted/not deducted from suppliers' payments from own-source revenue and the devolved sector activities, were not paid to the NRA. Failure to pay withholding tax will attract penalties

that may eventually affect the implementation of the activities of the Council, since the penalty was not budgeted for.

*NASSIT Contributions not Paid to the National Social Security and Insurance Trust*

NASSIT contributions of Le3,420,000 were not paid to the National Social Security and Insurance Trust. Under Section 25 of the NASSIT Act of 2001, the Council is 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.

*Deductions and Payments of Pay-As-You-Earn (PAYE) Tax*

Section 116 of the Consolidated Income Tax Act of 2008 mandated the withholding of tax by employers at source. The audit revealed that the Council failed to withhold PAYE tax on employees' income totalling Le187,718,851.80.

Table 4.5 shows councils and their obligations

<b>TABLE 4.5</b>				
<b>NON-PAYMENT OF STATUTORY OBLIGATIONS</b>				
<b>Name of Council</b>	<b>NASSIT (Le)</b>	<b>Withholding Taxes (Le)</b>	<b>PAYE Tax (Le)</b>	<b>Total statutory deduction (Le)</b>
Freetown City		88,907,945.00	182,755,351.80	271,663,296.80
Port Loko City		8,224,109.00		8,224,109.00
Karene District	3,420,000.00	53,194,575.91		56,614,575.91
Tonkolili District			4,963,500.00	4,963,500.00
Falaba District		43,047,591.00		43,047,591.00
<b>Total</b>	<b>3,420,000.00</b>	<b>193,374,220.91</b>	<b>187,718,851.80</b>	<b>384,513,072.71</b>

#### **4.7. HUMAN RESOURCES MANAGEMENT & PAYROLL ADMINISTRATION**

##### **Western Area Rural District Council**

*Sitting Fees Paid to Absentee Councillors*

A total of Le130,200,000 was paid to councillors as sitting fees and transport allowances, for the months of February to June, 2020. There were however, no minutes of such meetings submitted for audit inspection.

##### **Port Loko City Council**

*Payments Made to Staff below the Minimum Wage*

During the review of the appointment letters of the junior staff, the team of auditors observed that they were paid below the government approved minimum wage of Le600,000.

##### **Koinadugu District Council**

*Sitting Fees Paid to Councillors without Evidence of Meetings*

The Council paid sitting fees to councillors totalling Le132,640,250 for which there was no evidence that meetings were held. Additionally, Le74,912,131 was paid as Ward Committee meeting allowances, for

which minutes of Ward Committee meetings were not submitted for audit inspection. It was also noted that the list of Ward Committee members and their contact numbers were not made available to the auditors for review.

### **Kailahun District Council**

Sitting fees totalling Le54,390,250 were paid to absentee councillors. The payment of allowances to absentee councillors resulted to the loss of government funds.

### **Bonthe District Council**

#### *Non-punctuality of Council Staff*

A review of the staff attendance register revealed that majority of staff in the Council were not regular and punctual to work in 2020.

### **Freetown City Council**

#### *Payment of Salaries to Former Staff*

In 2020, the Council paid salaries totalling Le83,241,880 to 12 staff who have either retired, resigned or died on diverse dates without justification. In spite of our recommendations that the names of these staff are removed from the Council's payroll and that the Council should recover the paid salaries and evidence of payment forwarded to the ASSL for verification. There was however no evidence that the amounts were refunded.

#### *Unverified Staff*

We conducted physical verification of staff of the Council within a 4-four-week period and observed that 75 staff with annual total salary of Le722,467,896 did not show up for verification.

These staff may not exist and salaries paid to them might have resulted in waste/loss of public funds.

### **Kambia District Council**

#### *Sitting Fees Paid without Evidence of Council Meetings*

We observed that monthly sitting fees of Le146,790,000 were paid to councillors for which no council meetings were held. Additionally, Le31,628,750.00 was paid to councillors who did not attend council meetings.

## **4.8. OTHER FINANCIAL MANAGEMENT ISSUES IDENTIFIED DURING THE FINANCIAL AUDITS**

### **4.8.1. Inconsistent Information Reported in the Financial Statements of LCs**

Despite the recommendations made in previous audits, for the improvement on reporting financial information by councils, we continue to observe inconsistent information reported in the FS. These inconsistencies relate, but are not limited to the following:

- Inconsistency in the cash and cash equivalents
- Inconsistency in the recording of revenue and expenditure
- Misclassification of income and expenditure figures in the PETRA accounting system
- Over/understatement of revenue and expenditure figures in the FS.

- Discrepancies between approved budget and the budget figures disclosed in the FS
- Misstatements of accounts opening balances

### **Tonkolili District Council**

#### *Bank Account Opened without the Expressed Approval of the Accountant General*

Contrary to Section 47(4) of the Public Financial Management Act of 2016, the Council failed to obtain the approval of the Accountant General before opening the School Bus Account.

### **Koinadugu District Council**

#### *Account Balances not Disclosed in the Financial Statements*

We observed that in Statement 4 (Statement of Financial Assets and Liabilities for All Funds as at 31st December 2020), the SLRS Account had an overdrawn balance of Le42,305,496 as at 31st December, 2019. We were unable to confirm the balance from the bank confirmation, but no bank statements were provided to indicate that the overdraft has been cleared. In addition, no amount was reported in the FS for the said account as at 31st December, 2020.

#### *Accounts Balances not Confirmed*

Three bank statements with account balances amounting to Le27,037,887 were neither confirmed nor recognised in Statement 4 of the Financial Statements under review.

#### *Bank Reconciliation Statements Properly Done*

Withdrawals from the bank accounts of various sectors to the tune of Le17,793,245.34 were not recorded in the revised PETRA cashbooks of the Council. We also noted that Le56,519,009.18 was included in the bank reconciliation statements as unpresented cheques but were not recorded in the PETRA cashbooks of the related sectors. In the same vein, expenses amounting to Le413,392,387.99 were recorded in the PETRA cashbooks of the sectors. They still do not appear in either the bank statements or in the reconciliation as unpresented cheques.

On the other hand, both the Road Maintenance Fund Administration(RMFA) Account in Statement 4 and the December reconciled bank balance showed a debit balance of Le71,826,623.05, while on the trial balance, the RMFA Account showed an overdraft balance of Le24,877,782.33.

### **Makeni City Council**

#### *Overdrawn Account Balances*

Four accounts of the Council were in an overdraft situation. We reviewed the bank reconciliation and statements for these accounts to determine what led to the overdraft situation. We realised that the total amount of unpresented cheques were far more than the bank account balances. This shows clearly that the Council was not performing bank reconciliations on a timely basis.

### **Port Loko City Council**

#### *Bank Reconciliation Statement not Done Properly*

Upon reviewing and performing the bank reconciliation statements submitted by the Council for four accounts, we observed that the reconciliations performed by the Council did not show a breakdown of the unpresented cheques for the different accounts maintained. As a result, we could not confirm/trace these



bulk amounts recorded as unpresented in the reconciliation statements. Moreover, the CA did not sign off the bank reconciliations as evidence of review.

#### *Bank Statements for Different Months not Submitted*

A review of the bank statements submitted by the Council revealed that several bank statements for certain months were not submitted for audit inspection. In this regard, the auditors were unable to confirm whether the activities undertaken were in the Council's interest.

### **Falaba District Council**

#### *Dormant Accounts not Closed*

The Council had two bank accounts (salary and development accounts) that were not operational during the period under review 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 overdraft.

### **Karene District Council**

#### *Incomplete Bank Statements Details*

During our review of the Council's bank statements submitted for audit, we observed that the bank did not indicate the cheque numbers on the bank statements. In the absence of cheque numbers, determining unpresented and uncredited cheques will be very challenging. As a result, this could lead to the cash and bank balances being misstated.

### **Freetown City Council**

#### *Unconfirmed Bank Balances*

Analysis of the bank confirmations received revealed that three bank accounts with year-end balances totalling Le17,929,693.58 were not confirmed.

### **Kailahun District Council**

#### *Bank Accounts Balances not Recognised in the Financial Statements*

Confirmation from the First International Bank revealed that a total of four accounts amounting to Le97,244,157.67 were not disclosed in the Financial Statements.

## **4.9. FIXED ASSETS MANAGEMENT AND CONTROL**

### **Karene District Council**

The National Motor Vehicle Policy of 2016 requires that all government vehicles be registered in the name of the MDA that owns the vehicle and is covered by a registered Insurance Company in Sierra Leone. Life cards and insurance documents for two motorbikes were not submitted for inspection. The Council did not renew the licenses of its motorbikes and four tricycles owned by the Council were neither licensed nor insured.

The fixed assets register maintained for recording assets was not updated to capture details such as the purchase price of assets, the year of purchase, serial numbers, etc. Assets were also not marked with identification code.

### **Makeni City Council**

Three motor vehicles, two motorbikes, two tricycles, and other assets were not available for verification. We were informed that some of the assets had been boarded. Evidence of the disposal process and the list of assets disposed of were however not submitted for verification.

The fixed asset register was submitted for verification. The register was not wholly updated as some assets in the previous register were not included in the updated register.

The Council had not been renewing the licences and insurance of its vehicles and motorbikes since 2017. And in spite of repeated requests, 11 life cards and insurance documents were not presented to the auditors for inspection.

### **Port Loko City Council**

The life cards and insurance documents for the two skip trucks and four tricycles were not submitted for audit. Similarly, upon inspection of the assets documents presented for audit, we observed that the Council did not renew the licences and insurance of their vehicles and motorbikes.

### **Tonkolili District Council**

A total of 191 sets of furniture, procured during 2020 and valued at Le45,680,000 was not brought to account for physical verification.

### **Kambia District Council**

Comprehensive fixed assets register (FAR) was not maintained by the Council. There was no comprehensive insurance policy to cover two vehicles, four motorbikes and five tricycles procured by the Council during 2020.

### **Falaba District Council**

Two equipment (IPAD data tabloid phone and Orange modem) and a motorbike were still in the hands of the former staff of the Council, even though the staff had been transferred to other districts and stations.

### **Bombali District Council**

Several Council assets such as vehicles, motorbikes and tricycles have no life cards, no insurance policy and no other title documents to indicate that the Council owns the said assets.

### **Bo District Council**

Four vehicles and six motor bikes were faulty and parked in the Council premises. Further enquiries from the Finance Officer (FO) revealed that the Council have started the process of disposal of these motor vehicles and bikes, but as at the time of verification, this process was not completed.

During physical verification of fixed assets at the People's Development Organisation (PDO), it was observed that a HP laptop computer with identification code: BODC/EU/2016-19/39 costing Le4,500,000 was not provided for verification. Further enquiries revealed that the laptop was stolen and the user of the laptop computer was asked to replace it. We noted that the HP laptop computer was replaced with a Dell laptop computer. There were no documents submitted to determine the value of the Dell laptop computer.

### **Makeni City Council**

Controls over the management of fixed assets were weak. This was quite evident during the audit of the management of fixed assets, as several assets were not recorded in the fixed assets register. Moreover, several assets were not physically verified and could therefore have been converted for personal purposes.

### **Bonthe District Council**

One Samsung tablet valued at Le3,780,000 which the Council bought for the Rural Water Sector was not made available for physical verification.

One vehicle, two motorbikes and solar panels owned by the Bonthe District Council had been faulty since 2019 and there was no evidence to indicate that action had been taken to repair them. We additionally noted that the conditions of the Council's staff quarters were deplorable. Even though the Council budgeted the sum of Le113,512,392 for the rehabilitation of these staff quarters in 2020, no rehabilitation work was done.

## **4.10. FREE QUALITY EDUCATION BUS SERVICE**

In early September 2019, in order to reduce the constraints faced by school pupils over transportation, and in support of the Free Quality Education, government provided 50 school buses which were distributed to every district headquarter town across the country.

Below are key findings during our review of the management of these buses by LCs:

### **Freetown City Council**

#### *Poor Leadership on School Buses Operations*

On 17th March 2020, a coordinator for the FCC Free Quality Education Bus Service was appointed on a temporary engagement. There was however no evidence that this staff has the necessary authority to control the bus drivers and conductors'/driver's aide. From our discussion with the Coordinator, we noted that the activities of the buses were not independently checked to identify challenges and provide solutions. The Coordinator revealed that there are instances when bus conductors failed to hand over cash collected because they alleged to have used their personal monies to maintenance the buses.

#### *Lack of Controls over Revenue Generation*

During our review of records regarding revenue generation from the school buses, we observed lack of segregation of duties because the Coordinator was responsible to collect bus receipts from stores, distribution, and collection of revenues from conductors and payment of same into the Council's bank account meant for that purpose. What makes this more serious is the non-utilisation of bus tickets for months to date.

#### *Fuel Allocation to Non-operational Buses*

From the review of fuel records for the school buses, we observed that fuel worth Le37,675,000 were allocated to buses on days they were not operational without justification.

#### *Significant Delays on the Maintenance of Bus Involved in an Accident*

The audit team verified that a school bus (046) under the control of the Council was involved in an accident in January 2020 which resulted in a damaged windscreen. In a discussion with a staff, we learnt that the other vehicle driver who was at fault had showed interest to repair and replace the damaged parts. The

Police report on the accident, as well as the plans to repair and replace the damaged parts were not submitted for audit inspection.

### **Karene District Council**

#### *Records of Bus Tickets Printed and Issued not Made Available*

Records of bus tickets printed and issued to the driver for sale were not made available for audit inspection. The absence of the total bus tickets printed and issued makes it challenging to ascertain the total revenue collected from the tickets sold for the period under review.

#### *Activities for the Operation of School Buses not Included in the Budget and Financial Statements*

Even though the school buses were allocated to the Council in 2019, we observed that activities concerning the operations of the school bus (revenues and expenditures) were not included in the Council's 2020 budget. In this regard, a review of the receipt books and bank statements submitted for audit revealed that Le58,000,000 transferred by the Government of Sierra Leone in 2020 as operational cost for the running of the school buses and Le4,891,000 generated from the sale of bus tickets were not included in the Financial Statements submitted for audit. Additionally, the bank balance of Le37,218,621.69 was not recognised in Statement 4 of the Financial Statements.

### **Port Loko City Council**

#### *Inadequate Controls over the Printing, Issuance and Accounting for Bus Tickets*

Even though the Council printed bus tickets for collecting fares from students, we realised that records to ascertain the number of tickets printed, issued, and revenues collected were not maintained by the Council. In this regard, the audit team could not determine whether revenues generated from the school bus were fully accounted for.

### **Kailahun District Council**

There was no policy or guidelines for the proper use of the school buses. Moreover, as per a memo from the Ministry of Finance, out of Le143,880,000 remitted to the Council, only Le120,760,000 was reflected in the Councils' bank account; resulting in short fall receipt of Le23,120,000.

### **Pujehun District Council**

The Council did not develop a policy or guidelines for the management of two buses allocated to them.

Four bus drivers were recruited by the Sierra Leone Road Transport Corporation (SLRTC) and assigned to the Pujehun District Council for the operation of the Free Quality Education School buses in the District. During a physical verification exercise of staff of the Council, the four bus drivers were not seen and verified. Enquiries from the Chief Administrator revealed that one of the drivers was dead and the remaining three drivers had abandoned their post since the start of 2021 without any formal notice to the Council, and they have not been replaced by the SLRTC. We also noted that the Council has tentatively assigned two of their drivers to operate the two school buses for the bus service not to be disrupted in the District. These two drivers were not employees of the SLRTC.

We physically verified the Free Quality Education School buses and observed that one of the buses had a damaged windscreen.

### **Bonthe District Council**

Two bus drivers were recruited by the Sierra Leone Road Transport Corporation (SLRTC) and were assigned to the Bonthe District Council for the running of the Free Quality Education School buses in the District. During a physical verification of the Council's staff, we observed that there was only one driver in post. Enquiries from the Finance Officer revealed that the other driver had abandoned his post since October 2020 without any formal notice to the Council, and he had not been replaced since then. This has disrupted the operations of one of the buses in Moriba Town, Imperi Chiefdom.

The Management of the Bonthe District Council opened an account at the Mattru Community Bank in respect of the Free Quality Education School Bus Service. There was no evidence submitted for audit to indicate that Management obtained prior approval from the Minister of Finance or the Accountant General for the opening of this account.

The school buses were allocated to the Council in 2019 but the Council failed to include the revenues and expenditure in respect of the management of the school buses budget line in the PETRA System for 2020. As such, a total amount of Le105,088,000 received in the school bus bank account was not traced in the PETRA System for 2020.

### **Moyamba District Council**

The Council did not have a clear and comprehensive policy for the management of the school buses. Further enquiries revealed that there is a committee established in the District to supervise the operations of the school buses. Minutes and attendance list were not submitted to indicate that meetings were held by the Committee in 2020.

The appointment letters of the drivers for the Free Quality Education School Bus Service revealed that their last contract was extended for the period 1st October, 2020 to 31st December, 2020. There were no other contract extension letters issued to them as at the time of the audit.

In addition, fuel ledger was not submitted for 2020.

We noted that bus drivers did not have any form of staff identification card or uniform to easily confirm their identities as drivers of the Free Quality Education Bus Service.

### **Bo District Council**

The Council did not have any school bus service system to help the movement of school pupils in the locality. Non-availability of school buses to communities outside the Bo Municipality may affect pupils in those communities who attend schools far away from their homes.

The Council did not develop a policy or guidelines for the management of five buses allocated to them.

Interview with key personnel and review of documents revealed that the bus tickets were printed by a private contractor. There was no evidence of formal agreement between the Bo City Council and the contractor for the printing of these tickets.

We also observed that the school bus tickets printed were not serially numbered.

Interview with key personnel revealed that there were delays in the maintenance of the buses assigned to the Bo City Council. As at the time of the audit, we observed that there were only three buses in operation and the other two buses were parked awaiting maintenance. Further investigation revealed that two of the school buses were parked since 15th February, 2021 and 16th May, 2021 respectively.

### **Kenema City Council**

Four government buses were assigned to the Council but there was no policy or guidelines for the proper use of the school busses

Repairs and maintenance were not done on time because it was done by a team of motor technicians based in Freetown hired by the MoF and their DSA payment was an issue, hence the delay in maintenance work.

Additionally, maintenance plan for school busses was not seen in the Council's budget.

During the confirmation of remittances from central governments to the Council, the team could not confirm the receipt of Le76,000,000 of the total amount remitted to support the running of the Free Quality Education School buses by the Council.

### **Koidu New Sembehun City Council**

Three Free Quality Education School buses were assigned to the Council but there was no policy or guidelines for the proper use of the school buses.

There was monthly fuel budget of Le23,760,000 for the buses. Review of documents and interview with personnel revealed that the fuel utilised by the buses for the period under review were neither recorded in a fuel register nor was a chit system implemented to document the daily or weekly use of fuel for each bus. In addition, authority for the supply of fuel to buses was not documented. The estimated total fuel utilised for the period under review was Le285,120,000. (Le23,760,000 x 12months).

During the confirmation of remittances from central government to the Council, the team could not confirm the receipt of Le78,000,000 of the total amount remitted to support the running of the Free Quality Education School buses by the Council.

There was no evidence of regular maintenance of the buses.

Records of revenue generated from buses were not made available for audit.

### **Kambia District Council**

During the confirmation of remittances from central government to the Council, the team could not confirm the receipt of Le30,000,000 of the total amount remitted to support the running of the Free Quality Education School buses by the Council.

### **Tonkolili District Council**

Even though the school buses were allocated to the Council in 2019, the Council failed to budget for revenues generated in 2020. In this regard, a review of the Financial Statements, receipt books, and bank statements submitted for audit revealed that the sum of Le76,000,000 transferred by the Government of

Sierra Leone in 2020 as operational cost for the running of the school buses and Le37,382,000 generated from the sale of bus tickets were not included in the Financial Statements submitted for audit.

A comparison between records of revenue collected and deposited into the school bus bank account revealed that Le24,582,000 was neither banked nor accounted for by the Council.

An examination of payment vouchers by the auditors revealed that Le55,822,000 was spent on fuel for school buses. Records such as fuel register, fuel chits, vehicle logbooks were however not made available to the auditors for inspection.

#### **4.11. ASSESSMENT OF SERVICE DELIVERY BY DEVOLVED SECTORS**

##### **Tonkolili District Council**

###### *Projects not Implemented by the Council*

Contracts valued at Le61,830,000 were not delivered by the Council to their respective end-users/beneficiaries. The apparent irregularity may have resulted to funds being utilised inappropriately.

###### *Environmental Issues*

During site visits to samples of mining chiefdoms within the District, the team observed indiscriminate mining activities ranging from artisanal to mechanised mining. These activities deprive mining communities of farmland and also clean and pure drinkable water. There is hardly a river that has not been polluted, along the Magburaka to Masombrie and Magburaka to Makon route. The company fell short of their promise to backfill the pits after the mining operation of every site. These mining pits, if not backfilled, pose a danger to the people in the surrounding villages, which may cause drowning and damage to bridges currently under construction.

##### **Makeni City Council**

###### *Lack of Learning Facilities at the SLC School*

In an interview with the Acting Principal of the SLC School, we understood that the school's laboratory was not well equipped with the necessary modern facilities needed for learning. The school was established for teaching science and technology to young girls. Without the required equipment, this objective would not be met. A total of Le2,352,963,150 was spent on the construction of the school building and land-scraping of the school compound.

##### **Koinadugu District Council**

###### *Unsatisfactory Construction Works Done by the Council*

The feasibility studies carried out for constructing a culvert at the Fullah Town – KSS Road were not accurate. The culvert was constructed against a water runway, which tends to wash away the backfilling earlier than it could have served.

##### **Karene District Council**

###### *Lack of Established Committees*

Evidence such as attendance lists and minutes of meetings to confirm the existence of 15 established committees were not made available for audit inspection.

## **Falaba District Council**

### *Lack of Established Committees*

From our review of the Chairman's report, we noted that the Council has 16 established committees. Evidence such as attendance lists and minutes of meetings to confirm the existence of these committees were not made available for audit inspection.

## **Bo District Council**

### *Education Sector*

The supervision reports of the respective inspectors of schools revealed that many schools across the 16 chiefdoms in the Bo District had serious challenges with water, sanitation, and hygiene (WASH) facilities. In addition, most of the schools were understaffed and most schools did not receive their subsidy which led them not to give out progress report cards to their pupils. Also, a good number of teachers were not trained and qualified in these schools and most of the teachers were not on the government payroll. As a result, the school heads did not have control over these teachers.

### *Rural Water Sector*

There were constraints in the area of mobility to carry out the Rural Water Sector operations effectively. The office had only one vehicle, and that one also was a non-functional/faulty vehicle.

### *Fire Services*

The fire service sector lacked mobility to travel around the District to sensitise communities on fire prevention measures. It was noted that the official vehicle has been faulty since 2017 and the official motor bike was also faulty.

## **Bo City Council**

### *Waste Management Department*

There were 19 vehicles assigned to the Waste Management Department for the collection and transportation of waste within the City. Out of the 19 vehicles, only four were functional, four were under maintenance and the remaining 11 vehicles were not functional.

There was no vehicle to carry out monitoring of waste collection and transportation within the City.

There were inadequate tools and equipment such as wheelbarrows, shovels, etc. used in waste collection within the City.

The Council developed bylaws for waste management in the City. These Bye-laws have not been approved by Parliament.

There is poor road network leading to the government controlled landfill site at Mile 5.

Many customers within the Central Business District deliberately refused to pay their monthly door-to-door waste collection fees even when the service is rendered.



#### *Ministry of Basic and Senior Secondary Education (MBSSE)*

An amount of Le47,155,399.75 was paid for the rehabilitation of the Bo District Education Committee (BDEC) Primary School at Njai Town Lower. The rehabilitation had been completed but the school lacked adequate furniture for the pupils.

Payment of Le20,895,000 was made as support for the rehabilitation of Islage Primary School. Physical verification revealed that the school was partially rehabilitated using that fund. It was further observed that the rehabilitation of the school was not completed and that the school needed more support for the completion of the rehabilitation work.

Many schools in the Bo City were without water, sanitation and hygiene (WASH) facilities. In addition, most of the schools were under staffed and most schools did not receive their subsidy which caused them to withhold progress report cards of the pupils. A good number of teachers in these schools were not trained and qualified and most of them were not on the government payroll. As a result, the school heads did not have control over these teachers.

The Inspectorate Division lacked sufficient motorbikes to carrying out effective inspection and supervision.

### **Moyamba District Council**

#### *Funds not Utilised by the Devolved Sectors*

Funds were not allocated to the Council and its devolved sectors on time in order to implement their annual planned activities. Further review of the sectors' bank statements revealed that allocations for the 2nd, 3rd and 4th quarters were received by the sectors in November 2020. As a result, some devolved sectors were not able to implement their planned activities on time. Therefore, implementations were rolled-over to the next year.

#### *Rural Water Services*

There was no Mapping Officer in the District.

#### *Agriculture Sector*

The official vehicle attached to the District Agriculture Officer (DAO) was faulty and needed repairs.

#### *Social Welfare*

There was no official vehicle in the District and there were 10 motorbikes but only two of them were functional. It was further noted that the two functioning motorbikes were not licensed.

The office was seriously challenged in handling matters relating to children as there was no remand home for children in the Moyamba District and staff had to incur transport costs to move the children to the Bo Remand Home.

#### *Fire Services*

There was no fire engine and official vehicle attached to the Moyamba Fire Station. In addition, physical verification and enquiries revealed that there were only two motorbikes available to serve the four staff in the office. It was further revealed that only one motor bike was effective and the other motorbike was very old.

### *Youth Sector*

There was no motor bike in the youth office. Also, there was no generator or solar energy to power the youth office and therefore, the office equipment such as computer cannot be used.

## **Bonthe Municipal Council**

### *Ministry of Basic and Senior Secondary Education*

There was only one inspector of schools to cover over 50 schools within the Municipality. This may cause inefficiency and ineffectiveness in school monitoring in the Municipality.

### *Secondary Health*

Payments totalling Le97,500,000.00 was made as stipend to 25 hospital staff that were not on the government payroll in 2020. This amount spent on stipend was huge and could be used to finance other important activities of the hospital as the hospital lacked adequate funds for its effective running.

Physical verification of the Bonthe Government Hospital Pharmacy revealed that equipment such as air conditioner, computer and printer were not available at the pharmacy.

We also noted that the freezers in the pharmacy were old and not functioning. Therefore, all drugs are kept on shelves.

## **Pujehun District Council**

### *Primary Health Care Services*

The DHMT opened a savings account at the Zenith Bank (SL) Limited for PHUs to deposit proceeds from the sale of cost recovery drugs. The Management of the DHMT did not submit any evidence to indicate whether approval was given by the Minister of Finance or the Accountant General for the opening of this account. This contravenes Section 47(4) of the PFMA of 2016.

The Council repaired five vehicles belonging to the Pujehun DHMT during the year under review. We physically verified these vehicles and observed that three out of the five vehicles were in operation. The remaining two vehicles were faulty and needed to be repaired. In addition, we observed that the Pujehun DHMT still had vehicle and motorbikes constraints to enhance effective surveillance and supervision of healthcare activities within the District.

The Council procured furniture for the Main Adolescent Centre in Pujehun which is under the supervision of the Pujehun DHMT. We enquired from the DMO who revealed that the Adolescent Centre has not been constructed. It was observed that the furniture procured were not in use by the Adolescent Centre but kept at the DHMT's premises.

### *Secondary Health Care Service – Pujehun Government Hospital*

The Pujehun Government Hospital is constrained with ambulances, utility vehicles and motorbikes for effective service delivery by the respective units. In 2020, the Council spent huge sums of money on repairs and maintenance of the four vehicles of the Hospital. The lack of effective vehicles at the Hospital continues to pose threat on the lives of patients who needed urgent medical services.

### *Library Services*

We visited the Pujehun District Library and observed that the Library is constrained with staff, as there were only two substantive employees in the entire District. There is need for additional staff such as secretary, library assistants/attendants etc. to improve effective library services in the District.

### *Education Sector – Ministry of Basic and Senior Secondary Education*

The District Education Office in Pujehun is constrained with vehicles and motorbikes to enhance effective monitoring and supervision of schools, distribution of teaching and learning materials and the monitoring of educational activities within the District. We also observed that the Council spent huge sums of money on repairs and maintenance of the official vehicle and the motorbikes used by staff in the Ministry. Similarly, the Council had to resort to hiring vehicles to distribute teaching and learning materials and for supervision of schools in the District.

## **Bonthe District Council**

### *Solid Waste Management*

The Council had two garbage trucks to effectively manage solid waste collection in the District. We observed that those garbage trucks were not regularly used to collect solid waste in the District because the District Health Superintendent revealed that the quantity of waste produced by various communities in the District was quite small and the running costs of those garbage trucks were quite expensive.

The tricycle cart assigned to the Solid Waste Department for waste collection within Matru, the surrounding towns and villages, was quite old and most times faulty.

The District Health Superintendent was without a vehicle or motorbike to facilitate the supervision of solid waste activities in the District.

Staff accommodation was a huge challenge for the District Health Superintendent in the Bonthe District and the Council's budget revealed that there was no budget for staff accommodation under Solid Waste Management for the year 2020.

### *Education Sector – Ministry of Basic and Senior Secondary Education*

From the review of supervision reports written by the respective inspectors of schools, it was revealed that many schools across the 11 chiefdoms in the Bonthe District had serious challenges with water, sanitation, and hygiene (WASH) facilities.

The Inspectorate Division had several challenges in carrying out effective supervision. For instance, there were inadequate motorbikes allocated to supervisors and teacher-attached monitors in the District. Sea transportation was also a serious challenge in ensuring that the inspectors effectively monitor riverine communities. As a result, the inspectors of schools had to take old and rickety locally made boats instead of speed boats to carry out the supervision of schools in these communities.

A review of the staff list of the District Education Office in Bonthe District revealed that they did not have an Office Assistant /Messenger, Night Security and Secretary.

### *Primary Health Care Services*

The Council repaired seven vehicles belonging to the Bonthe District Health Management Team (Bonthe DHMT) during the year under review. We physically verified those vehicles and observed that only four of the seven vehicles were in operation. The remaining three vehicles were faulty and needed to be repaired.

### *Ministry of Agriculture and Forestry*

From the review of the minutes of Ordinary Council Meeting held on 25th August, 2020, it was revealed that the Agricultural Value Chain Development Project (AVDP) supplied treated seed rice, assorted tools, and vegetable seeds to the District Agriculture Office (DAO) in Bonthe District. There was no evidence of distribution and utilisation of those assorted items received from AVDP by the DAO during the period under review.

The Council procured assorted tools and farm equipment worth Le37,327,500 for the Agriculture Sector. The distribution lists to various beneficiaries were however not submitted for verification by the Agriculture Engineer, Extension Officer, and Crops Officer in the Bonthe District.

The Agriculture Sector lacked key personnel including: Finance Officer, Secretary, Stores Officer, Enumerators, Programmers, Livestock Assistants, Frontline Extension Workers, Extension Officers, Land Resources Technicians, and Planner.

During physical verification, a Toyota Hilux vehicle recorded in the assets register of the Ministry of Agriculture and Forestry in the Bonthe District with registration number AMU 936 for the official use of the DAO was not made available for verification.

There was no evidence such as revenue ledger, receipt books and bank deposit slips submitted for audit by the District Forestry Officer (DFO) in respect of forestry revenues collected during the year under review.

### *Library Services*

During the audit, we visited the building that was occupied by the District Library and observed that the building was now occupied by the Bonthe District Corona Virus Emergency Response Center (Bonthe DiCOVERC). In addition, we were not able to physically verify their current location due to the unavailability of the Officer-in-Charge of Library Services in the District. Therefore, the auditors cannot ascertain whether the District Library was actually in operation during the year under review.

### *Youth Affairs and Sports*

From the review of the minutes of the Ordinary Council Meeting held on 25th August, 2020 in Matru, Jong Chieftdom, the Committee Chairman for Youth and Sports reported that government donated Le96,000,000 to every district to support projects that will help improve sporting activities within the locality. The Youth Officer-in-Charge was however not available during the audit to submit evidence on the use of such fund. As a result, the auditors cannot ascertain whether the amount donated to facilitate youth sporting affairs in the Bonthe District was used for its intended purposes.

#### **4.12. AUDIT OUTCOMES ON THE COMPLIANCE AUDIT OF LOCAL COUNCILS**

##### **Western Area Rural District Council**

###### *Advertisement not Issued within the Stipulated Timeframe*

In the procurement process for the maintenance of feeder roads from funds received from the Road Maintenance Fund Administration, the Council put out an advert for two weeks instead of four weeks using the National Competitive Bidding method without prior approval from the NPPA.

This was contrary to Section 57 (5) of the Public Procurement Regulations of 2020.

###### *Contract Awarded not in Accordance with the Public Procurement Act of 2006 and the Public Procurement Regulations of 2020*

On 9th December 2020, the Council issued adverts for consultancy services for the development of a Property Valuation System for Improved Revenue Mobilisation and Service Delivery. Contrary to the provisions in Sections 81(1,4 &5), 84(1) and 86 of the Public Procurement Regulations of 2020, we noted several irregularities in the procurement process. For instance, there was no evidence of approval of shortlisted bidders by the Procurement Committee and the National Public Procurement Authority. Revenue collection included as part of the other deliverables in the Terms of Reference was not in the Expression of Interest and a bid in Lot 1 was awarded to the second responsive bidder instead of the first without justification.

##### **Karene District Council**

There was no evidence of submission of procurement plan to the Ministry of Local Government and Rural Development. This was contrary to Section 29(5) of the Public Procurement Act of 2016.

Procurement activities worth Le139,726,861 were not factored in the procurement plan and relevant procurement documents were not submitted to support procurement worth Le161,266,805.

Evidence of procurement proceedings leading to the selection of suppliers for framework contracts with six different suppliers were not submitted for inspection.

Procurement documents such as RFQs, BOQs and LPOs were not submitted for procurement activities valued at Le175,503,265

Evidence to indicate that the unsuccessful bidder received notice with reasons for the rejection of his/her bid regarding the construction of four twin culverts along the Kamethe-Kafunguba Road, Sella Limba Chiefdom, was not made available for review. In this regard, the provisions of Section 27 of the Act were not duly complied with.

##### **Koinadugu District Council**

Procurement activities valued at Le207,668,985 were without valid business documents such as NASSIT clearance certificates and NRA tax clearance certificates.

Effective competition was not maintained in the procurement process.

The rehabilitation of the Senekedugu Primary Healthcare Unit in Koinadugu District was carried out without representation of the end-users. This contravened Section 66(3b) of the Public Procurement Regulations of 2020.

The invitation to bid was not published for the required period for the construction of court barray and lockup cell with WASH facilities, including furniture at Kumala Town in Kalian Chieftdom, Koinadugu District. Additionally, notification period was not adhered to before signing the contract. The Council failed to observe the 14-day interval between the notification of award of contract and signing of contract for the supply of diet to Kabala Government Hospital and the construction of court barray and lockup cell with WASH facilities including furniture at Kumala Town in Kalian Chieftdom, Koinadugu District for a total amount of Le918,823,980.

### **Makeni City Council**

Evidence was not made available to confirm that the procurement plan was submitted to the MLGRD for approval as provided for in Section 29 (5) of the PPA of 2016.

The contract to manufacture and install seven metal shops along Azolini Highway for a total contract value of Le249,855,100 was not part of the procurement plan at the time the activity was undertaken.

In respect of a contract for the "asphaltic overlaying on the Makeni Lorry Park" done by Alifatu Suppliers and General Construction Ltd., evidence of adverts to confirm that invitation for bid was published in print media of wider coverage, as stipulated in section 53 (c) of the PPR of 2020, was not submitted for review. The contract design/drawings and specification(s) were not part of the bid submitted and the contract signed. The contract was not time-bound as it is silent on the expected contract completion date. A review of the contractor's work programme for the asphaltic overlaying on the Makeni Lorry Park gave a timeline of two months i.e., February to March 2020, to complete the work. We however observed during the verification process that the work was still incomplete, as there was evidence of potholes and granite/gravel visible on the surface of the Makeni Lorry Park.

The Council failed to maintain effective and healthy competition in the procurement process for the construction of box culverts and maintenance of five roads within the municipality of Makeni.

### **Port Loko City Council**

Evidence to indicate that the plan was submitted to the National Public Procurement Authority and the MLGRD for approval was not provided for review. This was contrary to Section 29(5) of the Public Procurement Act of 2016 and Section 28(4) of the Public Procurement Regulation of 2020.

Procurement activities totalling Le235,432,750 were not factored in the procurement plan; thus, contravening the provisions in Section 29(2) of the Public Procurement Act of 2016.

Written requests for quotations for procurement activities valued at Le36,855,000 sent to at least three suppliers were not made available for review. In addition to the RFQs not being submitted, local purchase orders and the relevant supplier documents such as invoices, delivery notes, NRA and business licenses were not available for the abovementioned goods and services.

We observed that procurement evaluations carried out for contracts totalling Le95,250,00 were done by only three constant evaluators without the involvement of the end-users. The evaluation forms had printed names on them of three evaluators, and there was also no evidence of their signatures attached to the evaluation reports.

### **Port Loko District Council**

Contrary to Section 29(5) of the Public Procurement Act of 2016, there was no evidence to confirm that the procurement plan was approved by the Ministry of Local Government and Rural Development.

We observed that the end-users (sectors) were not part of the Evaluation Committee for procurement activities relating to their sectors. In most instances, only the Procurement Officer, the Assistant Procurement Officer and the Accountant were involved in the evaluation process.

Invitations to bid were prepared and published in two national print media of wide coverage for the constructions of feeder roads for only one week instead of at least two weeks. Moreover, there was no evidence of publication in the Gazette and on the Port Loko District Council's website.

Effective and healthy competition was not maintained in the bidding process that led to the award of the contract for the maintenance of selected feeder roads by the RMFA.

We observed that three bids were evaluated but were not submitted as per the bid submission register, and one of the bidders was awarded the contract.

We observed many corrections made by the Procurement Officer in the bid documents for contracts relating to funds provided by the Japanese Sector Development Fund (JSDF) with no basis on how the corrected amounts were arrived at. Moreover, evidence to confirm that the corrections were communicated to the bidders and the bidders' acceptance of the revisions in writing were not availed for audit review. This might seem that it was done to favour certain bidders over others.

During the review of the JSDF projects documents, we observed that payments totalling Le1,248,257,505 were made to contractors without the contractors submitting monthly statements of the work's estimated value and the Engineer's certification of work done.

In the procurement process for the maintenance of feeder roads within the District, we noted postponement of bid opening to allow favoured bidders to participate.

Notification period was not adhered to before the signing of contract for feeder road maintenance.

NPPA directives were not followed for the rehabilitation of selected schools, construction of grain store with drying floor, supply of school furniture and skip truck with garbage collection containers in Port Loko District under the JSDF Project. The Council did not follow the NPPA directives in awarding the contracts under the JSDF Project even though the NPPA did not endorse the Procurement Committee's decision and raised serious concerns in its response to the letter sent by the Council.

Bidders' eligibility documents for the maintenance of feeder roads were not submitted.

### **Falaba District Council**

Contrary to Section 56(3) of the NPPA of 2016, the Council failed to observe the 14 days' notification period before signing contracts worth Le1,220,818,800, awarded to several contractors

### **Tonkolili District Council**

Contrary to Section 29 (1&5) of the Public Procurement Act (PPA) of 2016, there was no evidence to suggest that the procurement plan was submitted to the Ministry of Local Government and Rural Development for review and approval.

Contrary to the provisions in Section 111(2) of the PPR of 2020, we noted several anomalies in records maintained for successful bidders in the RFQ process. The relevant suppliers' documents such as NRA tax clearance, NASSIT certificate, business registration, etc., were not made available for the procurement of goods and services amounting to Le101,700,000.

### **Bombali District Council**

Invitations to bid were not published in three national print media of wider coverage for the required period of at least two weeks regarding the construction of twin box culverts at Kalangba – Masongbo feeder road and framework contract for stationery valued at Le676,996,840.00 and Le102,390,000.00 respectively.

### **Kambia District Council**

Contrary to Section 29(5) of the Public Procurement Act of 2016, the Council did not provide evidence to indicate that its procurement plan was submitted for approval to the Ministry of Local Government and Rural Development.

The Procurement Officer did not submit a list of procurement activities undertaken during the period under review. Moreover, an examination of the Council's procurement activities revealed that the procurement activity for construction the Kambia District Council Office was not in the original procurement plan approved by the CA. In addition, the activity was not in the Council's budget, and there was no updated procurement plan. It was recommended that in future, the CA should ensure that all procurement activities are captured in the procurement plan in accordance with the requirements of Section 29(2) of the Public Procurement Act of 2016.

Effective competition not maintained in procurement process. Procurement activities amounting to Le1,099,306,000 were without RFQs and Le762,477,000 were without relevant business documents. Additionally, contracts valued at Le1,076,488,631 for the supply of goods, works, and services were awarded after contract execution.

Invitation to bid for NCB procurements was not published for the required period as stipulated in Section 53c of the Public Procurement Regulations of 2020.

During the review of procurement documents such as evaluation reports and contracts, we observed that the only NCB contract was awarded on 26th October, 2020, whilst the evaluation was done on 4th November, 2020. Therefore, we could not ascertain whether the lowest evaluated bidder was substantially responsive.



The Council did not observe the 14 days' notification period before signing the contract worth Le253,516,823 awarded to Rocky Construction & General Supplies. The contract was signed the same day the notification was issued. It was recommended that the PO should ensure that at least 14 calendar days have passed following the notification of award before a contract is signed as per Section 56(3) of the PPA, 2016.

### **Koidu New Sembahun City Council**

We noted financial capability of contracts awarded to contractors. The auditors were concerned that the Council with all the well-established pharmacies in Koidu City, bought drugs from a pharmacy in Kenema City; therefore, the auditors decided to look beyond the books by means of verification and third party confirmation. Our verification shows that the supplier in respect of the cost recovery drugs (Redeemers' Enterprises of 1 Redemption Lane, Ngombu Layout – Kenema District) does not have the capacity to supply drugs at a contract price of Le261,000,000. This was because, it is a small retail drug outlet at Ngombu Layout in Kenema, whose total worth may not exceed Le50 million. From an interview conducted with the proprietor of Redeemer's Enterprise, it was also discovered that the drugs were not supplied by this business even though the contract was awarded to them, and that the business documents were used for the bidding process without their knowledge. The auditors considered this as a procurement rigging and manipulation which has the potential to defeat the attainment of value-for-money in the entire procurement process.

Procurement processes were not adequately followed in line with the requirements of the Public Procurement Act of 2016 and the Public Procurement Regulations of 2020 for a number of procurement activities to the tune of Le69,558,000.

### **Freetown City Council**

#### *Selection from an Unapproved Database of Suppliers*

Procurement of goods, works and services estimated to worth Le4,394,339,056 which accounts for at least 80% of total procurement in 2020 were done with the use of Request for Quotations (RFQ) procurement method. This method requires the selection of at least three different suppliers from a database of suppliers; developed and updated in accordance with the provision in Sections 48 to 51 of the Public Procurement Regulations of 2020. Evidence of the development and update of this database was not submitted for audit inspection.

#### *Unplanned and Unauthorised Sole-sourcing Procurement Method*

The Council procured a motor vehicle and service for the construction of a learning adventure, day care and nursery at the Congo Water Market, Wellington worth Le525,610,000. A sole-sourcing procurement method was used. These procurements were however not planned. Justification for the use of this procurement method was not submitted and there was no evidence that the choice of this procurement method was subject to prior approval by a procurement committee and subsequently endorsed by the National Public Procurement Authority (NPPA). This was in contravention of the provisions in Section 46 of the Public Procurement Regulations of 2020.

#### *Procurement Decision Resulting in Cash Loss*

The Council spent an extra Le182,838,400 on two different construction projects, due to procurement decision during evaluation of bids. For procurement activities regarding Lot 1 (Construction of Boundary Wall Fence at Robis Cemetery and the Rehabilitation of Office Space and a Two-Seater Toilet) and Lot 3 (Completion of Community Health Centre, Mogbwe Engineering and Construction Services), bids were rejected even though the bid prices were lower than the prices quoted by the successful bidders. The reason being that, bidders did not submit academic certificates (but curriculum vitae were submitted) of its personnel; despite meeting all major requirements. For Lot 3, the successful bidder also did not submit academic certificates for its personnel but was awarded the contract. These decisions were in contravention of Section 67 of the Public Procurement Regulations of 2020, which clearly outlined the requirements to assess the responsiveness of bids.

#### *Award of Contracts to Non-Responsive Quotations*

Contrary to the contract requirements and to the provision in Section 114(3) of the Public Procurement Regulations of 2020, procurement activities were executed by bidders who failed to submit valid business documents such as council business license, business registration, NASSIT clearance and tax clearance certificates for the procurement of goods, works and services totalling Le568,480,056.

#### *Expired Business Records Submitted for Procurement Activities*

A total payment of Le268,400,000 was made to two service providers for the hiring of trucks and machineries using the request for quotations (RFQ) procurement method and framework contract respectively. We however noted that the tax and NASSIT clearance certificates were not valid at the date the RFQs were issued.

#### *Proceeds from the Sale of Bid Documents not Paid into the Consolidated Funds*

Contrary to Section 58 (5) of the Public Procurement Regulations of 2020, there was no evidence that proceeds from sale of bidding documents for the construction and rehabilitation works which amounted to Le10,500,000 was paid into the Consolidated Fund.

### **4.13. FOLLOW UP ON OUTSTANDING PREVIOUS AUDIT RECOMMENDATIONS (2019)**

Over the years, the Auditor-General makes observations on issues coming to her attention and provides recommendations for improvement to the systems of governance; especially on public financial management system in the councils. A systematic follow-up on those recommendations helps us to bring to the attention of taxpayers the progress in councils' operations. The advantages of such exercise are mainly to ascertain the effective implementation of audit recommendations by the councils.

Basic council's actions on our previous recommendations have been described as follows:

<b>Nature of Implementation</b>	<b>Meaning</b>
<i>Implemented</i>	Adequate measures have been put in place to fully address the risk identified in the recommendations.
<i>Partly implemented</i>	Council's management is in the process of taking steps to put adequate measures in place to address the recommendations.
<i>Not implemented</i>	Council's management failed to address the risk identified.

The table below summarises the status of previous audit recommendations as at 31st December, 2019.

<b>TABLE 4.6</b>				
<b>STATUS OF PREVIOUS YEARS' RECOMMENDATIONS (2019)</b>				
Name of Council	NUMBER OF RECOMMENDATIONS			
	Implemented (No.)	Partly Implemented (No.)	Not Implemented (No.)	Total (No.)
Koinadugu District	2	5	9	16
Karene District	0	1	9	10
Falaba District	1	1	10	12
Bombali District	2	1	9	12
Makeni City	5	0	5	10
Kambia District	0	1	30	31
Port Loko City	3	0	9	12
Port Loko District	7	1	7	15
Tonkolili District	0	1	14	15
Koidu New Sembehun City	1	0	1	2
Kailahun District	11	0	4	15
Kenema District	0	0	0	0
Kenema City	14	1	3	18
Kono District	14	1	3	18
Freetown City	1	5	20	26
Western Rural District	2	0	11	13
Bo District	9	2	4	15
Bo City	6	1	2	9
Bonthe District	3	1	8	12
Bonthe Municipal	12	3	4	19
Moyamba District	10	0	2	12
Pujehun District	5	0	1	6
Total Recommendations (No.)	108	25	165	298
Level of Action Taken (%)	36%	8%	55%	100%

During 2019, there were 298 outstanding recommendations from previous audit works that should have been adequately addressed by councils. From the analysis in the table above, it was noted that 108 (36 %) of the outstanding recommendations in previous years were fully implemented, 25 (8%) partly implemented and 165 (55%) were not implemented by councils.

## CHAPTER V – PERFORMANCE AUDIT

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## **MAIN POINT**

This chapter summarises the performance audit reports submitted to Parliament in 2021. They are referred to as special reports under Section 95(6) of the Public Financial Management Act of 2016 which states that “nothing in this section shall prevent the Auditor-General from submitting a special report for tabling in Parliament on matters that should not await disclosure in the annual report”.

Section 11 (2c) of the Audit Service Act of 2014 confers on the Audit Service the right to carry out value for-money and other audits to ensure that efficiency and effectiveness are achieved in the use of public funds.

### **What We examined**

Three performance audit reports were submitted to Parliament in 2021. These were as follows:

1. Effectiveness of the monitoring, surveillance and control system of fishing activities.
2. Management of examinations by the University of Sierra Leone.
3. Welfare of inmates at the Sierra Leone Correctional Service.

Performance audit focuses on whether specific programmes or functions and institutions are working, with due regard to the principles of economy, efficiency and effectiveness in the use of available resources. This is accomplished by examining results of programmes and outputs of institutions' operations against suitable criteria and by analysing causes of deviations from set criteria. The aim is to answer key audit questions and to provide recommendations for improvement. Performance audits are typically associated with government agencies at all levels, as most MDAs receive allocations from the Consolidated Fund (CF). The main concepts and techniques used to conduct performance audit are the same used for other forms of audit, but with different subject matter. The subject of a performance audit could be justified if government undertakes an activity either in whole or in part.

### **Why It Is important**

Performance audit is all about determining whether the matter under examination has been done in the right way. This simply means, asking if it has been done with due regard to economy (at the lowest cost), efficiency (in the best way) and effectively (achieving intended results). Performance auditing plays an important role in keeping the legislative, citizens and donor organisations well informed about government actions and their outcomes. It increases transparency and accountability, providing objective and reliable information on how public service perform. Performance audit goes beyond the question of whether revenues collected or expenditure made was authorised by the relevant authorities. It goes deeper and examines, against criteria derived from principles of economy, efficiency and effectiveness, how revenues collected were spent and whether value-for-money was achieved. Assessing whether value-for-money was obtained is the key driver and it does so by examining inputs, outputs and outcomes.

### **What We found**

#### **Effectiveness of the monitoring, surveillance and control system of fishing activities - Ministry of Fisheries and Marine Resources**

The following were observed:

- Monitoring and surveillance plans for 2016-2020 were not made available for inspection. Offices provided at Shenge, Goderich and Konakriddie were used as residential facilities by outstation officers.

- Personnel involved in the monitoring, control and surveillance of fishing activities were not provided safety insurance in accordance with the Food and Agricultural Organisation's code of conduct.
- Outstation fishing officers were not present to monitor activities of artisanal fishing vessels in landing sites.
- Personnel responsible for monitoring the system were not on duty during the team's visit to the Joint Maritime Committee (JMC).
- The Fisheries Directorate staff list of 2019 showed that eight of 10 fisheries officers were unqualified to undertake the role of fisheries observers according to the set criteria of the Ministry.
- The auditors requested details of the bank account of payments to fishing observers, but this was not submitted for inspection.
- Even though monofilament nets had been banned by the Ministry of Fisheries and Marine Resources, they were still being used by artisanal fishermen.
- From a total of 905 registered vessels, 12% and 29% of license fees were collected by the MFMR in 2019 and 2020 respectively.
- Fishing vessels were constructed without the knowledge of the MFMR.
- Defaulting fishing companies were fined lesser than what was quoted in Sections 18 (1) and 4(2) of the Fisheries and Aquaculture Act of 2018, and the Fishing Regulations of 2019.
- The MFMR did not take action on defaulters of fines.
- Evidence for payment of performance bond by foreign fishing companies was not presented for inspection.
- No surveillance was carried out on artisanal fishing activities in 2019.
- The surveillance reports submitted by the MFMR showed a total of 22 monitoring activities conducted for the period under review which is about 18 % of the intended surveillance.

### **Management of Examinations - University of Sierra Leone**

The following were observed:

- A review of sampled examination scripts at the IPAM and FBC revealed that students attempt the examinations even when they had not been registered.
- Some lecturers at the FBC did not submit examination questions to the Heads of Departments (HoDs) as per policy.
- Module lecturers at both IPAM and FBC did not collect scripts for marking from the exams office, contrary to the policy.
- Lecturers did not mark and return examination grades and scripts on time which affected the publication of students' grades.
- Physical observation by the auditors during the June 2021 first semester examinations at IPAM and FBC, revealed that more than 170 students were placed in every examination hall, thereby causing overcrowding.
- Continuous assessment grades were not submitted at the stipulated time.
- Grades given by lecturers for continuous assessment were not reflective of the students' performance during examinations.
- There were undue delays in the publication of results.
- The team observed situations of missing grades during the audit.

- Even though student examination booklets were lost and later found, their grades were still missing for the 2018/2019 academic year.
- Interviews with university authorities revealed that academic malpractices were on the rise and had become endemic in the university.
- The colleges lacked the following: adequate lecture rooms space to accommodate the number of students, well equipped laboratories, well-resourced libraries, effective internet connectivity and modern technology for teaching and learning.

### **Welfare of Inmates – The Sierra Leone Correctional Service**

The following were observed:

- There was no evidence to show that inmates were medically examined upon discharge.
- A review of the medical reports by the psychiatric revealed that two female inmates were not fit to plea, but were kept at the centre, contrary to Section 4 of Prisons Act, 2014.
- Sick inmates were admitted at the centre and were taken to a government hospital when their health became severe as a result of the lack of adequate drugs and equipment.
- Sick inmates were laid on bare mattresses on the floor of the hospital within the male facility at the Freetown Correctional Centre (Pademba Road).
- The hospital did not have equipment such as oxygen concentrator, cardiopulmonary resuscitator and electrocardiogram (ECG) for heart examination.
- Pharmaceutical supplies were not adequate for the number of inmates.
- Various drugs were combined in a single dosage and administered to sick inmates irrespective of the nature of their illnesses.
- The jail cells were overcrowded, especially at the maximum correctional centre.
- Cells were not airy or well ventilated, and lacked minimum floor space when one considered the number of inmates within each cell.
- There was no standard policy on the number of inmates per cell.
- Inmates were in tattered and torn uniforms, a manner that was so humiliating.
- The toilet facilities were inadequate for the number of inmates in all the male correctional centres visited.
- The provincial centres were challenged with water supply, as bore holes dried up during the dry season which led to inmates fetching water outside the premise of the prison.
- Monosodium crystals, commonly known as “white maggi” was an ingredient of the sauces, even though it is known to have links with health hazards (Pedial-Edema) to inmates.
- The rehabilitation programme, especially in the provincial correctional centres, were not adequate with little or no facilities in some areas visited.
- Equipment for skills trainings were inadequate to cater for the number of sentenced inmates that were willing to participate in the skills training even though they were trained in batches.
- Evidence of inmates’ ID cards were also not provided to confirm that they were legitimate.

## **5.1. INTRODUCTION**

The ASSL started performance auditing in 2008 as a component of an audit capacity development project. Creating the capacity for performance auditors requires strong, critical and analytical skills as well as careful staff selection and trainings. The ASSL has succeeded in establishing this unit by drawing performance auditors from the ranks of financial and regularity audits, both of which are traditional audit areas that have long been the focus of the ASSL. The ASSL has also recruited staff with backgrounds in the social sciences. Although relatively new to jurisdictions at a similar stage of development as Sierra Leone, performance audit has been practiced in developed countries over the years. Its practice is now part of the public sector auditing of Supreme Audit Institutions (SAIs). The professional audit standards that apply to it have largely been developed by the International Association of Supreme Audit Institutions (INTOSAI), of which the ASSL is an active member through AFROSAI-E.

The ASSL has so far submitted 29 performance reports to the House of Parliament (inclusive of the three reports submitted this year) since 2008. Between 2019-2021, we have issued 13 reports, constituting 45% of the total reports. This statistic demonstrates the extent of management's focus on the Performance Audit division's operations.

This chapter summarises performance audits conducted this year which have been submitted to Parliament as special reports under Section 11 (2c) of the Audit Service Act of 2014, which mandates the Auditor-General to carry out value-for-money and other audits to ensure that efficiency and effectiveness are achieved in the use of public funds.

## **5.2. THE NATURE AND PRACTICE OF PERFORMANCE AUDITING**

Performance auditing carried out by SAIs is an independent, objective and reliable examination of whether government undertakings, programmes, systems, activities or institutions are performing their required tasks in accordance with the principles of economy, efficiency and effectiveness and whether there is room for improvement. Economy, efficiency and effectiveness, often referred to as the 3Es, are described as follows:

- The principle of 'economy' means minimising the costs of resources. The resources used should be available in due time, in appropriate quantity and quality, and at the best price.
- The principle of 'efficiency' means getting the most from available resources. It is concerned with the relationship between resources employed and outputs delivered in terms of quantity, quality and timing.
- The principle of 'effectiveness' concerns the extent to which objectives are met and the intended results achieved.

While performance auditing promotes good governance, it also contributes to accountability and transparency. Performance auditing promotes accountability by assisting those charged with governance and oversight responsibilities to improve performance. It does this by examining whether decisions by the legislature, or the executive authorities, are efficiently and effectively implemented, and whether taxpayers or citizens have benefited value-for-money. This type of audit does not question the intentions and decisions of the legislature or policy decisions of the executive." Performance audit promotes transparency by affording taxpayers, financiers, ordinary citizens and the media an insight into the management and outcomes of different government activities. It provides useful information to citizens, while serving as a basis for learning and improving. The users of performance audit reports expect reliable evidence-based reports that provide clear information on the questions addressed, along



with findings, conclusions, and recommendations. At the outset of the audit, the standards are established, against which the performance of the audited entity will be assessed. These standards or assessment criteria determine whether or not the operations or the programme meet or exceed expectations. They also help the auditor to create a common understanding with the audited entity. Audit methods which best allow the gathering of data in an efficient and effective manner are chosen. The ASSL's approach to performance auditing reflects what is adopted by AFROSAI-E. This approach can be described as a problem-oriented approach where the prevalence or indication of a problem, or challenge to performance, constitutes the starting point for the audit. The purpose of the audit is to confirm the nature and extent of the problem or issues affecting performance, to identify the causes, and make recommendations for improvement. In the reports summarised below, we assessed the performance of the MDAs responsible for the audited activity and indicated how performance could be improved. The recommendations are aimed at removing the causes of problems and weaknesses identified, and adding value not only to the MDA, but to society as a whole. Some issues highlighted in all our reports show:

- a need for more effective implementation of plans and activities to achieve operational objectives;
- the importance of recording, reporting and compiling data on what is being done; and
- a general need for better understanding of existing rules, regulations and guidelines.

In selecting areas for performance audit, we have considered significant matters of social and economic development, and the risk that performance may not meet the goals of economy, efficiency and effectiveness.

Below is a summary of the issued performance audit reports for the year ending 2020.

### **5.3. EFFECTIVENESS OF THE MONITORING, SURVEILLANCE AND CONTROL SYSTEM OF FISHING ACTIVITIES**

The fisheries sector is one major sources of revenue generation for individuals, businesses and the Government of Sierra Leone. If managed well, it has a huge potential to contribute to reduce poverty and the overall socioeconomic development of the economy. The country's fishing industry has however not been without challenges in recent years. These challenges include but not limited to, illegal, unreported and unregulated fishing, which is as a result of inadequate systems of monitoring, surveillance and controls.

There have been series of media publications and documentaries on the monitoring of illegal, unreported and unregulated (IUU) fishing which impacts on the revenue loss in Sierra Leone.

It is against this background that the Audit Service Sierra Leone (ASSL) decided to conduct a performance audit to ascertain the systems deployed by the MFMR to ensure the effectiveness of monitoring, control and surveillance of fishing activities.

The following is a summary of the main findings arising from the audit:

#### **Effectiveness of the monitoring, surveillance and control system of fishing activities - Ministry of Fisheries and Marine Resources**

- Monitoring and surveillance plans for 2016-2020 were not made available to the auditors despite several written and verbal requests. The non-existence of these plans was confirmed by outstation fisheries officers during audit interviews.

- Offices provided at Shenge, Goderich and Konakridee through the West African Regional Fisheries Project (WARFP) were used as residential facilities by outstation officers. The facilities looked more residential than offices, due to the absence of electricity and basic working equipment such as computers and radio communications to facilitate monitoring control surveillance (MCS) activities.
- Personnel involved in the monitoring, control and surveillance of fishing activities were not provided safety insurance in accordance with the FAO code of conduct. Instead, outstation fisheries officers were given the sum of Le75,000 (US\$7.5) per day for surveillance activities on artisanal fishing vessels.

#### *Monitoring of Fishing Activities*

- Outstation fishing officers were not present to monitor activities of artisanal fishing vessels at landing sites. In addition, Tissana Wharf and Yongoro landing sites in Shenge and Lungi respectively depended on information given to them by harbour masters. Moreover, fishing vessels were without valid licences. It was also noted that artisanal fishing vessels bought carton fish from industrial fishing vessels at sea and sold them at the landing sites. This was as a result of the inadequate number of personnel available to monitor landing sites. The ratio of landing sites to fisheries officers was 259:2 for Goderich; 127:2 for Tombo; 118:2 for Shenge and 178:1 for Konakridee.
- Personnel responsible for monitoring the system were not on duty during the team's visit to the Joint Maritime Committee (JMC). This was one of the issues aired out by the Head of Operations of the JMC in his interview. He also said that allowances for personnel working at the Joint Operation Centre (JOC) were no longer provided due to the folding up of the West African Regional Fishing Project that was responsible for the payment of allowances.
- Analysis of the JMC monthly report revealed that the Vessel Monitoring System (VMS) was not in operation for two months due to Internet unavailability. It was also revealed that the 17KVA standby generator was unable to supply complete voltage at the JOC, resulting in shutdown of the Uninterrupted Power Supply (UPS) facilities at work stations.
- The Fisheries Directorate staff list of 2019 showed that eight of 10 fisheries officers were unqualified to undertake the role of fisheries observers according to the set criteria of the Ministry. Moreover, there was no evidence of training of fisheries observers. An interview with the manager of an industrial fishing vessel also confirmed that in the past, their company had problems with the competence of fisheries observers assigned to them. The captain had to train the fisheries observer on how to perform their duties, which improved their performance.
- Fishing companies paid the equivalent of US\$500 per fishing observer which was deposited into a bank account that was operated by a representative of both the Ministry and owners of the industrial fishing vessels. The auditors requested for details of the bank account but was not submitted for inspection.

#### *Control Mechanisms to Ensure Compliance*

- Artisanal fishermen visited in the coastal areas were still using monofilament net because the approved nets promised to be sold to the communities on a cost recovery basis by the MFMR was not forthcoming. That was the main reason given by fishermen during interviews. A contract worth Le4,008,170,000, for the purchase of the prescribed nets accepted for fishing in Sierra Leone had already been signed since 2019.
- A list of registered artisanal vessels showed a total of 905 vessels registered to pay license fees to the MFMR. In 2019, 2.7%, 8% and 1.62% of licence fees were collected from Tombo,

Shenge and Goderich respectively; whereas license fees were not paid in Konakridee. In 2020, only 7.4%, 2.2%, 19.5%, and 5.3% of license fees were collected in Tombo, Shenge, Goderich and Konakridee respectively.

- There were fishing vessels constructed without the knowledge of the MFMR and this may have led to the existence of an inaccurate database of fishing vessels; and therefore, a challenge in managing fishing activities.
- Defaulting fishing companies are always fined lesser than what is quoted in Sections 18 (1) and 4(2) of the Fisheries and Aquaculture Act of 2018 and Fishing Regulations of 2019. This is because the Committee may determine what fishing companies should pay, rather than what is in the Regulations.
- The MFMR did not take action on defaulters of fines. According to fishing companies interviewed, the reason they gave for the non-payment is that the amount charged as fines is more than the cost of a new boat. Some fines levied on fishing boats were way above the cost of the fishing boats. Those fines were not paid and the Ministry did not take further action on defaulters for non-payments.
- Foreign fishing vessels were required to submit a performance bond prior to the issuance of their licence. At the time of the audit, no evidence for payment of performance bond by foreign fishing companies was presented for inspection.
- A review of letters sent to fishing companies revealed that there had been instances where the Ministry failed to conduct proper investigations before issuing a fine.

#### *Surveillance of Fishing Activities*

- Analysis of community surveillance reports disclosed that no surveillance was carried out on the activities of artisanal fishing activities in 2019. In 2020, only 12 days of surveillance was conducted in Shenge, Konakridee, Goderich and Tombo due to the unavailability of logistics such as fuel to operate Inshore Patrol Vessels (IPVs).

The surveillance reports submitted by the MFMR showed a total of 22 monitoring activities conducted for the period under review which is about 18 % of the intended surveillance. This was as a result of the non-budget for these activities. The WARFP funded 80% of surveillance activities conducted during the scope of the audit.

### **MANAGEMENT OF EXAMINATIONS – THE UNIVERSITY OF SIERRA LEONE**

The Sustainable Development Goal 4 (SDG 4) states: “ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.” Target 4.3 states: “By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university”. This was translated in the Government of Sierra Leone’s Medium-Term National Development Plan 2019 – 2023 where the Government aims to strengthen tertiary and higher education.

Sierra Leone previously boasted of having what was known as the “Athens of West Africa.” The USL was the first western-style university in West Africa and had its origin at the FBC. Today, that accolade has been lost due to the downward trend in the country’s educational system over the years. This is worsened by the inadequate and dilapidated infrastructure of the constituent colleges of the University.

The state of the oldest constituent college of the USL which is the FBC lies in ruins. It has been described in the Sierra Leone’s Premier Online News Portal as “in total shambles, derelict and a precarious state”. Students had stopped using the FBC hostel facilities since 2010 on the grounds of rehabilitation. The situation has since then left many students arriving on campus late for academic

work. Others coming from the provinces across the country find it very difficult to get accommodation in Freetown.

Over a long period of neglect, the country has witnessed an erosion of standards in its educational system and the University of Sierra Leone is no exception to this. The curricula are mostly not relevant to the needs of the society, and the mission and vision of the University require that modalities be put in place to ensure and maintain quality of its programmes.

In recent times, the University like all other institutions of learning in the country has been marred with issues of examination malpractice. An article dated 3rd December, 2017 written by Ishmael Sallieu Koroma & Yusufu S. Bangura states that the USL instituted investigations into alleged examination malpractices at both the IPAM and the COMAHS. A press release issued by the USL at the end of this investigation informed the public that three lecturers from IPAM were summarily dismissed for alleged examination malpractice (fraudulently changing grades after examinations). At COMAHS, according to this release, two students were rusticated for one year, five rusticated for two years, and three expelled with immediate effect.

A shocking public notice released by the Council of Legal Education; the governing authority for the Conduct of Legal Education in Sierra Leone, nullified the results of the 2012/2013 Bar Final Exams and called on those former candidates to return their certificates since a special investigation report has revealed that massive fraud and examination malpractices took place during the conduct of the 2012/2013 Bar Final Exams.

In another development, the USL rusticated 65 students following the conclusion of investigations into examinations malpractice between 2017 and 2019. According to the statement issued by the USL, 45 of the sanctioned students were from the FBC whilst the remaining 20 were from IPAM.

Taking cognisance of all these challenges, the current Government of Sierra Leone made education its flagship development project. The strategic objectives of this flagship project include increased access to quality technical and higher education to enable graduates engage in meaningful and productive economic activity. To achieve this objective, the President in his State Opening of Parliament policy pronouncement in May 2018 increased budgetary allocation to education to a minimum of 20% of the national budget<sup>1</sup>.

The USL therefore has the responsibility to rebrand itself in line with the nation's current aim to deliver quality education and to put in place the necessary mechanisms that will not only restore the past glory of our educational system, but to also take it to even greater heights.

Considering all these, the ASSL conducted a performance audit to assess whether due diligence was followed in the management of examinations by the USL so that recommendations can be proffered to improve the situation.

The following is a summary of the main findings arising from the audit:

## **Registration of Students**

### **Students Without Registration Numbers**

According to the revised USL Academic, Research and Student Affairs Policy – students must register during the official registration period at the time announced in the college calendar. Annex 2 of the

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<sup>1</sup> Sierra Leone's Medium-term National Development Plan, 2019–2023

USL harmonised policy states the penalties for breaches of examination/invigilation rules and regulations. Students who fail to register should lose the academic year.

A review of sampled examination scripts at the IPAM and FBC revealed that students attempt the examinations even when they had not been registered. This was confirmed during interviews with various officers who revealed that, some students had not paid their fees during the registration period, contrary to the USL policy.

## **Management of Grades and Examinations**

### ***Submission and Collection of Examination Questions and Grades***

According to the harmonised assessment policy, submission and vetting of examination questions and marking schemes to the HoDs shall be done on a secured platform. Lecturers should collect the scripts for marking not later than two days after the examination.

The auditors noted the following:

- Some lecturers at FBC did not submit examination questions to the HoDs as per policy. Rather, submissions were made to the Exams Office for printing a day before the exam and sometimes printing were done by the lecturers.
- Module lecturers at both IPAM and FBC did not collect scripts for marking from the Exams Office as policy requires, i.e. 'not later than two days after an examination is taken'.
- Lecturers did not mark and return examination grades and scripts on time which affected the publication of students' grades.

### ***Conduct of Examinations***

Physical observation by the auditors during the June 2021 first semester examinations at IPAM and FBC, revealed that over 170 students were placed in every examination hall. At IPAM for instance, there was only one space created at the edge of the hall, whereas, no other space was created between rows for ease of movement of invigilators. This arrangement made it easy for comparism and exchange of materials during the conduct of exams to go unnoticed.

### ***Continuous Assessment***

The student performance constitutes examination grades and continuous assessment which are 70% and 30% respectively of the overall grades. Collated continuous assessment grades, which accounts for 30% of the total grade shall be submitted to the Examinations Office two weeks before the end-of-semester exams according to the USL harmonised policy. The audit team noted that continuous assessment grades were not submitted at the stipulated time and sometimes after the semester examinations and therefore caused chaos for both students and lecturers.

We also found out from the review of collated grade sheets that grades given by lecturers for continuous assessment were not reflective of the students' performance during examinations. Students who performed badly in the examinations were given high continuous assessment grades to enable them have the minimum pass mark of 40% as prescribed in the policy.

### ***Publication of Cumulative Results***

Interviews with Deans of faculties revealed that there were undue delays in the publication of results due to late submission of examination grades by lecturers for the period under review. The final results for the reviewed period were not published until the following academic year and sometimes up to a month or two in the new academic year. For example, final results for the past two academic years were not published after the end of the faculty and examinations board meeting, which was six weeks

after the examination (as per the guidelines of USL Harmonisation Assessment Policy) rather, the results were published during the new academic year. This observation was mainly for the IPAM and FBC.

During a focus group discussion with students at IPAM and FBC, it came out clearly that continuing students moved to the next levels of their courses without knowing their outcome in the examinations.

It was also disclosed that, when the results were eventually published, some students were disappointed to see that they had not fulfilled the requirements to progress to the next level after they had already spent a month or two in the new classes. What normally leads to chaos is the fact that some students later on find out that some of their grades were not published and are therefore classed as “Missing Grades.”

### ***Missing Grades***

According to the harmonisation assessment policy, students should fill a form from the Dean’s Office to report missing grades. The faculty in collaboration with the Exams Office will search for the script. If missing grades are not found and verified, students should be allowed to rewrite the examination at no cost and not as a reference.

During the audit, the team observed situations of missing grades. Interviews with college authorities revealed the causes of missing grades as follows:

- students did not register at the beginning of the semester and therefore may not have been included in the class lists for the modules they offered;
- some students did not attend classes during the semester and only came for exams even without records of their attendance, and therefore no continuous assessment grades for them;
- the Registry failed to update the students class lists to reflect incoming students and repeaters;
- some students went into the examination hall and filled out the attendance register but did not write the exams when they notice that the questions were difficult;
- some students walked away with their examination scripts unknown to the invigilators and claimed at the end to have written the exams;
- some students wrote their correct names and registration numbers on the exams register but not on the answer booklets;
- some lecturers marked scripts and the grades are not entered into the grade sheets; and
- when different modules were taken in the same exam hall, at the same time, the scripts are mixed-up during collection.

A focus group discussion with students at FBC and IPAM disclosed that even though students examination booklets were lost and found, their grades were still missing for the 2018/2019 academic year. These students were required to take another exam at a reference cost of Le150,000, in contravention of the USL harmonized assessment policy.

### ***Academic Malpractices***

The USL harmonised policy outlines sanctions for examination malpractice and penalties for breaches of examination/invigilation rules and regulations.

During this audit, interviews with university authorities revealed that academic malpractices were on the rise and had become endemic in the university. According to them, there are instances wherein lecturers gave out grades (unchecked and at will) to give unfair advantage to some students. Hand written scripts and typed lecture notes were also presented to the audit team as evidence of foreign materials taken into the examination halls by students to aid them answer questions.

### **Capacity of Lecturers**

Goal 6.6.1 of the USL Strategic Development Plan 2019-2023, requires the university authorities to enhance the colleges competitiveness in recruitment and retention of high quality personnel.

Interviews conducted with Deans of faculties of all the constituent colleges in the University confirmed that there were few qualified personnel lecturing specific disciplines in the faculties. As such, demonstrators, teaching assistants and more part-time lecturers were employed to complement the staff strength.

### **Lecturer to Student Ratio**

It was noted from the review of student database that the number of students was far disproportionate to the lecturers. For instance, we noted that some modules were taken as joint classes, wherein over 500 students were assigned to a single lecturer.

### **Inadequate Infrastructural Facilities**

Interviews with Deans of faculties at the USL and physical inspection revealed that there were inadequate lecture rooms at the campuses and this had led to overcrowding, despite the construction of new classroom blocks. The team also observed that Social Work as well as Law students were having lectures at the same time and in the same classroom at FBC with each set of students facing opposite directions.

The team further observed that the colleges lacked: adequate lecture room space to accommodate the number of students, well equipped laboratories, well-resourced libraries, effective internet connectivity and modern technology for teaching and learning.

### **WELFARE OF INMATES - SIERRA LEONE CORRECTIONAL SERVICE**

The Government of Sierra Leone (GoSL) like all other governments around the world has the responsibility to protect and promote human rights for all, without discrimination. The United Nations (UN) and other human rights organisations have set minimum standards and guidelines that should be followed in the realisation of this responsibility. People that are imprisoned cannot cater for their basic needs, so it is incumbent on the state, to provide these basic needs for them.

To ensure this, the GoSL has over the period under review (2015-2018) disbursed about Le146.5 billion to the SLCS, for the welfare of inmates.

Though government is spending such substantial amount of taxpayers money, concerns are still being raised by stakeholders and members of the public regarding the welfare of inmates in prisons around the country. One such organisation that has been very vocal in expressing those concerns is the charitable organisation called Prison Watch Sierra Leone (PWSL). In a report compiled by the PWSL and the Parliamentary Human Rights Committee (PHRC) titled: "Report on Detention Monitoring Visit to Sierra Leone Correctional Centres, 2018", a lot of issues were raised that bothered on the appalling situations of inmates. Conspicuous among the several observations made was the appalling health conditions of the inmates.

Similar concerns were raised by Human Rights Watch in their 2016 and 2018 Sierra Leone Human Rights Report; and Don Bosco Fambul, a child-welfare charity also validated this concern in November 2018. Despite having revised the Correctional Service Act in 2014 and Prison Rules in 2014, Sierra Leone's Correctional Service Act does not fully encompass key principles on national and international laws, even when best practice requires to transform the SLCS from a prison service to a correctional

service. Similarly, Prison Rules established in 1961 do not fully realise the human rights of either inmates or security staff.<sup>2</sup>

The issue of overcrowding was also glaring in this report and other reports by the Human Rights Watch and on the website of Don Bosco Fambul. It was reported in the PWSL report that at the time of the monitoring, cells were overcrowded.

It was further noted that at the Bo Correctional Centre, a cell that can barely accommodate six inmates, most times accommodate 15 or more inmates. In cell 6, inmates alleged that 56 of them were occupying a bed room size and all inmates in that cell were suffering from skin diseases. Inmates also alleged that their rooms were infested with bed bugs and they could not sleep because of the constant fight with the bugs. The audit team could visibly see blood stains on the cell walls which they said were of bed bugs.

In the Human Rights Watch Reports of 2016 and 2018, it was reported that as at November 2015, the country's 17 prisons designed to hold 1,785 inmates held 3,323; and as at August 2018, the country's 19 prisons (2 additional centres) designed to hold 1,935 inmates held 4,434. These concerns by the different human rights organisations were confirmed by the Director of Prisons in a meeting with the Office of the Ombudsman on 22nd January, 2019. During this meeting, the Director of Prisons revealed that the Pademba Road Male Correctional Centre that was built to accommodate 324 inmates now accommodates 2,218 inmates, which is seven times more than its intended capacity.

The prison infrastructure is outdated, overcrowded, lacks ventilation and clean sanitary facilities. In addition, medical facilities are substandard, resulting in poor health conditions and inmates lack sufficient nutritious food and water<sup>3</sup>. All these problems are compounded by the delay in court processes on the cases as was revealed during the debate by Parliament at a pre-legislative session to discuss the Correctional Service Act of 2014 in the same year.

In 2013, the Audit Service Sierra Leone (ASSL) conducted a performance audit on 'The Rehabilitation and Reintegration of Inmates' (preparation of prisoners/inmates for life after their prison term) and the focus was therefore not primarily on the welfare of inmates whilst incarcerated.

It was against this background that the ASSL planned to conduct a performance audit on the Welfare of Inmates to assess their living conditions within the correctional centres.

The following is a summary of the main findings arising from the audit:

### **Examination of Inmates on Admission and before Discharge**

Section 37 of the SLCS Act of 2014, requires that upon admission to and immediately before discharge from a correctional centre, the Medical Officer shall examine every inmate. A visit made to 11 correctional centres revealed that there was no evidence to show that inmates were medically examined upon admission and prior to discharge.

### ***Medical Facilities***

Section 4 of the Prisons Act of 2014 states: "Where a Medical Officer is of the view that an inmate is in need of specialist treatment, including psychiatric care, the Medical Officer shall make a report to the Officer-In-Charge, and shall arrange for the inmate to be referred to an appropriate medical practitioner". A total of 17 male and seven female insane inmates were at the centres. A review of the

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<sup>2</sup> UNDP FAST FACTS

<sup>3</sup> UNDP FAST FACT



medical report by the psychiatric doctor revealed that two of the female inmates were not fit to plea, but were kept in the centres contrary to Section 4 of the 2014 Prisons Act.

Rule 22 (2) of the United Nations Standard Minimum Rules for the Treatment of Prisoners states: “Sick prisoners who require specialist treatment should be transferred to specialised institutions or to civil hospitals. Where hospital facilities are provided in an institution, the equipment, furnishings and pharmaceutical supplies shall be proper for the medical care and treatment of sick prisoners.” The audit team observed that sick inmates admitted in the centres were taken to the government hospital when their conditions become severe as a result of the lack of adequate drugs and equipment.

We observed that 12 sick inmates were laid on bare mattresses on the floor of the hospital within the male facility at the Freetown Correctional Centre (Pademba Road). The auditors also noted that the hospital did not have equipment such as oxygen machine, cardiopulmonary resuscitator (CPR) for respiratory distress, electrocardiogram (ECG) for heart, scanning and mobile x-ray machines, blood bank (small size) and sterilising machines.

According to interviews with nurses and officers in charge at various centres, it was revealed that pharmaceutical supplies, to enhance medical care and treatment of sick inmates, were not adequate for the number of inmates. The auditors observed that various drugs were combined in a single dosage and administered to all sick inmates irrespective of the nature of their illnesses.

### ***Accommodation***

Rule 10 of the United Nations Standard Minimum Rules for the Treatment of Prisoners states: “All accommodation provided for the use of prisoners, and in particular, all sleeping accommodation shall meet all requirements of health...” Our visit to the correctional centres, revealed that cells were overcrowded, especially the Maximum Correctional Centre. The number of inmates awaiting trials were far more than those already convicted and as such, there was huge accommodation constraints once new inmates were brought into the facilities. Some inmates had been on trial for more than eight years, especially at the Maximum Correctional Centre in Freetown. A review of documents and interviews with the Officer Commanding (OC) revealed that 2,309 inmates were on trial and remanded at the different correctional centres.

Cells were not airy or well ventilated and lacked minimum floor space standard, considering the number of inmates within each cell. There was also no standard policy on the number of inmates per cell. As a result of the increase in the number of inmates and the limited cells, additional mattresses are sprawled in the centre of the passage at night which affected free movement and a risk for the spread of disease. The cells were hot especially for the Makeni Correctional Centre which had a sealed building with zinc roofing sheets.

### ***Uniforms and Beddings***

Rule 17 of the United Nations Standard Minimum Rules for the Treatment of Prisoners states: “Every prisoner who is not allowed to wear his own clothing shall be provided with an outfit of clothing suitable for the climate, and adequate to keep him in good health”. We however observed that inmates were in tattered and torn uniforms, a manner that was so humiliating. Informal interviews with inmates revealed that they had not been supplied uniforms for the past three years. Previous inmates used some of those uniforms which were now being used by the current ones.

Rule 19 of the United Nations Standard Minimum Rules for the Treatment of Prisoners states: “Every prisoner shall be provided with separate bed and sufficient beddings.” According to interviews with the Yard Officer-in-Charge inmates were only supplied with beddings when general supplies were made from stores. New inmates were not guaranteed the supply of beddings as there was no policy to provide beddings for new inmates. They therefore made do with what was available in the cell.

### ***Toilet Facilities***

Rule 15 of the United Nations Minimum Standard Rules for the Treatment of Prisoners states: “The sanitary installations shall be adequate to enable every prisoner to comply with the needs of nature when necessary, and in a clean and decent manner.” Interviews with inmates and physical inspection of cells confirmed that the toilet facilities were inadequate for the number of inmates in all the male correctional centres visited. A review of supply ledgers in Freetown and the provinces showed that, two bars of soap were provided for inmates at least once a month and one tube of toothpaste per cell a month. Interviews with the OC disclosed that underwear, towels, foot-wears, toothbrushes were supplied to inmates as and when supplies are received from headquarters.

### ***Water Facilities***

Rule 20 (2) of the United Nations Minimum Standard Rules for the Treatment of Prisoners states: “Drinking water shall be available to every prisoner whenever he needs it.” The provincial centres were challenged with water supply as bore holes dried up during the dry season which led to inmates fetching water outside the premises of the prison. The Makeni Female Correctional Centre specifically, did not have any source of water within the centre and therefore sourced water outside the premises of the prison.

### ***Food***

Rule 20 (1) of the United Nations Standard Minimum Rules for the Treatment of Prisoners states: “Every prisoner shall be provided with food of nutritional value adequate for health and strength.” Inmates were provided with meals two times a day. Breakfast was provided at 7:00 am and lunch between 12:00 mid-day and 3:30 pm. The ration provided for lunch which was a bowl of rice, was meant for both lunch and dinner. That notwithstanding, Monosodium crystal, commonly known as “white maggi” was an ingredient of the sauces, even though it is known to have links with health hazards (Pedial-Edema) to inmates.

### ***Reformation, Rehabilitation and Reintegration***

The SLCS had not developed standard guidelines for the rehabilitation and reintegration of inmates. The auditors noted that the rehabilitation programmes, especially in the provincial correctional centres were not adequate with little or no facilities in some areas visited especially Maburaka.

Equipment for skills trainings were inadequate to cater for the number of sentenced inmates that were willing to participate in the skills training even though they were trained in batches.

### ***Provision of Support through Earning Scheme***

A review of the UNDP project disclosed that 250 inmates were entitled to receive monthly stipends deposited into their accounts to enable them meet family and other needs within the course of incarceration. A review of the SLCS-UNDP file by the auditors could not confirm initial deposits for 250 inmates. Rather, initial deposits of Le650,000, relating to 10 female inmates at the Freetown Correctional Centre made on 5th December 2017 and Le1,350,000 deposited for additional 236 inmates at the Rokel Commercial Bank in 2018 were made. Evidence of inmates’ ID cards were also not provided to confirm that they were legitimate inmates.

## APPENDICES

### ESTIMATED CASH LOSSES

	Nature of Estimated Loss	Total	2016	2017	2018	2019	2020	Paragraph Reference:
Name of MDA		Le	Le	Le	Le	Le	Le	
Public Accounts								
GPFS	Foreign Travel Tax-Taxpayers files and supporting documents not submitted (\$209,925)	2,119,171,882.50					2,119,171,882.50	1.1
	Funds transferred which could not be traced into the BSL Bank Statement	1,161,364,320.25					1,161,364,320.25	1.1
	Thirty-three (33) corporation taxpayer's files not submitted to justify payments of estimated taxes	2,545,075,565.00					2,545,075,565.00	1.2
	Understatement of tax liabilities- Freetown Terminal	2,118,023,264.59					2,118,023,264.59	1.3

	Nature of Estimated Loss	Total	2016	2017	2018	2019	2020	Paragraph Reference:
Name of MDA		Le	Le	Le	Le	Le	Le	
GPFS	Duty Waiver concessions given to NGOs not on MoPED gazette to confirm eligibility	4,534,143,512.59					4,534,143,512.59	1.1
	Duty Waivers concession granted to taxpayers without the approval of the Minister of Finance and without other relevant supporting documents ( <i>Note the total amount without supporting document is Le144 billion. The ones recorded under estimated cash losses are those that carry a high probability of loss.</i> )	56,859,299,012.98					56,859,299,012.98	1.1
<b>Total (A)</b>		<b>69,337,077,557.91</b>					<b>69,337,077,557.91</b>	

	Nature of Estimated Loss	Total	2016	2017	2018	2019	2020	Paragraph Reference:
Name of MDA		Le	Le	Le	Le	Le	Le	
Public Enterprises and Commissions								
Sierra Leone Roads Authority - 2016 - 2018	Board allowances not taxed (PAYE)	1,182,727,780.00	160,965,000.00	216,194,942.00	805,567,838.00	-	-	2.5.1
Sierra Leone Roads Safety Authority 2019-2020	GST not receipted	236,814,225.00	-	-	-	145,359,225.00	91,455,000.00	2.7.5
National Public Procurement Authority-2017-2019	5.5% Withholding Tax deducted but not paid to NRA	6,227,315.00	-	-	-	6,227,315.00		2.11.4
Petroleum Directorate - 2019	PAYE not deducted and paid to NRA for domestic allowance paid to staff	76,500,000.00	-	-	-	-	76,500,000.00	2.12.5
	5.5% Withholding tax not deducted and paid to NRA	29,469,770.00	-	-	-	-	29,469,770.00	2.12.7
Independent Media Commission 2018-2019	5.5% Withholding Tax not deducted and paid to NRA	7,157,700.00	-	-	-	7,157,700.00	-	2.17.1
National Telecommunication Company- 2017-2019	Allowance of board members not taxed	269,340,000.00	-	-	-	269,340,000.00	-	2.20.7
	Receipts not submitted for PAYE paid	541,887,530.00	-	-	-	541,887,530.00	-	2.21.12

	Nature of Estimated Loss	Total	2016	2017	2018	2019	2020	Paragraph Reference:
Name of MDA		Le	Le	Le	Le	Le	Le	
Sierra Estate Management Company - 2017 - 2019	PAYE not paid to NRA	1,236,459,913.76	-	-	129,017,324.62	452,438,191.32	655,004,397.82	2.24.8
Guma Valley Water Company - 2018 - 2019	Inputted GST for which GST invoice from suppliers not seen and payments by suppliers not supported	201,764,334.00	-	-	78,545,100.00	123,219,234.00	-	2.25.3
	PAYE deducted but not paid to NRA	3,173,529,601.00	-	-	1,336,439,269.00	1,837,090,332.00	-	2.25.5
Sierra Leone Agricultural Research Institute-2018-2019	5.5% Withholding Tax not deducted and paid to NRA	82,987,355.00	-	-		82,987,355.00	-	2.27.8
Sierra Leone Cable Limited - 2018	5.5% Withholding Tax not deducted and paid to NRA	44,864,000.00	-	-	44,864,000.00	-	-	2.28.15
National Medical Supplies Agency-2019	PAYE not deducted and paid to NRA	238,500,000.00	-	-	-	238,500,000.00	-	2.30.2
Office of the Ombudsman-2019	5.5% Withholding Tax not deducted and paid to NRA	31,181,826.00	-	-	-	31,181,826.00	-	2.32.1

	Nature of Estimated Loss	Total	2016	2017	2018	2019	2020	Paragraph Reference:
Name of MDA		Le	Le	Le	Le	Le	Le	
Universal Access Development Fund - 2018 - 2019	PAYE not deducted and paid to NRA	71,390,000.00	-	-	71,390,000.00		-	2.40.9
National Youth Service-2018 & 2019	5.5% Withholding Tax not deducted and paid to NRA	15,621,403.00	-	-	1,535,380.00	14,086,023.00	-	2.41.3
Njala University 2019	5.5% Withholding Tax deducted but not paid to NRA	19,841,260.00	-	-	-	19,841,260.00	-	2.42.15
Sierra Leone Free Education Project - 2020	PAYE not deducted and paid to NRA	402,581,460.20	-	-	-	-	402,581,460.20	2.45.1
Public Financial Management Improvement and Consolidated Project-2020	PAYE on project staff not deducted and paid to NRA (\$83,958)	849,130,222.50	-	-	-	-	849,130,222.50	2.46.1
Sierra Leone Financial Inclusion Project-2020	PAYE on project staff not deducted and paid to NRA(\$11,520)	116,510,400.00	-	-	-	-	116,510,400.00	2.47.2
West Africa Regional Fisheries Project-2020	PAYE not properly computed	170,356,620.00	-	-	-	-	170,356,620.00	2.50.1
Petroleum Directorate - 2019	Fuel utilised for which evidence of authorisation	24,951,000.00	-	-	-	-	24,951,000.00	

	Nature of Estimated Loss	Total	2016	2017	2018	2019	2020	Paragraph Reference:
Name of MDA		Le	Le	Le	Le	Le	Le	
	by a senior personnel not seen							2.12.8
Sierra Leone Agricultural Research Institute-2018-2019	Fuel allocated to staff even though they were given transport allowance	210,080,000.00	-	-	-	210,080,000.00		2.27.10
Sierra Leone Free Education Project - 2020	Fuel utilised without supporting docs.	324,867,640.57	-	-	-	-	324,867,640.57	2.45.2
National Revenue Authority - 2017 - 2018	Payment without supporting documents	2,015,487,785.00	-	2,015,487,785.00	-	-	-	2.1.2
	Donations to Amputees not justified	865,000,000.00	-	865,000,000.00	-	-	-	2.1.2
Sierra Leone Roads Safety Authority-2019-2020	Payments without supporting documents	123,659,932.00	-	-	-	-	123,659,932.00	2.7.4
	Payments without supporting documents	1,809,185,760.00	-	-	-	-	1,809,185,760.00	2.7.8
Petroleum Directorate – 2019	Report to justify evidence of work done by consultant not submitted	436,069,965.00	-	-	-	-	436,069,965.00	2.12.1
Petroleum Directorate - 2019	Payment for training for which bond agreement	211,857,671.00	-	-	-	-	211,857,671.00	



								Paragraph Reference:
	Nature of Estimated Loss	Total	2016	2017	2018	2019	2020	
Name of MDA		Le	Le	Le	Le	Le	Le	
	was not honored by staff							2.12.4
Independent Media Commission - 2018-2019	Payment of assorted goods procured without supporting documents	43,970,000.00	-	-	-	43,970,000.00	-	2.17.1
National Telecommunication Company- 2017-2019	Payments of additional allowances to Board members not justified	939,800,000.00	-	-	-	939,800,000.00	-	2.20.3
	Payments as support to National Development not justified	6,899,649,110.81	-	5,420,983,359.00	397,788,000.81	1,080,877,751.00	-	2.20.5
Sierra Leone Telecommunications Company (SIERRATEL)- 2017-2019	Payments without supporting documents	2,618,960,740.27	-	1,275,895,389.00	1,343,065,351.27	-	-	2.21.4
Sierra Leone Agricultural Research Institute-2018-2019	Payment without supporting documents	17,050,000.00	-	-	-	17,050,000.00	-	2.27.4
Sierra Leone Agricultural Research Institute-2018-2019	Payment without supporting documents	412,503,164.00	-	-	82,778,450.00	329,724,714.00	-	2.27.5

								Paragraph Reference:
	Nature of Estimated Loss	Total	2016	2017	2018	2019	2020	
Name of MDA		Le	Le	Le	Le	Le	Le	
Sierra Leone Cable Limited - 2018	Payment without supporting documents	5,718,042,550.30	-	-	5,718,042,550.30		-	2.28.12
National Youth Service-2018 & 2019	Payment without supporting documents	26,190,000.00	-	-	-	26,190,000.00	-	2.41.3
Njala University 2019	Payments without supporting documents	377,488,000.00	-	-	-	377,488,000.00	-	2.42.16
Sierra Leone Free Education Project-2020	Payment without supporting documents	9,100,000.00	-	-	-		9,100,000.00	2.45.2
National Revenue Authority - 2017 - 2018	Differences between Bank Payment Instructions and approved request	287,750,000.00	-	209,750,000.00	78,000,000.00	-	-	2.1.2
National Social Security and Insurance Trust - 2019	Interest not paid by Bank of Sierra Leone	309,708,333.00	-	-	-	309,708,333.00	-	2.4.1
Sierra Leone Roads Safety Authority-2019-2020	Illegitimate sitting fees to Board Secretaries	121,639,518.00	-	-	-	67,891,824.00	53,747,694	2.7.3
	Illegitimate sitting fees to Management Staff	79,207,128.00	-	-	-	39,603,564.00	39,603,564.00	2.7.3

	Nature of Estimated Loss	Total	2016	2017	2018	2019	2020	Paragraph Reference:
Name of MDA		Le	Le	Le	Le	Le	Le	
Sierra Leone Roads Safety Authority-2019- 2020	Illegitimate sitting fees to Institutional Board Members	1,397,703,144.00	-	-	-	698,851,572.00	698,851,572.00	2.7.3
	Unjustified disbursements	282,701,025.00	-	-	-	152,373,500.00	130,327,525.00	2.7.2
National Public Procurement Authority-2017- 2019	Unjustified Payments	71,500,000.00	-	-	-	71,500,000.00	-	2.11.3
Sierra Estate Management Company - 2017 - 2019	Unauthorised deduction from bank account (\$1,050)	9,834,300.00	-	-	-	9,834,300.00	-	2.24.6
Universal Access Development Fund - 2018 - 2019	Funds withdrawn from Bank not supported	3,068,463,404.00	-	-	3,068,463,404.00	-	-	2.40.2
Sierra Leone Free Education Project - 2020	Ineligible transactions	115,993,017.92	-	-	-	-	115,993,017.92	2.45.2
Sierra Leone Ports Authority- 2020	Ineffective management of disbursement	80,000,000.00	-	-	-	-	80,000,000.00	2.10.1
<b>Total(C)</b>		<b>37,913,255,904.33</b>	<b>160,965,000.00</b>	<b>10,003,311,475.00</b>	<b>13,155,496,668.00</b>	<b>8,144,259,549.32</b>	<b>6,449,223,212.01</b>	

	Nature of Estimated Loss	Total	2016	2017	2018	2019	2020	Paragraph Reference:
Name of MDA		Le	Le	Le	Le	Le	Le	
Ministries and Departments								
Ministry of Finance, 2020	Withdrawals from imprest account without payment vouchers and supporting documents	2,831,870,656.00	-	-	-	-	2,831,870,656.00	3.1.1
	Withdrawals using internal payment vouchers but without supporting documents	1,140,788,750.00	-	-	-	-	1,140,788,750.00	3.1.1
	Special imprest outflow without supporting documents	3,211,715,000.00	-	-	-	-	3,211,715,000.00	3.1.4
	Stipend (allowances) paid to security officers without proof of an agreement	220,840,000.00	-	-	-	-	220,840,000.00	3.1.5
	Funeral expenses without regulations / policy	650,000,000.00	-	-	-	-	650,000,000.00	3.1.12

								Paragraph Reference:
	Nature of Estimated Loss	Total	2016	2017	2018	2019	2020	
Name of MDA		Le	Le	Le	Le	Le	Le	
Ministry of Planning and Economic Development, 2020	Procurement activities without supporting documents	294,894,976.00	-	-	-	-	294,894,976.00	3.2.1
	Payment without appropriate supporting documents	17,805,610.00	-	-	-	-	17,805,610.00	3.2.5
	Salaries paid to six staff without appointment letters	135,859,495.00	-	-	-	-	135,859,495.00	3.2.8
	Two staff deleted from the payroll and were paid salaries	5,984,394.00	-	-	-	-	5,984,394.00	3.2.9
	Salaries paid to two staff without documentary evidence	10,560,597.00	-	-	-	-	10,560,597.00	3.2.10
	Ineligible leave allowances paid to contract staff of NaCCED	281,298,133.00	-	-	-	-	281,298,133.00	3.2.11
	Eight staff of the Ministry received salaries, but could not be physically verified	1,051,963,048.00	-	-	-	-	1,051,963,048.00	3.2.12

	Nature of Estimated Loss	Total	2016	2017	2018	2019	2020	Paragraph Reference:
Name of MDA		Le	Le	Le	Le	Le	Le	
Ministry of Planning and Economic Development, 2020	Amount paid to staff but not on the approved staff list	387,184,538.00	-	-	-	-	387,184,538.00	3.1.13
	Amount paid to staff but could not be physically verified	71,217,485.00	-	-	-	-	71,217,485.00	3.1.14
	Contract details / Files not provided for consultants	964,088,861.00	-	-	-	-	964,088,861.00	3.1.16
	Suppliers invoice inclusive of GST but evidence of payment to the NRA not provided	142,007,571.00	-	-	-	-	142,007,571.00	3.1.20
	Expenses Analysis transactions without PVs and supporting documents	868,080,000.00	-	-	-	-	868,080,000.00	3.64.2
Ministry of Agriculture and Forestry, Headquarters, 2020	Revenue not transferred into the CF	399,251,261.00	-	-	-	-	399,251,261.00	3.30.9
	Salary paid to a staff on secondment, but	3,412,000.00	-	-	-	-	3,412,000.00	3.30.7

	Nature of Estimated Loss	Total	2016	2017	2018	2019	2020	Paragraph Reference:
Name of MDA		Le	Le	Le	Le	Le	Le	
	not refunded into the CF							
	Bank withdrawals without supporting documents	535,761,000.00	-	-	-	-	535,761,000.00	3.30.5
	Special imprest not retired	277,200,000.00	-	-	-	-	277,200,000.00	3.30.6
Ministry of Agriculture and Forestry, Bombali, 2020	Payments made but no evidence of work on inland valley swamp rehabilitation	104,922,150.00	-	-	-	-	104,922,150.00	3.31.1
	Inefficient use of funds	78,420,000.00	-	-	-	-	78,420,000.00	3.31.2
	Incentives paid to casual workers not on staff list	22,800,000.00	-	-	-	-	22,800,000.00	3.31.5
	Excess Payment of Incentives	5,400,000.00	-	-	-	-	5,400,000.00	3.31.6
Ministry of Agriculture & Forestry, Kenema, 2020	18,800kgs of seed rice loaned out but not recovered	33,840,000.00	-	-	-	-	33,840,000.00	3.33.2
Ministry of Defence, Headquarters, 2020	NRA receipt not available to account for proceeds from sale of vehicles	27,100,000.00	-	-	-	-	27,100,000.00	3.3.2

	Nature of Estimated Loss	Total	2016	2017	2018	2019	2020	Paragraph Reference:
Name of MDA		Le	Le	Le	Le	Le	Le	
	Overpayment of allowances	30,202,357.00	-	-	-	-	30,202,357.00	3.3.3
Ministry of Lands, Housing and Country Planning, East, 2018-2020	No evidence of payment of revenue into the CF	129,224,000.00	-	-	-	-	129,224,000.00	3.55.2
Ministry of Trade and Industry, Headquarters, 2018-2020	Salary paid to staff who were not available for physical verification	27,376,704.00	-	-	-	-	27,376,704.00	3.44.3
Ministry of Internal Affairs (MIA), 2018 – 2020	Standing Imprest not accounted for	15,545,000.00	-	-	11,660,000.00	3,885,000.00		3.50.1
	Bank withdrawals without supporting documents	1,024,917,600.00	-	-	621,400,000.00	171,000,000.00	232,517,600.00	3.50.2
	Fuel issued without approved requests	32,837,000.00	-	-	23,562,000.00	9,275,000.00		3.50.3
	Lack of stores documents to support utilisation of store items	329,410,000.00	-	-	137,025,000.00	145,245,000.00	47,140,000.00	3.50.5
	Salary paid to a staff whose name was neither on the staff list, nor in	4,580,422.00	-	-	-	-	4,580,422.00	



	Nature of Estimated Loss	Total	2016	2017	2018	2019	2020	Paragraph Reference:
Name of MDA		Le	Le	Le	Le	Le	Le	
Ministry of Internal Affairs (MIA), 2018 – 2020	the staff attendance register (January to April 2020) without justification							3.50.6
Ministry of Mines and Mineral Resources, H/Q, 2020	Payments without supporting documents	51,504,229.00	-	-	-	-	51,504,229.00	3.39.1
	Unverified assets	60,508,200.00	-	-	-	-	60,508,200.00	3.39.2
	Salary paid to unverified staff	129,799,191.00	-	-	-	-	129,799,191.00	3.39.3
Ministry of Sports, H/Q, 2018-2020	Special imprest for various sporting disciplines not retired	3,194,978,828.00	-	-	483,565,660.00	868,200,000.00	1,843,213,168.00	3.47.3
	Special imprest to the Sierra Leone Boxing Association, not retired	69,158,686.00	-	-	-	-	69,158,686.00	3.47.3
	Special imprest to Sierra Leone Premier League Board (SLPLB) not retired	1,721,644,870.00	-	-	1,721,644,870.00	-		3.47.3
	Bank withdrawals without	1,799,033,612.00	-	-		1,653,667,954.00	145,365,658.00	

	Nature of Estimated Loss	Total	2016	2017	2018	2019	2020	Paragraph Reference:
Name of MDA		Le	Le	Le	Le	Le	Le	
Ministry of Sports, H/Q, 2018-2020	supporting documents							3.47.4
	Allowances paid for overseas travelling not supported by beneficiary list	66,156,240.00	-	-	66,156,240.00	-	-	3.47.4
	Payments to additional delegates without justification (US\$3,500)	32,781,000.00	-	-	-	32,781,000.00	-	3.47.4
	Fuel utilisation records not submitted	16,030,000.00	-	-	16,030,000.00	-	-	3.47.5
	Ineligible payments of allowances to Board Members	132,370,000.00	-	-	-	-	132,370,000.00	3.47.6
Ministry of Sports, Bombali District, 2019 & 2020	Payments without supporting documents	9,710,000.00	-	-	-	-	9,710,000.00	3.48.3
	Evidence of distribution of sports equipment not submitted	23,200,000.00	-	-	-	23,200,000.00		3.48.6
	Fuel utilisation records not submitted	4,359,000.00	-	-	-	3,149,000.00	1,210,000.00	3.48.5

	Nature of Estimated Loss	Total	2016	2017	2018	2019	2020	Paragraph Reference:
Name of MDA		Le	Le	Le	Le	Le	Le	
Ministry of Local Government and Rural Development, 2020	Payments without supporting documents	321,510,000.00	-	-	-	-	321,510,000.00	3.51.2
Ministry of Works and Public Assets, 2019 & 2020	Advance payment of 30% to contractor but no work done	278,514,000.00	-	-	-	-	278,514,000.00	3.52.2
	Fuel utilisation records not submitted	114,268,500.00	-	-	-	50,855,500.00	63,413,000.00	3.52.6
	Standing imprest not retired	111,000,000.00				111,000,000.00		3.52.5
	Payments without supporting documents	492,307,000.00	-	-	-	-	492,307,000.00	3.52.4
	Salary paid to 35 staff not available for physical verification	251,986,020.00	-	-	-	-	251,986,020.00	3.52.7
Ministry of Transport and Aviation, 2020	Inflated unit prices in the procurement of vehicles (US\$62,770)	634,840,087.00	-	-	-	-	634,840,087.00	3.53.1

								Paragraph Reference:
	Nature of Estimated Loss	Total	2016	2017	2018	2019	2020	
Name of MDA		Le	Le	Le	Le	Le	Le	
Ministry of Youth Affairs, 2019 & 2020	Outstanding PAYE	34,305,000.00	-	-	-	-	34,305,000.00	3.54.12
	Salary overpayment to a project staff	114,419,574.00	-	-	-	-	114,419,574.00	3.54.10
	Withholding Taxes not Deducted and Paid to the NRA	25,343,010.00	-	-	-	15,709,100.00	9,633,910.00	3.54.9
	Ineligible Expenses	9,090,000.00	-	-	-	-	9,090,000.00	3.54.7
	Overstatement of bid price for the construction of 10 fishing boats	19,700,000.00	-	-	-	-	19,700,000.00	3.54.6
	Overpayments to contractors for the construction of four car wash centres	371,691,549.00	-	-	-	-	371,691,549.00	3.54.6
	Defects and uncompleted works at constructed car wash centres in Western Area	541,960,000.00	-	-	-	-	541,960,000.00	3.54.3
Ministry of Information and Communication s, 2019 & 2020	Withholding taxes not deducted and paid to the NRA	7,603,639.05	-	-	-	7,603,639.05	-	3.43.2

								Paragraph Reference:
	Nature of Estimated Loss	Total	2016	2017	2018	2019	2020	
Name of MDA		Le	Le	Le	Le	Le	Le	
Ministry of Social Welfare, H/Q, 2019 & 2020	Cash withdrawals not supported by documents	161,500,000.00	-	-	-	161,500,000.00	-	3.40.1
	Withholding Taxes not paid to the NRA, 2019	17,129,528.90	-	-	-	17,129,528.90	-	3.40.2
	Payment to Children in Special Difficult Circumstances not retired, 2019	94,674,000.00	-	-	-	94,674,000.00	-	3.40.4
	Stipends paid to students and community volunteers not retired (US\$51,892)	486,020,472.00	-	-	-	486,020,472.00	-	3.40.4
	Unretired payments	50,000,000.00	-	-	-	-	50,000,000.00	3.40.1
Ministry of Basic and Senior Secondary Education, H/Q, 2020	Payments without supporting documents	227,800,000.00	-	-	-	-	227,800,000.00	3.21.4
	Withholding taxes not paid to the NRA	43,373,500.00	-	-	-	-	43,373,500.00	3.21.5

	Nature of Estimated Loss	Total	2016	2017	2018	2019	2020	Paragraph Reference:
Name of MDA		Le	Le	Le	Le	Le	Le	
Ministry of Basic and Senior Secondary Education, Bombali District, 2020	Fuel utilisation records not submitted	14,410,000.00	-	-	-	-	14,410,000.00	3.22.5
	Payments not supported	16,694,000.00	-	-	-	-	16,694,000.00	3.22.3
	Ineligible payment of DSA to staff	38,446,000.00	-	-	-	-	38,446,000.00	3.22.4
Ministry of Health and Sanitation, 2020	GST not paid	64,260,000.00	-	-	-	-	64,260,000.00	3.5.4
	Amount overspent on goods and services without authority.	257,586,000.00	-	-	-	-	257,586,000.00	3.5.9
	Amount not retired or paid back into the CF	1,055,983,822.00	-	-	-	-	1,055,983,822.00	3.5.9
	Loans not recovered	130,000,000.00	-	-	-	-	130,000,000.00	3.5.9
	Payment without supporting documents	138,532,500.00	-	-	-	-	138,532,500.00	3.5.10
	Salaries paid to former staff not recovered	85,740,659.00	-	-	-	-	85,740,659.00	3.5.13
	Revenue not transferred to CF	58,680,655.00	-	-	-	-	58,680,655.00	3.5.14
Bo Government Hospital, 2020	Payment without documentation	163,812,932.00	-	-	-	-	163,812,932.00	3.13.5

	Nature of Estimated Loss	Total	2016	2017	2018	2019	2020	Paragraph Reference:
Name of MDA		Le	Le	Le	Le	Le	Le	
Bo Government Hospital, 2020	Withholding taxes not paid to the NRA	13,156,054.00	-	-	-	-	13,156,054.00	3.13.6
	Rent for canteen not accounted for	10,500,000.00	-	-	-	-	10,500,000.00	3.13.8
District Health Management Team(DHMT), Bonthe District, 2018 & 2019	Payment without supporting documents	71,100,000.00	-	-	-	71,100,000.00	-	3.12.2
District Health Management Team (DHMT), Moyamba, 2018 & 2019	Supporting documents not presented for bank withdrawal	511,434,000.00	-	-	511,434,000.00	-	-	3.10.3
	Funds not accounted for	63,000,000.00	-	-	63,000,000.00	-	-	3.10.1
	Withholding taxes not paid to the NRA	29,233,820.00	-	-	29,233,820.00	-	-	3.10.1
Local Government Service Commission, 2020	Payments without supporting documents	97,935,000.00	-	-	-	-	97,935,000.00	3.56.1

	Nature of Estimated Loss	Total	2016	2017	2018	2019	2020	Paragraph Reference:
Name of MDA		Le	Le	Le	Le	Le	Le	
Office of the President, 2020	Overseas imprest not retired	1,327,758,800.00	-	-	-	-	1,327,758,800.00	3.60.1
	Payments not supported by original and true copies of receipt (US\$156,114)	1,545,215,260.68	-	-	-	-	1,545,215,260.68	3.60.2
	Excess DSA paid to travelling personnel (US\$7,404)	73,271,168.64	-	-	-	-	73,271,168.64	3.60.2
	Double dipping (Payments for accommodation & DSA - US\$75,852)	750,783,854.52	-	-	-	-	750,783,854.52	3.60.2
	Funds utilised outside the activities of the Office of the First Lady	15,688,500.00	-	-	-	-	15,688,500.00	3.60.4
	Unretired government contribution	65,000,000.00	-	-	-	-	65,000,000.00	3.61.2
Office of the Vice President, 2020	Cash paid out to persons without prudent justification	188,345,000.00	-	-	-	-	188,345,000.00	3.61.3



	Nature of Estimated Loss	Total	2016	2017	2018	2019	2020	Paragraph Reference:
Name of MDA		Le	Le	Le	Le	Le	Le	
Judiciary of Sierra Leone, Headquarters, 2020	Revenue not traced to transit account and to the CF	2,215,200.00	-	-	-	-	2,215,200.00	3.58.2
	Withholding taxes not deducted and paid to the NRA	48,910,567.86	-	-	-	-	48,910,567.86	3.58.6
Sierra Leone Correctional Services, NE- 2019-2020	Fuel utilisation records not maintained	30,000,000.00	-	-	-	-	30,000,000.00	3.69.2
Sierra Leone Police Force, Eastern Region, 2020	No bank statement to show whether revenues in arrears with respect to services of armed police guards (OSDs) were paid.	2,143,200,000.00	-	-	-	-	2,143,200,000.00	2.74.1
	No evidence of receipts and payments for security services	33,200,000.00	-	-	-	-	33,200,000.00	2.74.1
	Payments without payments vouchers and supporting documents	78,000,000.00	-	-	-	-	78,000,000.00	2.74.2

	Nature of Estimated Loss	Total	2016	2017	2018	2019	2020	Paragraph Reference:
Name of MDA		Le	Le	Le	Le	Le	Le	
Commissions of Inquiry, 2019 & 2020	Monies paid to third parties on behalf of a said committee without relevant documents	310,000,000.00	-	-	-	-	310,000,000.00	3.63.4
	Unretired special imprest	6,000,000.00	-	-	-	-	6,000,000.00	3.63.5
	Ineligible allowances paid to Judges of the Commissions	890,000,000.00	-	-	-	530,000,000.00	360,000,000.00	3.63.8
	Unpaid rent arrears for occupancy of SEMCO building by Judges	1,719,599,311.92	-	-	-	1,034,825,366.96	684,773,944.96	3.63.8
	Disbursement for activities not related to the Commissions of Inquiry	305,032,835.73	-	-	-	-	305,032,835.73	3.63.10
	Withholding taxes not deducted and paid from remuneration	164,157,000.00	-	-	-	144,357,000.00	19,800,000.00	3.63.6
Immigration, Headquarters, 2020	Revenue not traced to the CF	6,000,000.00	-	-	-	-	6,000,000.00	3.72.1
	Gratis visa granted to ineligible individuals	776,400,000.00	-	-	-	-	776,400,000.00	3.72.2

	Nature of Estimated Loss	Total	2016	2017	2018	2019	2020	Paragraph Reference:
Name of MDA		Le	Le	Le	Le	Le	Le	
Immigration, Headquarters, 2020	Utilisation of proceeds from sale of bid documents not supported by documents	6,000,000.00	-	-	-	-	6,000,000.00	3.72.3
Office of the Chief Minister, 2020	Unretired expenses	336,561,000.00	-	-	-	-	336,561,000.00	3.62.1
	Unpaid withholding taxes	247,589,233.00	-	-	-	-	247,589,233.00	3.62.2
	Pre-finance expenditure not refunded by supplier.	72,000,000.00	-	-	-	-	72,000,000.00	3.62.3
	Funds expended without basis of payments	29,700,000.00	-	-	-	-	29,700,000.00	3.62.4
	Unjustified payment of risk allowances	558,700,000.00	-	-	-	-	558,700,000.00	3.62.5
	Salaries paid to individuals not accounted for by the HRMO	380,089,206.00	-	-	-	-	380,089,206.00	3.62.6
	Salary arrears paid to six staff without justification	313,420,129.00	-	-	-	-	313,420,129.00	3.62.6
<b>Total(B)</b>		<b>42,331,970,853.30</b>	-	-	<b>3,684,711,590.00</b>	<b>5,635,177,560.91</b>	<b>33,012,081,702.39</b>	

	Nature of Estimated Loss	Total	2016	2017	2018	2019	2020	Paragraph Reference:
Name of MDA		Le	Le	Le	Le	Le	Le	
<b>Local Councils</b>								
Karene District	Revenue not banked	79,186,394.00	-	-	-	-	79,186,394.00	4.4.1
Port Loko District	Revenue not banked	155,871,240.00	-	-	-	-	155,871,240.00	4.4.1
Kambia District	Revenue not banked	17,741,273.00.00	-	-	-	-	17,741,273.00.00	4.4.1
Western Area Rural District	Underpayment of property revenues	606, 500,000.00	-	-	-	-	606, 500,000.00	4.4.1
	No evidence of banking of market dues revenue	129,713,000.00	-	-	-	-	129,713,000.00	4.4.1
	Estimated revenue in respect of local tax receipt books not submitted	78,360,000.00	-	-	-	-	78,360,000.00	4.4.1
	Payments without supporting documents	47,831,850.00	-	-	-	-	47,831,850.00	4.5
	Sitting fees and transport allowances paid without evidence of meetings held	130,200,000.00	-	-	-	-	130,200,000.00	4.7
	Sitting fees and transport allowances paid to absentee councillors	11, 420,000.00	-	-	-	-	11, 420,000.00	4.7

	Nature of Estimated Loss	Total	2016	2017	2018	2019	2020	Paragraph Reference:
Name of MDA		Le	Le	Le	Le	Le	Le	
Western Area Rural District	Revenue from sale of bus tickets not brought to account	11,767,000.00	-	-	-	-	11,767,000.00	4.4.1
Freetown City	Irregularities in bidding process leading to cash losses	182,838,400.00	-	-	-	-	182,838,400.00	4.5
	PAYE taxes not paid to the NRA	182,755,351.80	-	-	-	-	182,755,351.80	4.12
	Unpaid withholding taxes to the NRA	88,907,945.00	-	-	-	-	88,907,945.00	4.6
	Market dues revenue unaccounted for	70,000,000.00	-	-	-	-	70,000,000.00	4.6
	Non-refund of salaries paid to 12 former staff	83,241,880.00	-	-	-	-	83,241,880.00	4.4.1
	Salaries paid to 75 unverified staff	722,467,896.00	-	-	-	-	722,467,896.00	4.7
	Non-refund of alleged expenses on fuel allocated to non- operational school buses	37,675,000.00	-	-	-	-	37,675,000.00	3.7
Port Loko District	Items delivered but not accounted for	308,000,000.00	-	-	-	-	308,000,000.00	4.5

	Nature of Estimated Loss	Total	2016	2017	2018	2019	2020	Paragraph Reference:
Name of MDA		Le	Le	Le	Le	Le	Le	
Karene District	Ineligible expenditure	60,423,006.00	-	-	-	-	60,423,006.00	4.5
Kambia istrict	Title documents for land not submitted	10,000,000.00	-	-	-	-	10,000,000.00	4.5
	Loans not repaid	7,000,000.00.00	-	-	-	-	7,000,000.00.00	4.5
	Unconfirmed payments	248,550,000.00	-	-	-	-	248,550,000.00	4.5
Port Loko City	Payments without supporting documents	142,661,220.00	-	-	-	-	142,661,220.00	4.5
	Payments for goods and services not delivered	278,135,000.00	-	-	-	-	278,135,000.00	4.5
	Withholding taxes not paid to the NRA	8,224,109.00	-	-	-	-	8,224,109.00	4.6
Karene District	NASSIT not paid	3,420,000.00	-	-	-	-	3,420,000.00	4.6
	Withholding taxes not paid to the NRA	53,194,575.91	-	-	-	-	53,194,575.91	4.6
Tonkolili District	PAYE tax not paid	4,963,500.00	-	-	-	-	4,963,500.00	4.6
Falaba District	Withholding taxes not paid to the NRA	43,047,591.00	-	-	-	-	43,047,591.00	4.6
Koinadugu District	Sitting fees paid without evidence of meetings held	132,640,250.00	-	-	-	-	132,640,250.00	4.7

	Nature of Estimated Loss	Total	2016	2017	2018	2019	2020	Paragraph Reference:
Name of MDA		Le	Le	Le	Le	Le	Le	
Koinadugu District	Ward Committee allowances paid without evidence of meetings held	74,912,131.00	-	-	-	-	74,912,131.00	4.7
	Sitting fees paid to absentee councillors	54,390,250.00	-	-	-	-	54,390,250.00	4.7
Kambia District	Sitting fees paid without evidence of meetings held	146,790,000.00	-	-	-	-	146,790,000.00	4.7
	Sitting fees paid to absentee councillors	31,628,750.00	-	-	-	-	31,628,750.00	4.7
Bonthe District	Asset (Samsung tablet) not accounted for	3,780,000.00	-	-	-	-	3,780,000.00	4.9
Tonkolili District	Revenue from sale of bus tickets not banked	24,582,000.00	-	-	-	-	24,582,000.00	4.10
	Payment for projects not implemented by the Council	61,830,000.00	-	-	-	-	61,830,000.00	4.11
<b>Total(D)</b>		<b>4,334,649,612.71</b>					<b>4,334,649,612.71</b>	
<b>GRAND TOTAL (A+B+C+D)</b>		<b>153,916,933,928.25</b>	<b>160,965,000.00</b>	<b>10,003,311,475.00</b>	<b>16,840,208,258.00</b>	<b>13,779,437,110.23</b>	<b>113,133,032,085.02</b>	