

Graphic Representation & Summary of the 2015 Auditor General's Report

CHECK LIST

Invoices ✓

Receipts ✗

procurement ✗

Recommendations?

The
Auditor
General



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Acronyms

ASSL	-	Audit Service Sierra Leone
CCAC	-	Chiefdom Council Account Clerk
FCC	-	Freetown City Council
FTT	-	Foreign Travel Tax
GST	-	Goods and Services Tax
MEST	-	Ministry of Education Science and Technology
MDAs	-	Ministries, Department and Agencies
MOFED	-	Ministry of Finance and Economic Development
NASSIT	-	National Social Security and Insurance Trust
NMA	-	National Mineral Agency
NRA	-	National Revenue Authority
PAC	-	Public Account Committee
PAYE	-	Pay As You Earn
PFM	-	Public Financial Management
PVs	-	Payment Vouchers
WARD C	-	Western Area Rural District Council

Foreword

It gives me great pleasure to share with you the Graphic Representation and summary of the 2015 Auditor General's Report which helps to promote transparency and accountability in our nation.

One issue of great concern to us has been the extent to which the general public is able to read and fully understand the important, but sometimes technical information articulated in the Annual Report. All citizens of Sierra Leone have the right to know, in simple terms, the way government operates, especially how it utilises public funds to provide them with basic services.

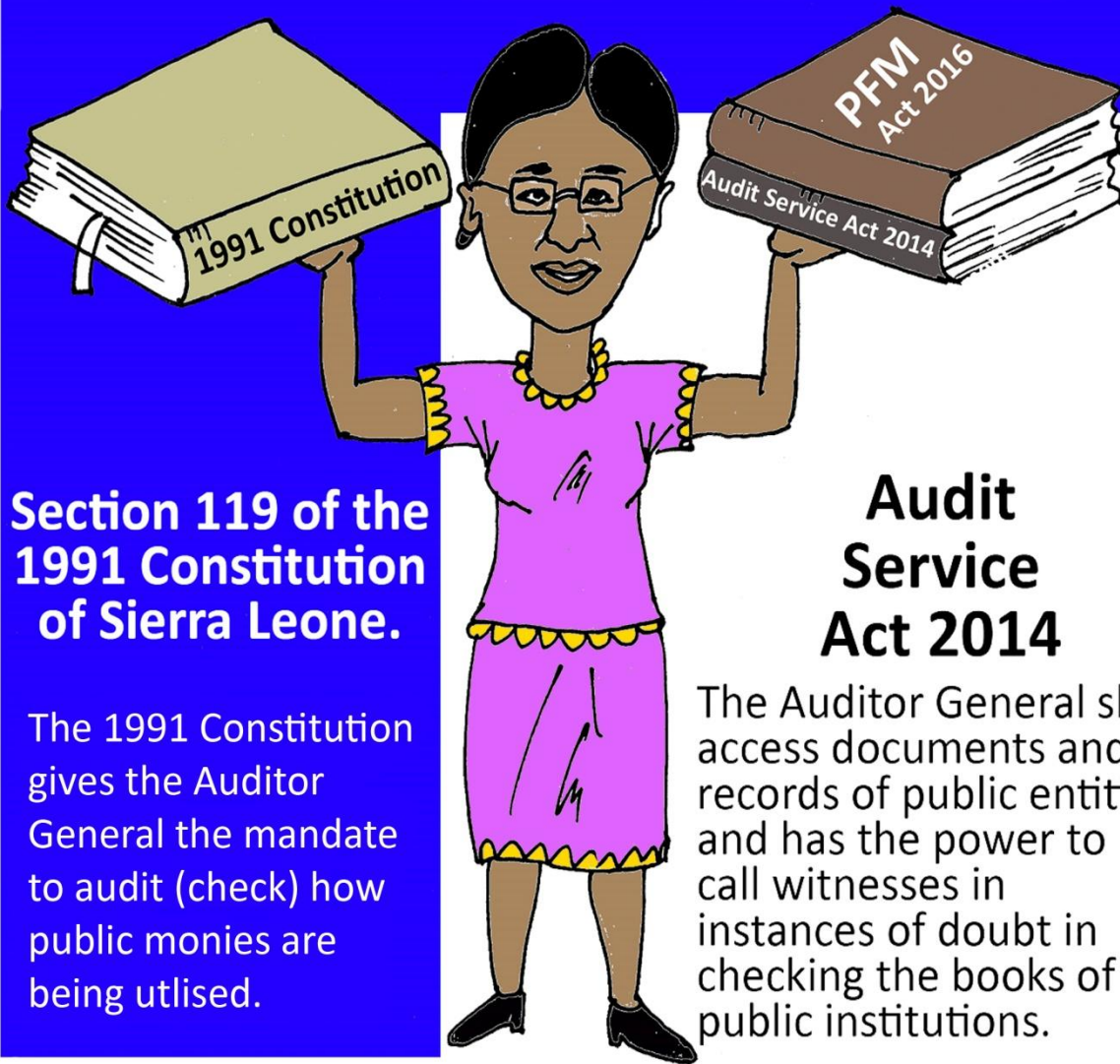
The main objective of this strategy is to create the required synergy with all our key stakeholders; be they internal or external, towards the realisation of our mandate and corporate objectives. It was with this focus that the ASSL, with the support of the European Union under the EU State Building Contract Technical Assistance Project (EU SBC TAP) implemented by Linpinco Sarl, produced a graphic version of the 2014 Auditor General's Report. We have again received similar support from the European Union to produce the 2015 edition of the graphic summary of the Auditor General's Report. The need for easier public consumption of the Report through this publication is a step in the right direction.

Just like the 2014 edition, this graphic version communicates accurately the key messages of the 2015 report with coloured graphics, cartoons and pictorial illustrations with minimal words. I hope that, through this initiative, ordinary citizens would be better informed about the work we do.

I would like to take this opportunity to thank the European Union for funding this project, the individual consultants, and my own staff who have worked to produce this document over the last few months.

Lara Taylor-Perace (Mrs) FCCA FCA (SL)
Auditor General of Sierra Leone

MANDATES OF THE AUDITOR GENERAL



Section 119 of the 1991 Constitution of Sierra Leone.

The 1991 Constitution gives the Auditor General the mandate to audit (check) how public monies are being utilised.

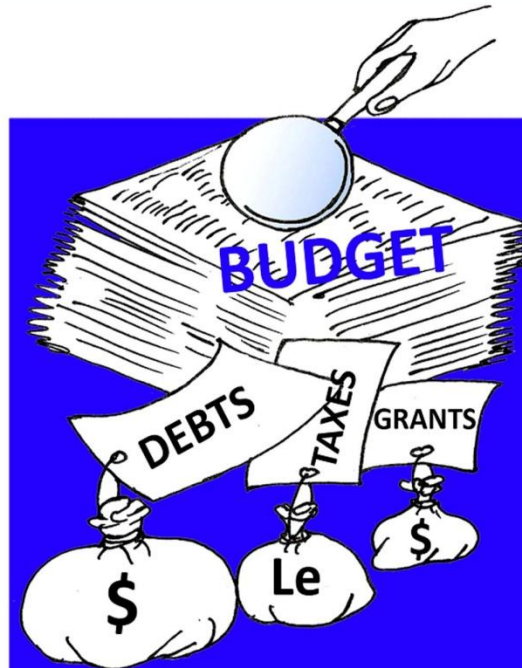
Audit Service Act 2014

The Auditor General shall access documents and records of public entities and has the power to call witnesses in instances of doubt in checking the books of all public institutions.

Section 16 of the Public Financial Management (PFM) Act 2016

The Auditor General shall audit the accounts and financial statements of the Consolidated Fund, Central Government, budgetary agencies, subvented agencies, local councils, social security funds and public enterprises.

ROLE OF THE AUDITOR GENERAL



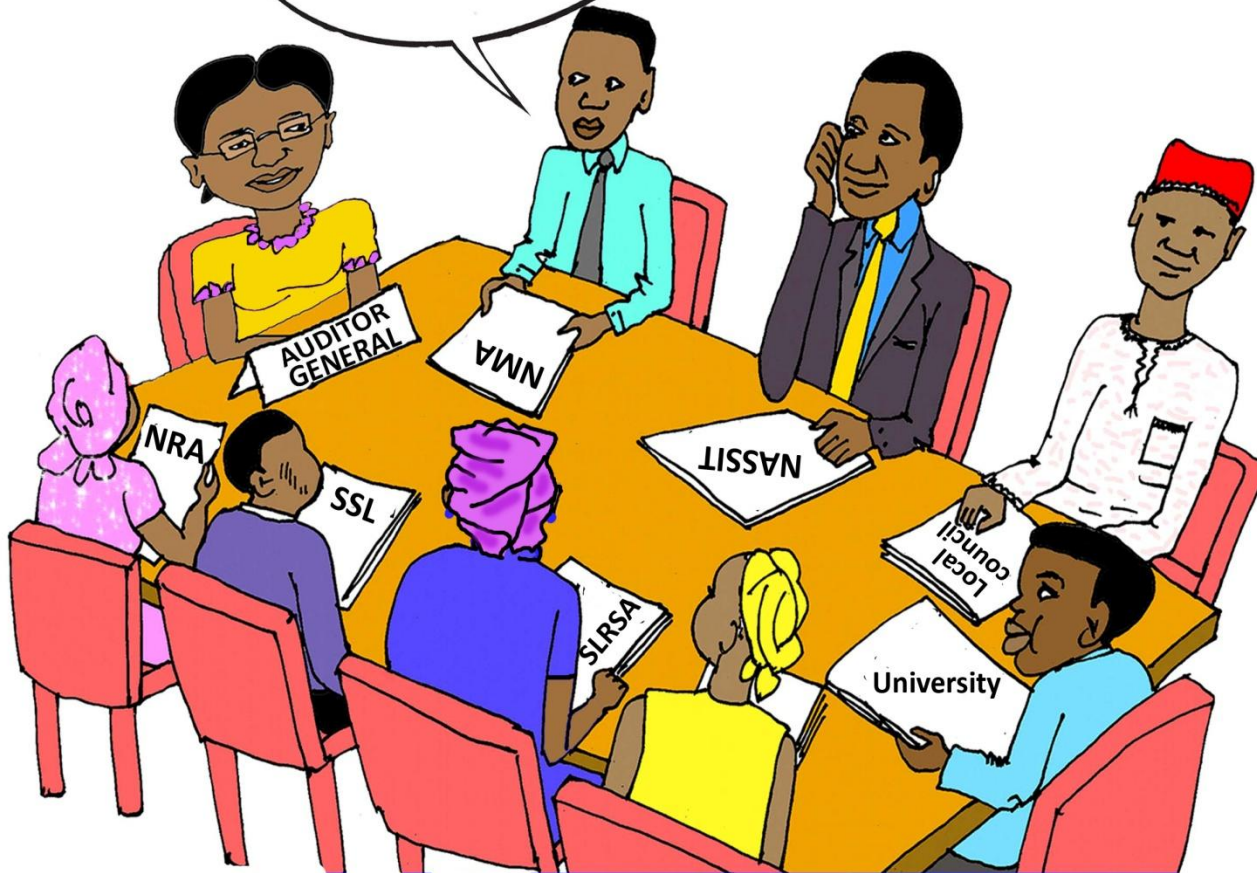
The Auditor General checks government's performance as the guardian of public funds to ensure that they are used in the manner intended.

EXPENDITURE



THE AUDITOR GENERAL AND ENTITIES OF GOVERNMENT

Auditor General,
we hereby submit
our annual **Financial
Statements** for
the year.



Three months after the end of the financial year, entities in the general government should submit to the Auditor General their annual **Financial Statements**.
(Section 86 of the PFM Act 2016).

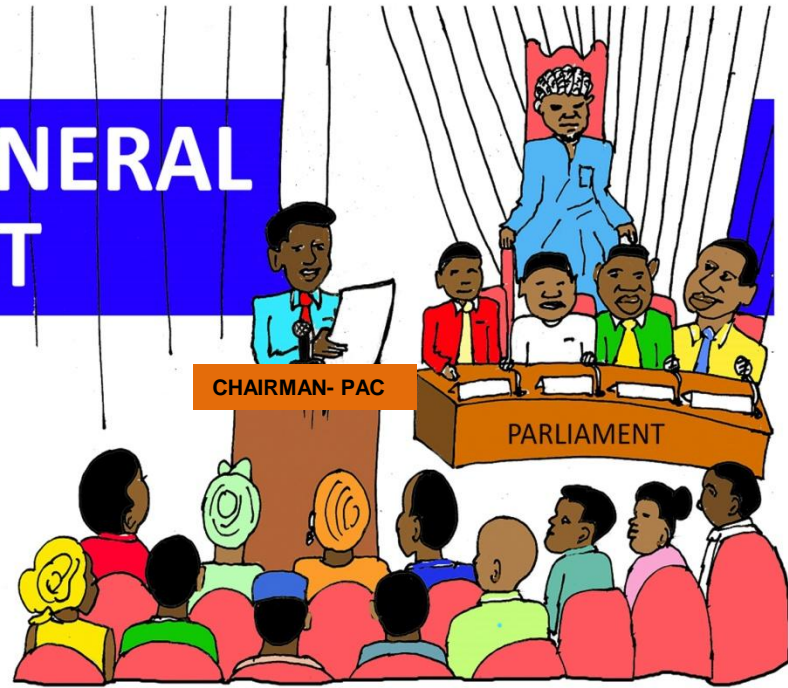
THE AUDITOR GENERAL AND ACCOUNTANT GENERAL

Not later than three months after the end of the financial year, the Accountant General shall draw up and sign the annual **Financial Statements** of the **Consolidated Fund**.

(Section 87 of the PFM Act 2016).



THE AUDITOR GENERAL AND PARLIAMENT



The Auditor General should, within 12 months of the end of the immediate preceding financial year, submit his/her annual report to Parliament.
(Section 95 of the PFM Act 2016).

Follow-ups On Previous Audit Recommendations

Madam Auditor General, how many recommendations have you brought to the attention of Government since 2011?

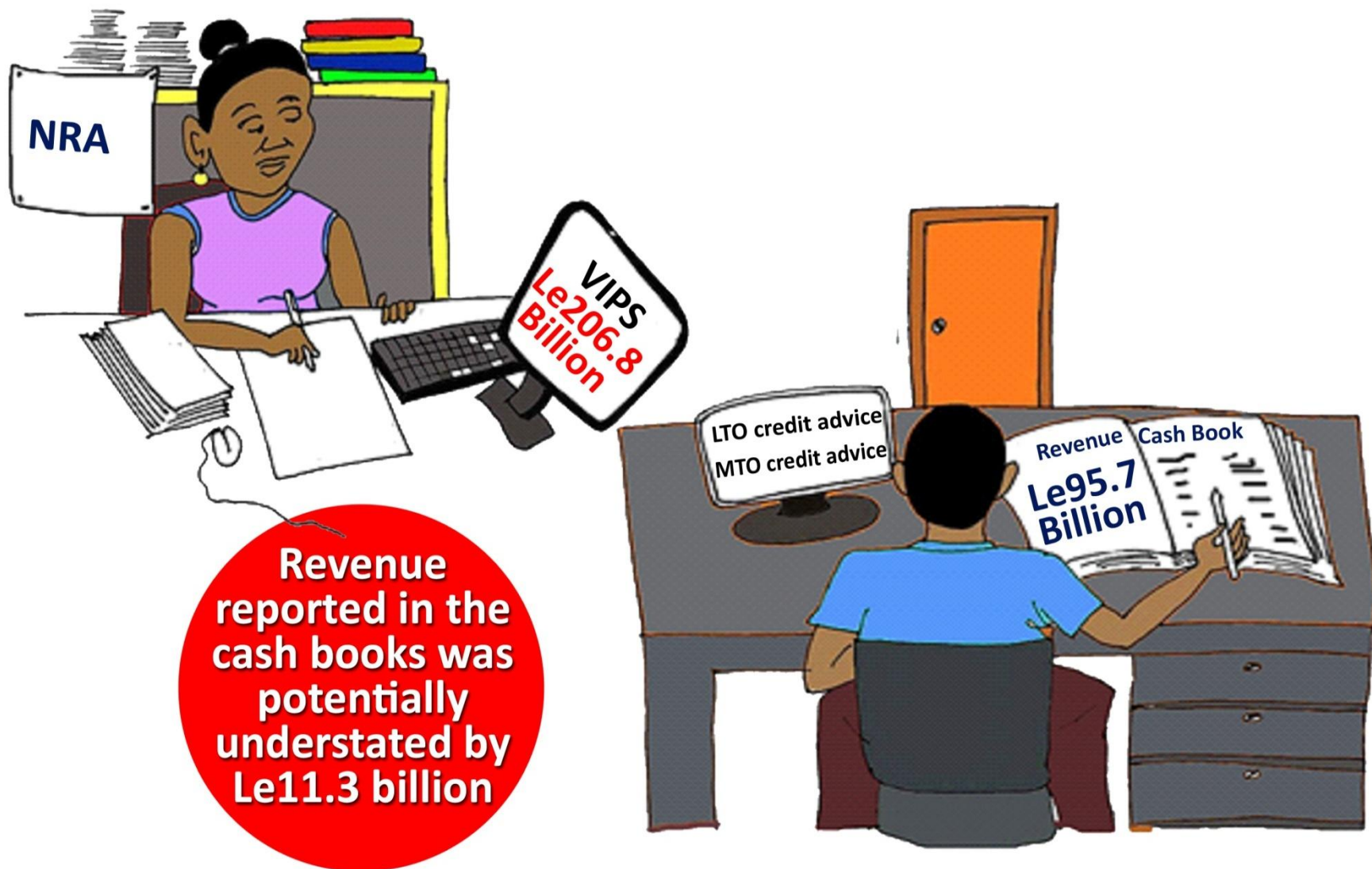


I have made known to Government 959 recommendations from selected MDAs.

- 276 have been implemented
- 618 have not been implemented
- 65 remain in progress

Source: Page ix of the 2015 Auditor General's Report

Inadequate Reconciliations



Source: Page 7 of the 2015 Auditor General's Report

Unexplained splitting of Foreign Travel Tax by Kenya Airways

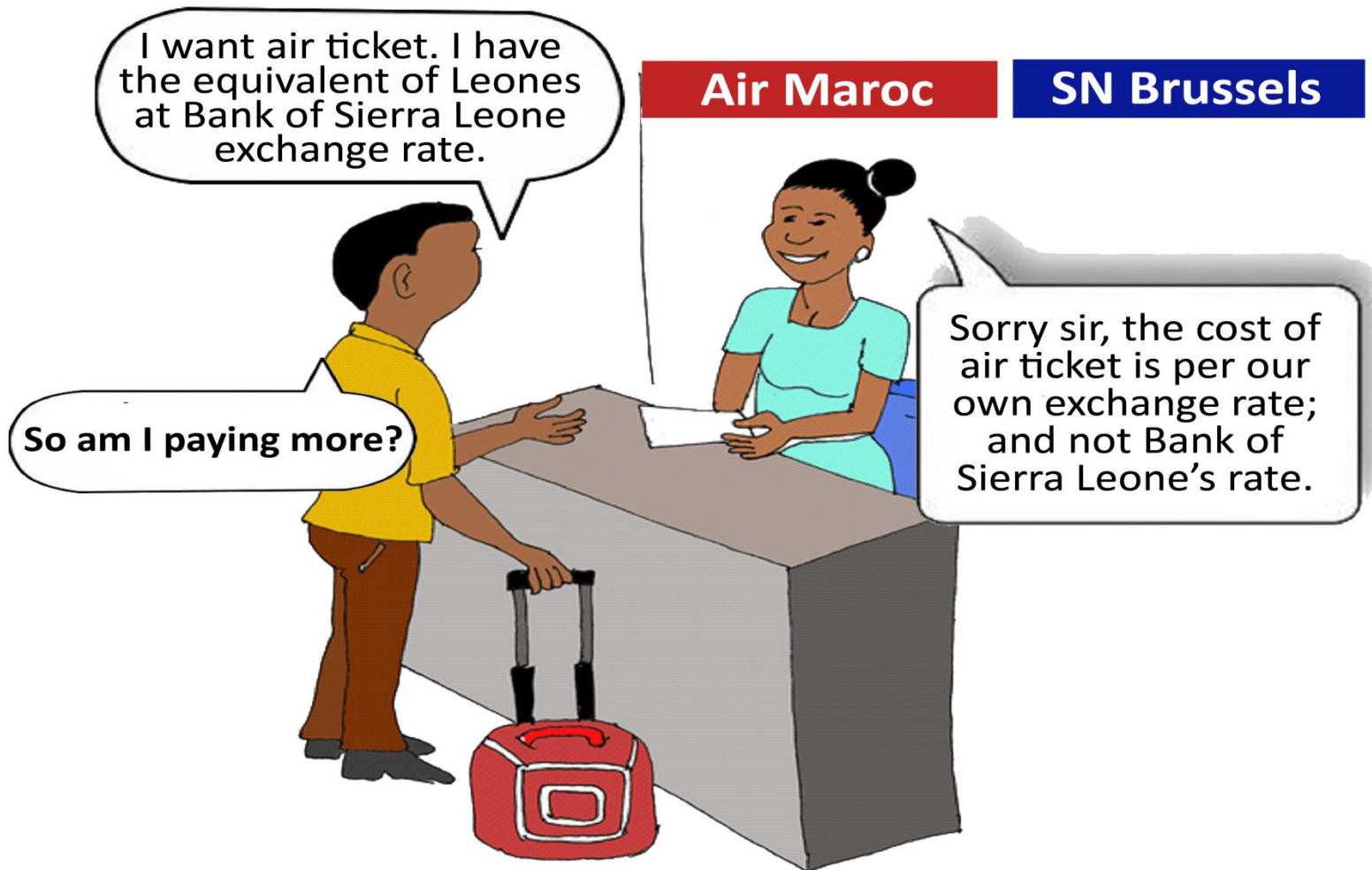
In October 2015, Air France paid Le 93.9 million in tax, and in November 2015 they paid Le 114.8 million. NRA why is it that for nine months Air France paid Le 281 million?

In October 2015, Kenya Airways paid Le 245 million in tax, and in November 2015 they paid Le 289 million. NRA why is it that in nine months Kenya Airways paid Le 578 million?



Domestic Revenue

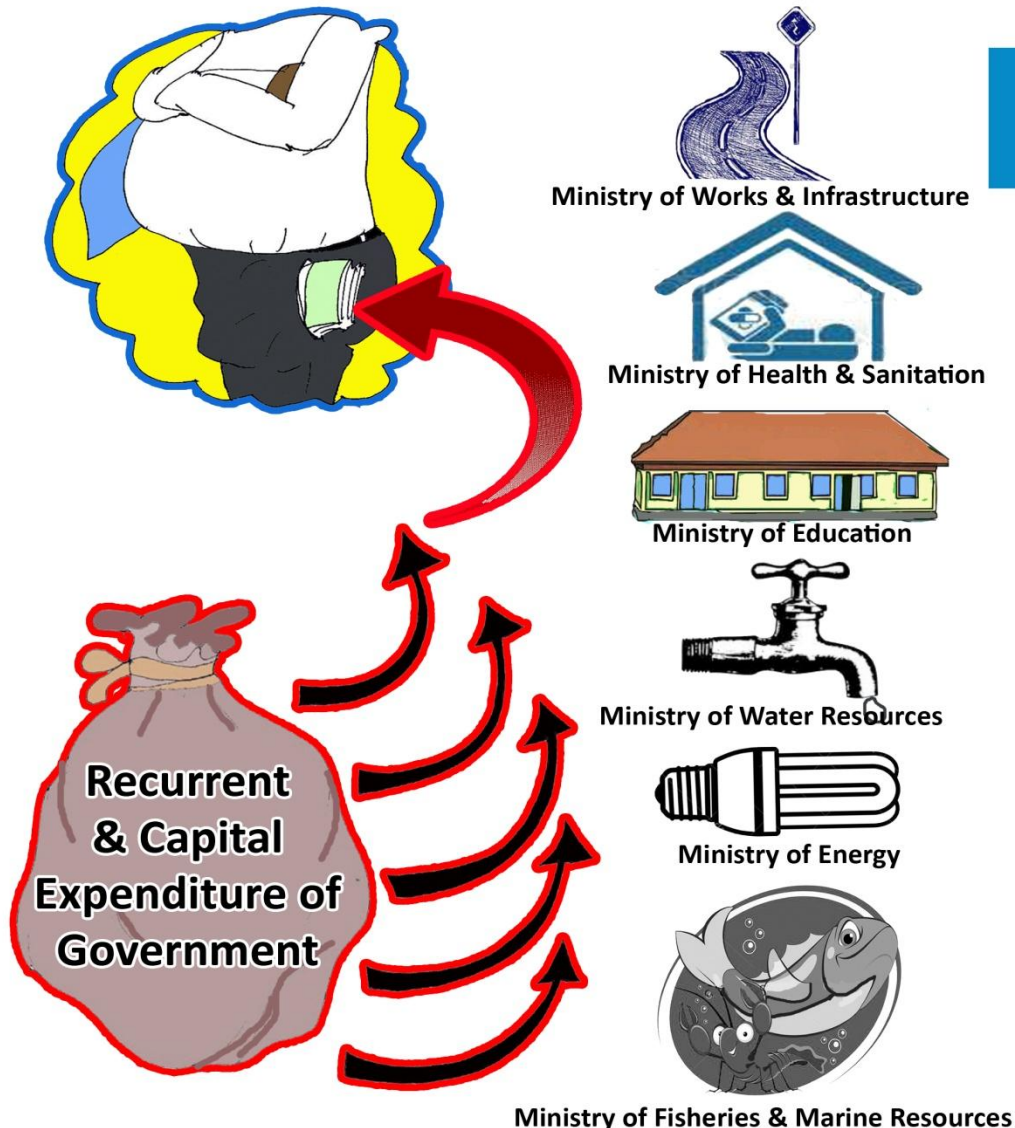
Airlines not using Bank of Sierra Leone stipulated foreign exchange rates cost the citizens of Sierra Leone **Le 153.9 million**



Non-payment of corporate tax arrears of **Le 802 million**



Ministries, Department and Agencies (MDAs)

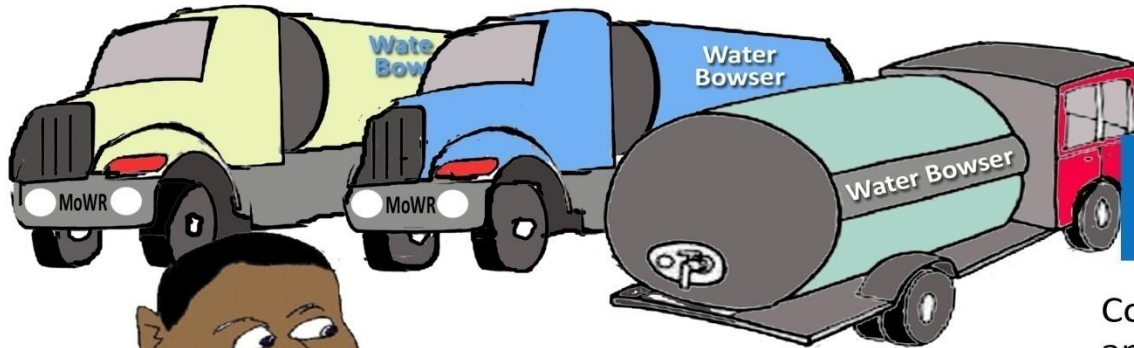


MDAs recorded cash losses of **Le 65.4 Billion**

- Several significant lapses were observed in procurement procedures resulting in incomplete transactions and hence unsatisfactory service delivery;
- Monies allocated to some MDAs were not accounted for at all;
- payments without adequate supporting documents persist in almost all the MDAs;
- Weaknesses were observed in the management of revenue in most revenue generating entities;
- We noted that in many cases, withholding taxes were not being deducted from suppliers or contractors' payments;
- Monies intended to be managed by imprest accounts are not properly closed out or accounted for. Control over imprest accounts is weak, and analysing and posting expenditure accurately to ledger accounts is seriously impaired; and
- Fixed assets, stores and fuel records were not adequately recorded in applicable registers and other records.

Source: Page xxi of the 2015 Auditor General's Report

Ministry of Water Resources



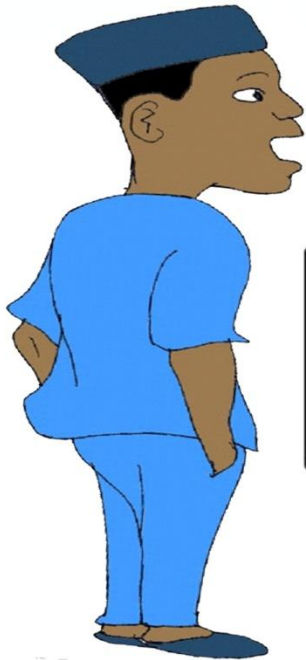
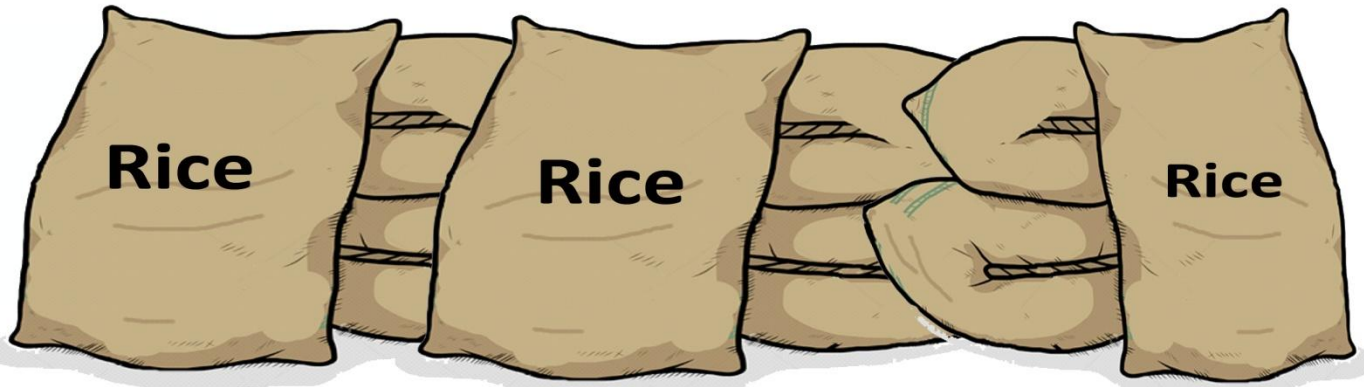
Ministry of Water Resources

Comparison of the invoice prices and the current market prices of similar bowzers disclosed that the bowzers were overpriced by **Le14 billion (US\$3,176,082 at Le4,703.35)** by PCS Holdings (S.L.) Ltd.



Concerned Citizen

What?!
Water bowzers
overpriced by
Le14 billion ?!



What?!
Rice supplied
over-priced by
Le295,885,000?

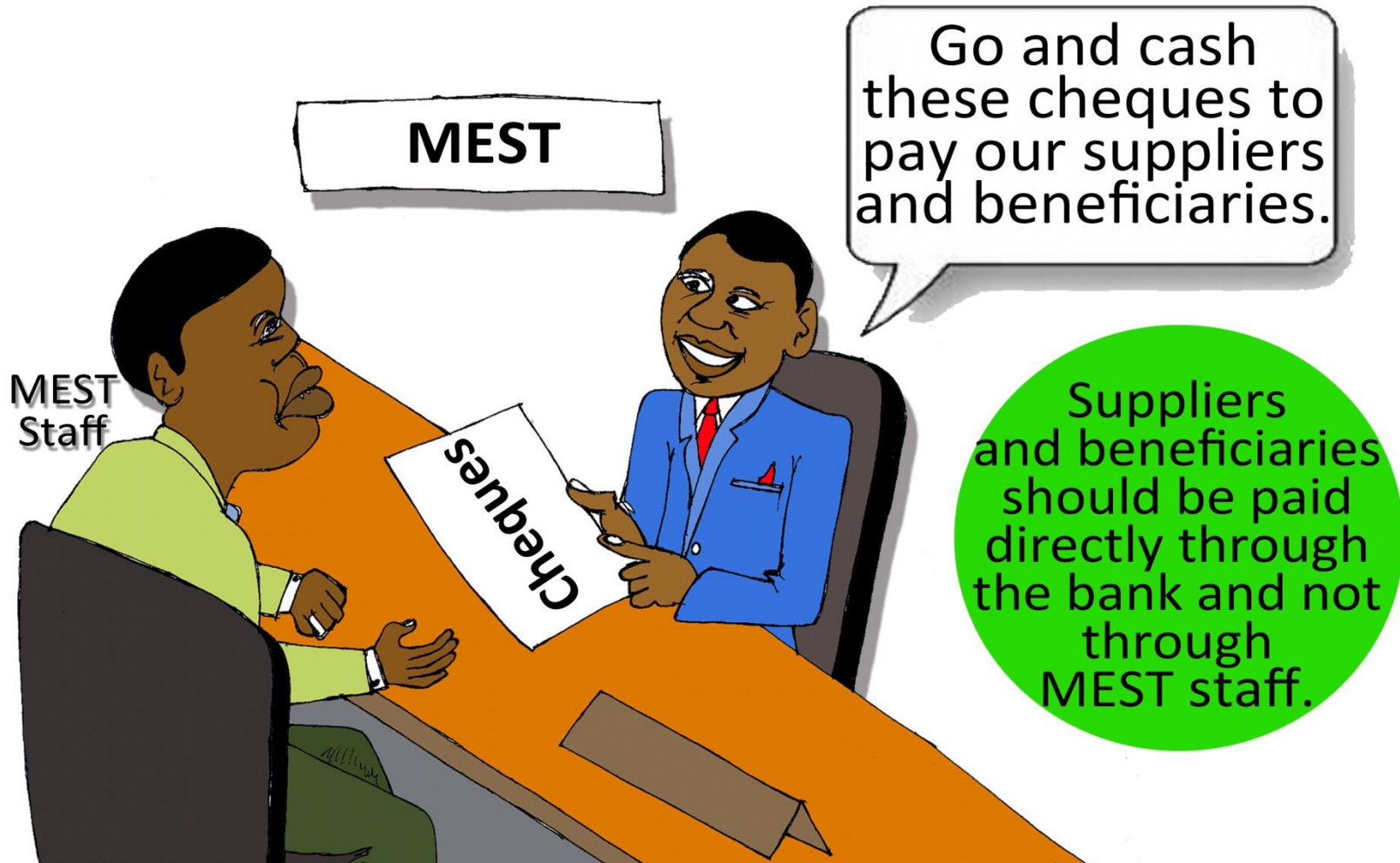
Over-pricing of Rice Supplied

Contract agreement signed between the Government of Sierra Leone, Yetaya Ltd. and Bramtec Ltd. state that rice should be supplied at a cost of Le178,500 per bag. However, payments made to both suppliers were Le190,000 per bag.

Ministries, Department and Agencies (MDAs)

Ministry of Education, Science and Technology

- Total of **Le3.5 billion** paid directly to staff instead of suppliers or beneficiaries.



Employees without NASSIT numbers



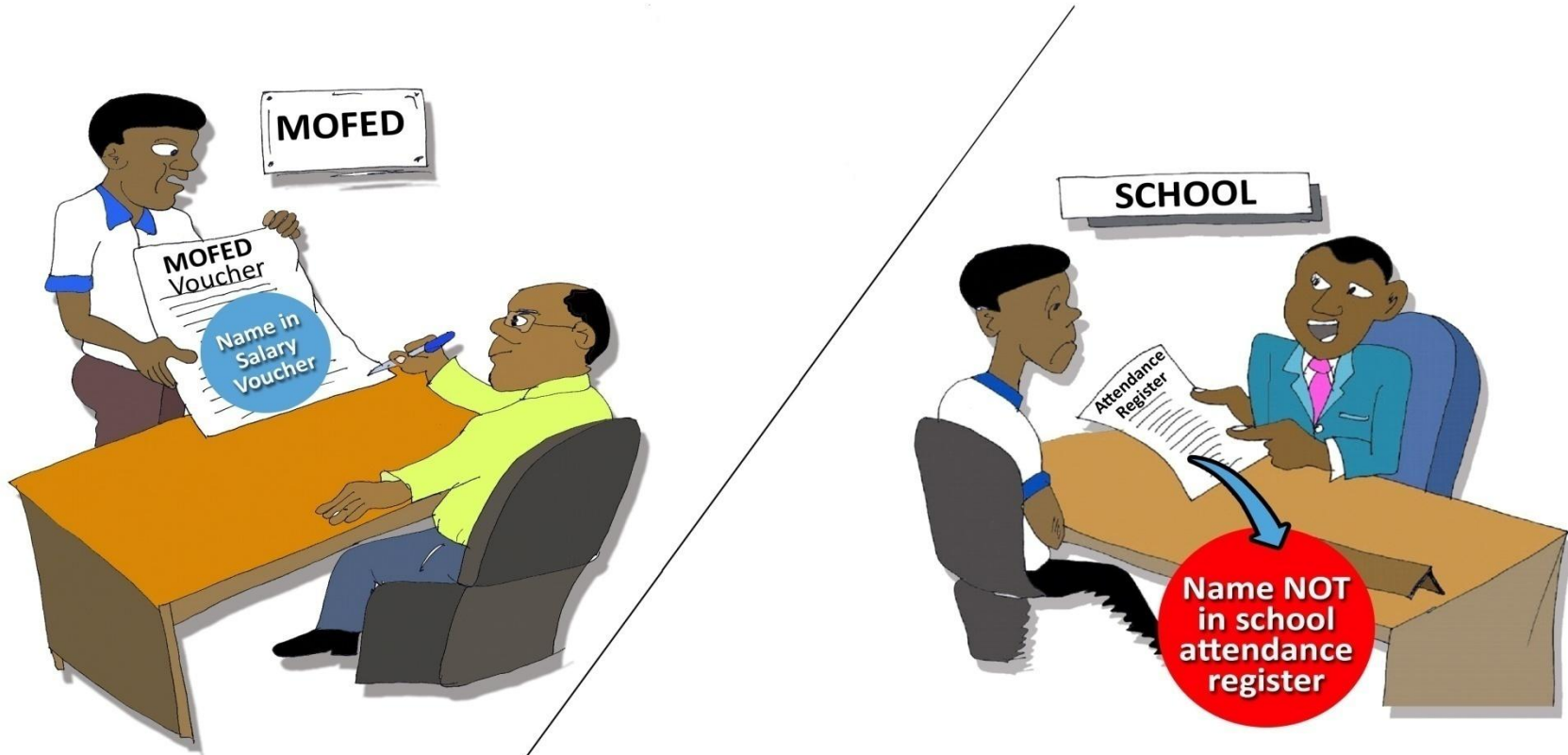
- There is a risk that the beneficiaries at the start of their retirement may not receive their actual pension entitlement.

- In addition, unassigned NASSIT contributions are more susceptible to misuse.

	No. of staff	5%	10%	Total per Month (Le)	Total for Year (Le)
MDA	3072	253,785,832	507,571,664	761,357,496	9,136,289,952
SLP	5473	207,132,692	414,265,384	621,398,076	7,456,776,912
RSLAF	1338	58,531,141	117,062,282	175,593,423	2,107,121,076
TOTAL (Le)					18,700,187,940

NAMES OF TEACHERS ON SALARY VOUCHERS NOT IN ATTENDANCE REGISTERS AND/OR ON THE STAFF LIST

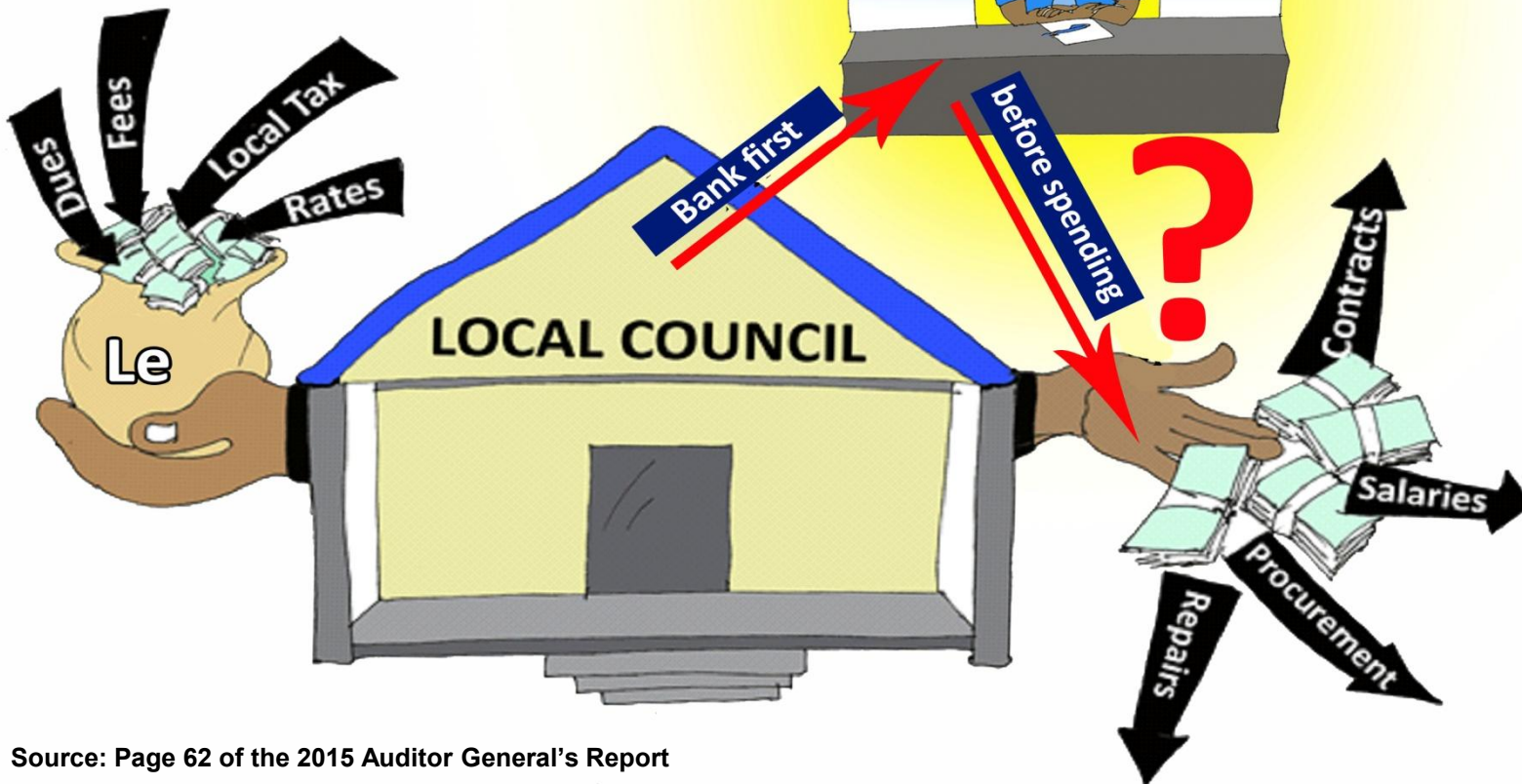
Seventy five (75) teachers' names appeared on salary vouchers but could not be regularly found in daily attendance registers for that period. The total salaries paid to those teachers amounted to **Le 852.43 million**.



Local Council

Revenue totaling **Le 686 million** not brought into account

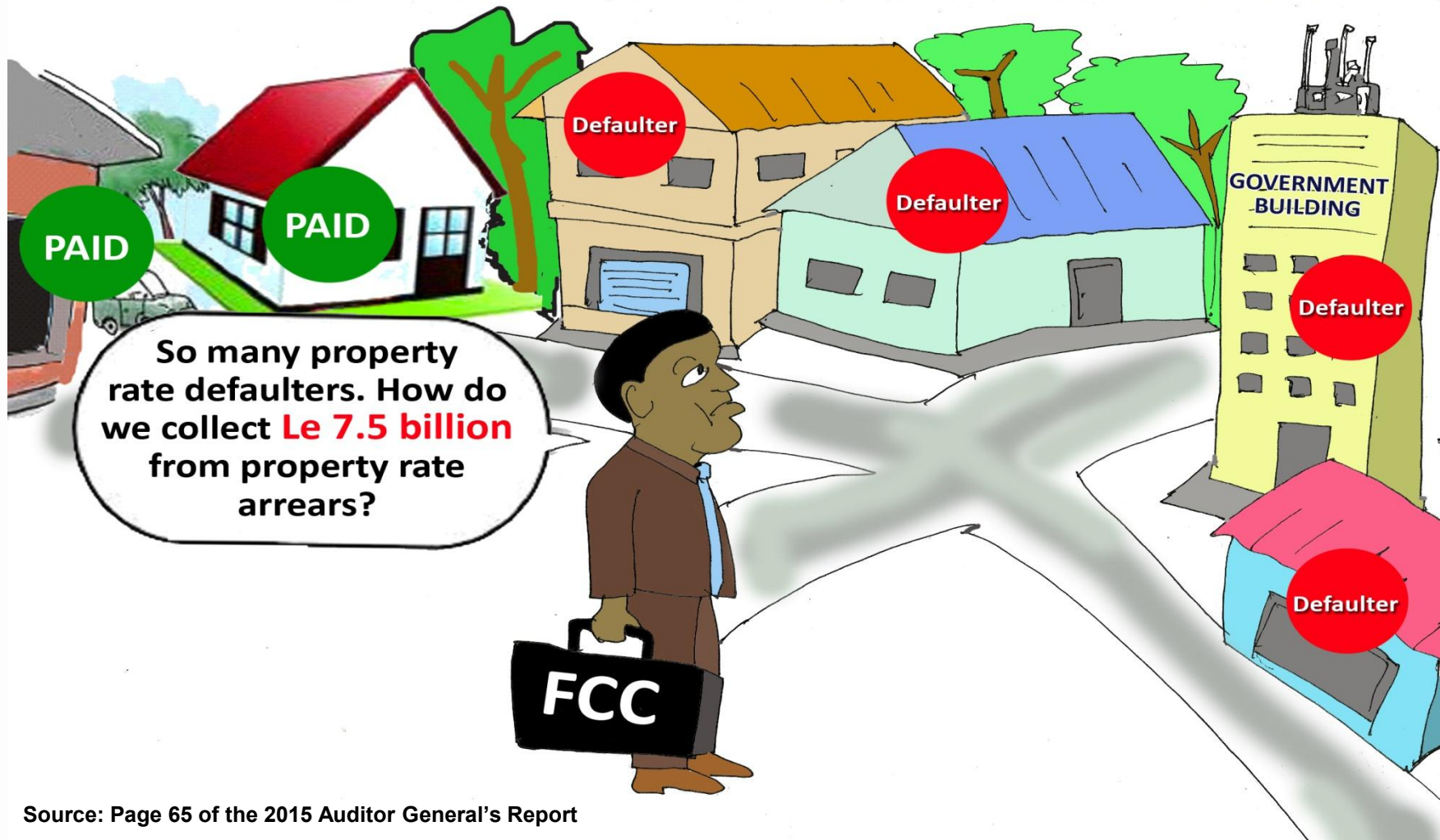
Name of Council	Amount Le (million)
Freetown City Council	6.1
Bonthe Municipal Council	16.1
Bonthe District Council	9.6
Kenema City	180.0
Koidu New Sembehun	354.9
Kailahun District Council	119.3
Grand Total	686.0



Source: Page 62 of the 2015 Auditor General's Report

Property rate arrears

A review of property rate records of Freetown City Council during 2015 revealed that arrears of property rates stood at Le7.5 billion.



Source: Page 65 of the 2015 Auditor General's Report

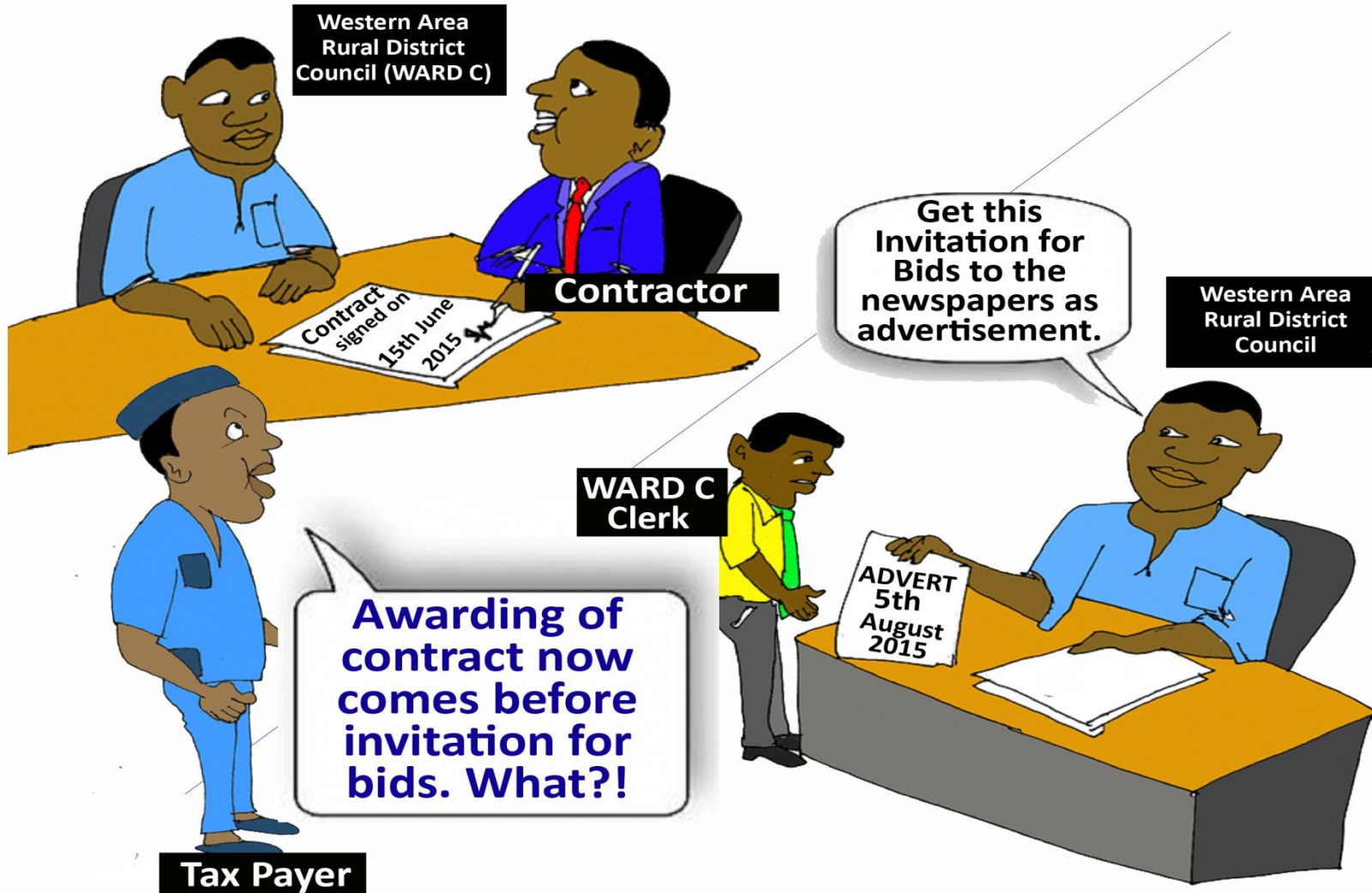
Cheque paid in the name of staff for library services



Total payments of **Le 100.6 million** were made directly to individual library staff instead of suppliers.

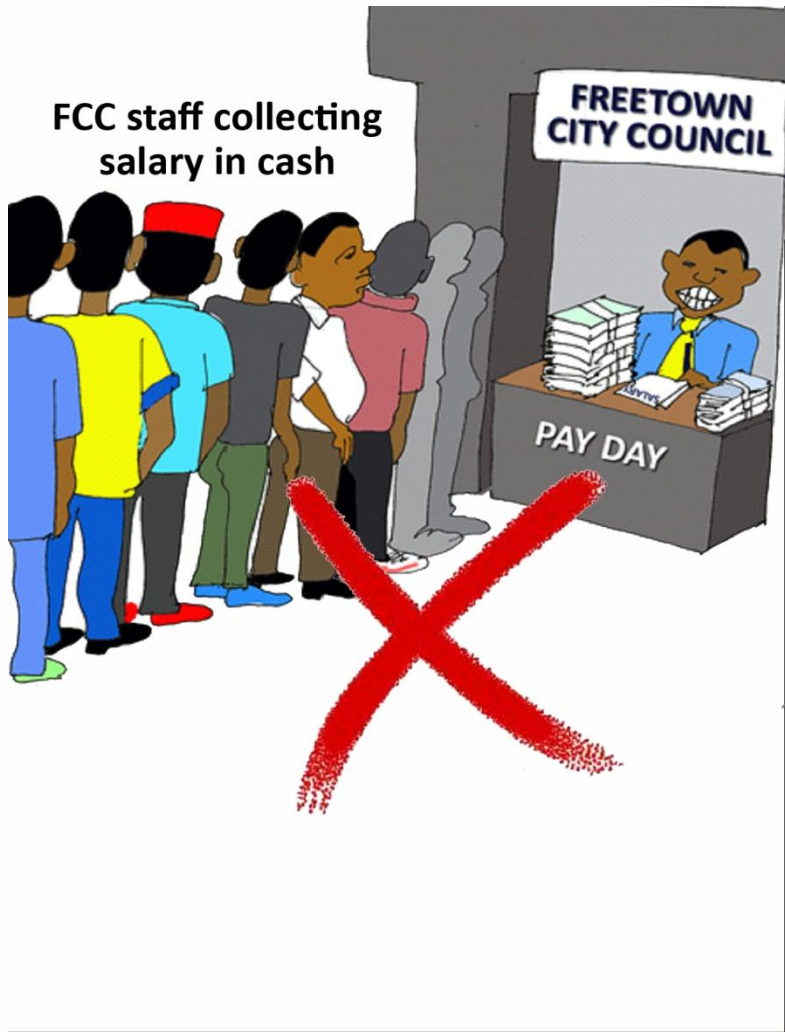
Source: Page 69 of the 2015 Auditor General's Report

Irregularities in the award of contract



Source: Page 73 of the 2015 Auditor General's Report

Salary totaling **Le 973.8 million** paid in cash to staff



Source: Page 79 of the 2015 Auditor General's Report

Payment without supporting documents

Name of Council	Amount Le (million)
Bonthe Municipal	447.09
Koidu New Sembehun City	145.74
Western Rural District	10.60
Total	603.43

All supporting documents must be attached to PVs and retained for audit purposes.

Source: Page 75 of the 2015 Auditor General's Report

Payment without adequate supporting documents

Name	Amount Le(million)
Bo City	16.45
Bo District	102.15
Freetown City	3,348.92
Bombali District	5.15
Port Loko District	6.65
Kambia District	13.20
Kenema City	306.3
Koidu New Sembehun City	659.76
Kailahun District	36.80
Tonkolili District	29.00
Koinadugu District	18.71
Western Rural District	50.85
Pujehun District	70.90
Moyamba District	13.00
Bonthe Municipal	200.56
Kenema District	98.00
Total	4,976.4

Status of previous year's recommendations as at 31st December 2015

	Council	Number of Recommendations						
		Implemented	%	Partly Implemented	%	Not Implemented	%	Total
1	Bo City	2	29	0	0	5	71	7
2	Bo District	4	36	2	18	5	45	11
3	Bonthe District	2	20	5	50	3	30	10
4	Bonthe Municipal	0	0	5	56	4	44	9
5	Bombali District	0	0	1	25	3	75	4
6	Freetown City	7	29	5	21	12	50	24
7	Kailahun District	16	57	0	0	12	43	28
8	Kambia District	1	11	1	11	7	78	9
9	Kenema District	14	42	4	12	15	45	33
10	Kenema City	4	40	4	40	2	20	10
11	Kono District	25	53	4	9	18	38	47
12	Koidu New Sembehun City	10	36	0	0	18	64	28
13	Koinadugu District	1	20	1	20	3	60	5
14	Makeni City	0	0	1	17	5	83	6
15	Moyamba District	15	83	3	17	0	0	18
16	Port Loko District	2	50	1	25	1	25	4
17	Pujehun District	2	18	4	36	5	45	11
18	Tonkolili District	1	20	1	20	3	60	5
19	Western Rural District	7	39	5	28	6	33	18
Total		113	39%	47	16%	127	44%	287

Source: Page 80 of the 2015 Auditor General's Report

Revenue not brought to account

A comparison between the receipt books used in the collection of revenue and the bank pay-in slips and statements revealed a difference of **Le49,646,260** that was not brought to account.

LOCAL
TAX



CHIEFDOM

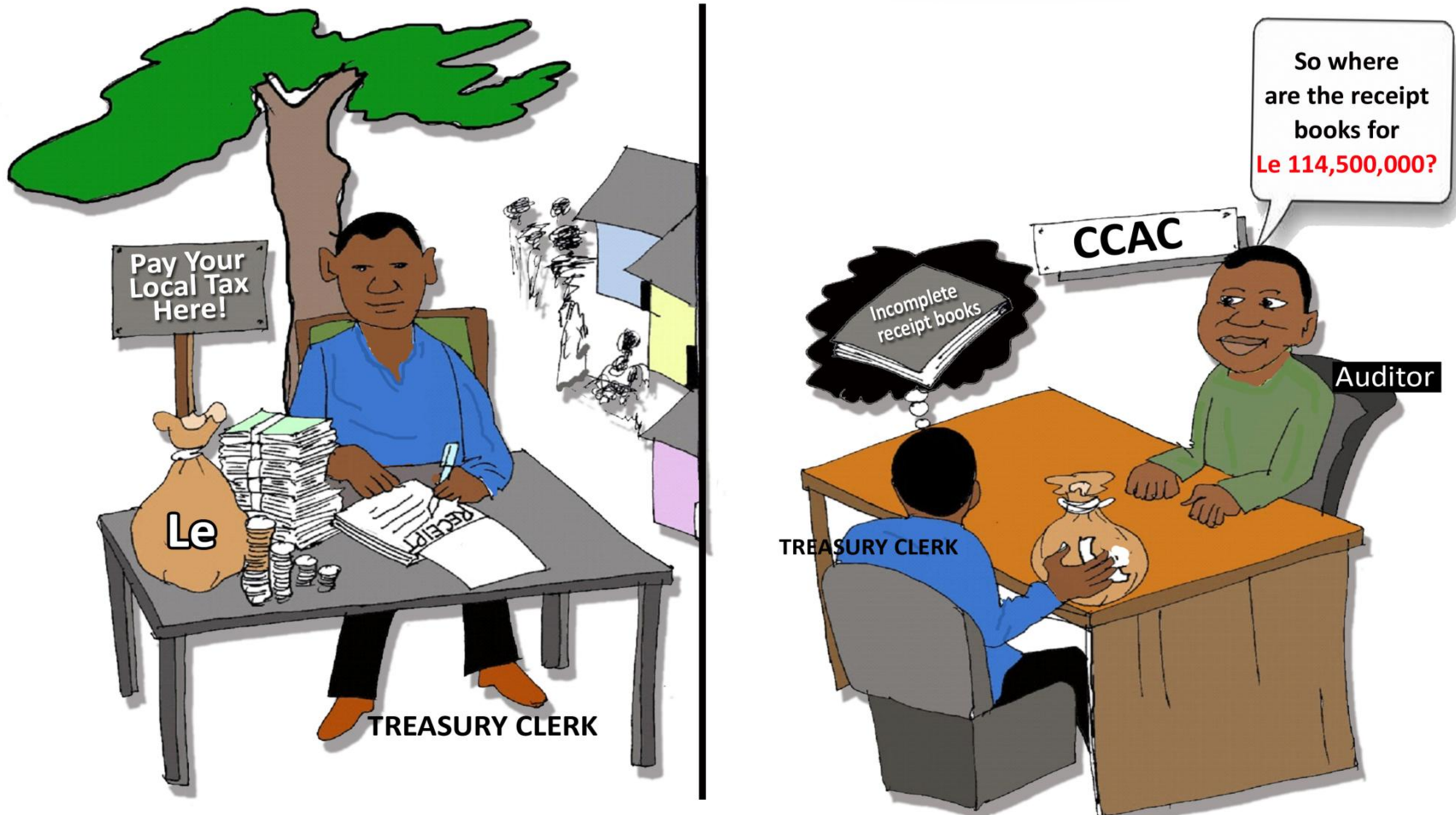


BANK



Missing Receipt Books

A careful examination of revenue collection revealed that local tax receipt books issued by the CCAC to the Treasury Clerk, with a total cash receivable of **Le 114,500,000**, were not presented for audit inspection.



Source: Page 423 of the 2015 Auditor General's Report

