



**AUDIT SERVICE
SIERRA LEONE**

**SUMMARY AND GRAPHIC REPRESENTATION OF
THE AUDITOR-GENERAL'S ANNUAL REPORT 2021**

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ACRONYMS

AG	-	Auditor General
ASSL	-	Audit Service Sierra Leone
ASYGUDA	-	Automated System for Customs Data
AVDP	-	Agricultural Value Chain Development Project
BSL	-	Bank of Sierra Leone
CRFA	-	Consolidated Revenue Fund Account
DHMT	-	District health medical Team
DSA	-	Daily subsistence allowance
ECOWAS	-	Economic Community of West African States
FS	-	Financial Statement
HR	-	Human Resource
LC	-	Local Council
MBSSE	-	Ministry of Basic and Senior Secondary School Education)
MDA	-	Ministries Department and Agencies
MFAIC	-	Ministry of Foreign Affairs and International Cooperation
MOF	-	Ministry of Finance
MoPED	-	Ministry of Planning and Economic Development
MTA	-	Ministry of Transport and Aviation
NASSIT	-	National Social Security and Economic Trust
NEC	-	National Electoral Commission
NGO	-	Non-Governmental Organisation
NRA	-	National Revenue Authority
OARG	-	Office of Administrator and Registrar General-
PAC	-	Public Account Committee
PHU	-	Public Health Unit
PS	-	Permanent Secretary
SLFEP	-	Sierra Leone Free Education Project
SLPA	-	Sierra Leone Port Authority
SLRSA	-	Sierra Leone Road Safety Authority
WARDC	-	West Area District Council

FOREWORD

We are very delighted to share with you the graphic representation and summary of the Auditor-General's Annual Report 2021, which helps to provide a better understanding of the issues of transparency and accountability in our nation.

We have a mandate not only to audit government institutions but also to report our findings to the people of Sierra Leone. We are very much pleased that a reasonable percentage of the general public has been able to read and fully understand the important issues in our reports, even though sometimes technical terms and expressions found in the reports are difficult to comprehend.

It is the right of every Sierra Leonean to know, in simple terms, the way government operates; especially how it utilises public funds to provide citizens with basic but essential services. This is what the Auditor-General's annual reports have been providing over the years. Presently, we have decided to further provide them with a graphic representation and summary of every annual report.

This Graphical Summary has created the required synergy with all our key stakeholders by fully understanding our mandate and corporate objectives, as it accurately, fairly and truly communicates the key messages of the 2021 report with coloured graphics, cartoons and pictorial illustrations with minimal words.

We are very happy with the extent at which the reports have been publicised amongst key stakeholders. This is why we steadfastly continue to produce a Graphic Representation and Summary of the Auditor-General's Report since 2015.

This is to ensure that more people adequately understand the content of our report.



Abdul Aziz
Acting Auditor-General

3. 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 Revenue Fund Account, Central Government, budgetary agencies, subvented agencies, local councils, social security funds and public enterprises.



4. Role of the Auditor-General



As the guardian of public funds, the Auditor-General checks government's performance to ensure that funds are used for their intended purposes.

5. The Auditor-General and Entities of Government



Three months after the end of the financial year, MDAs should submit to the Auditor-General their annual financial statements.

(Section 86 of the PFM Act, 2016).

6. The Auditor-General and Accountant General

Not later than three months after the end of the financial year, the Accountant General shall draw and sign the annual financial statements of the Consolidated Revenue Fund Account.

(Section 87 of the PFM Act, 2016).



7. The Auditor-General and Parliament

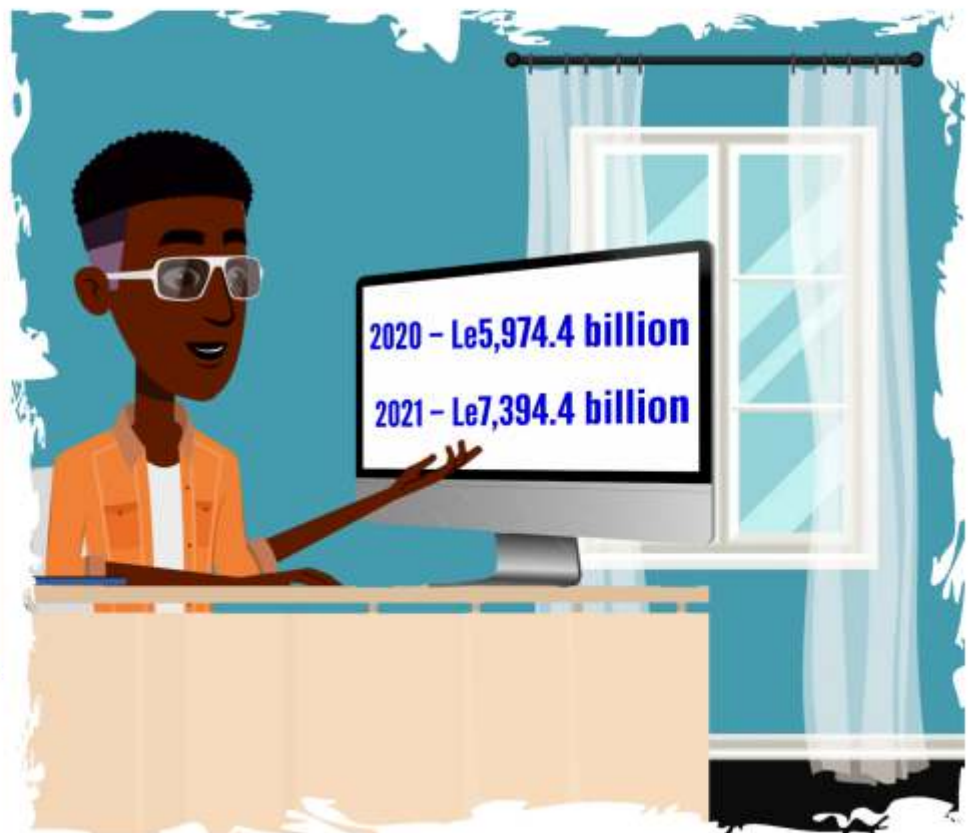


The Auditor-General should within 12 months of the end of the immediate preceding financial year, submit his/her annual report to Parliament.

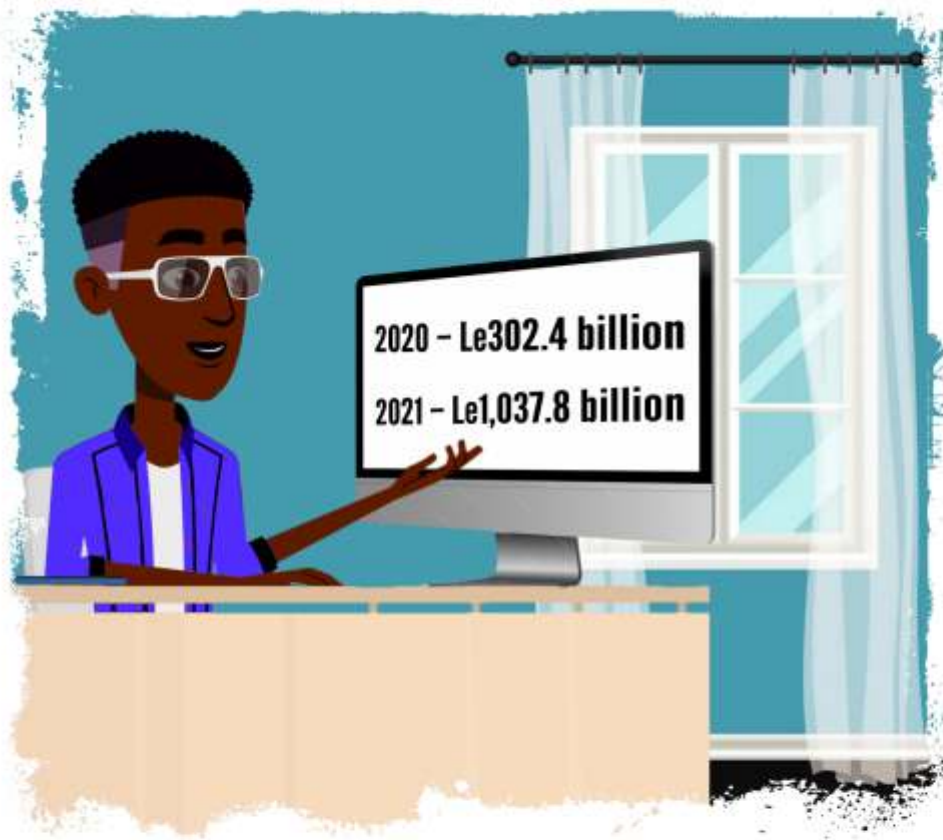
(Section 95 of the PFM Act, 2016).

8. Domestic Revenue

The Government revenue collected increased by 24% from Le5,974.4 billion in 2020 to Le7,394.4 billion in 2021.

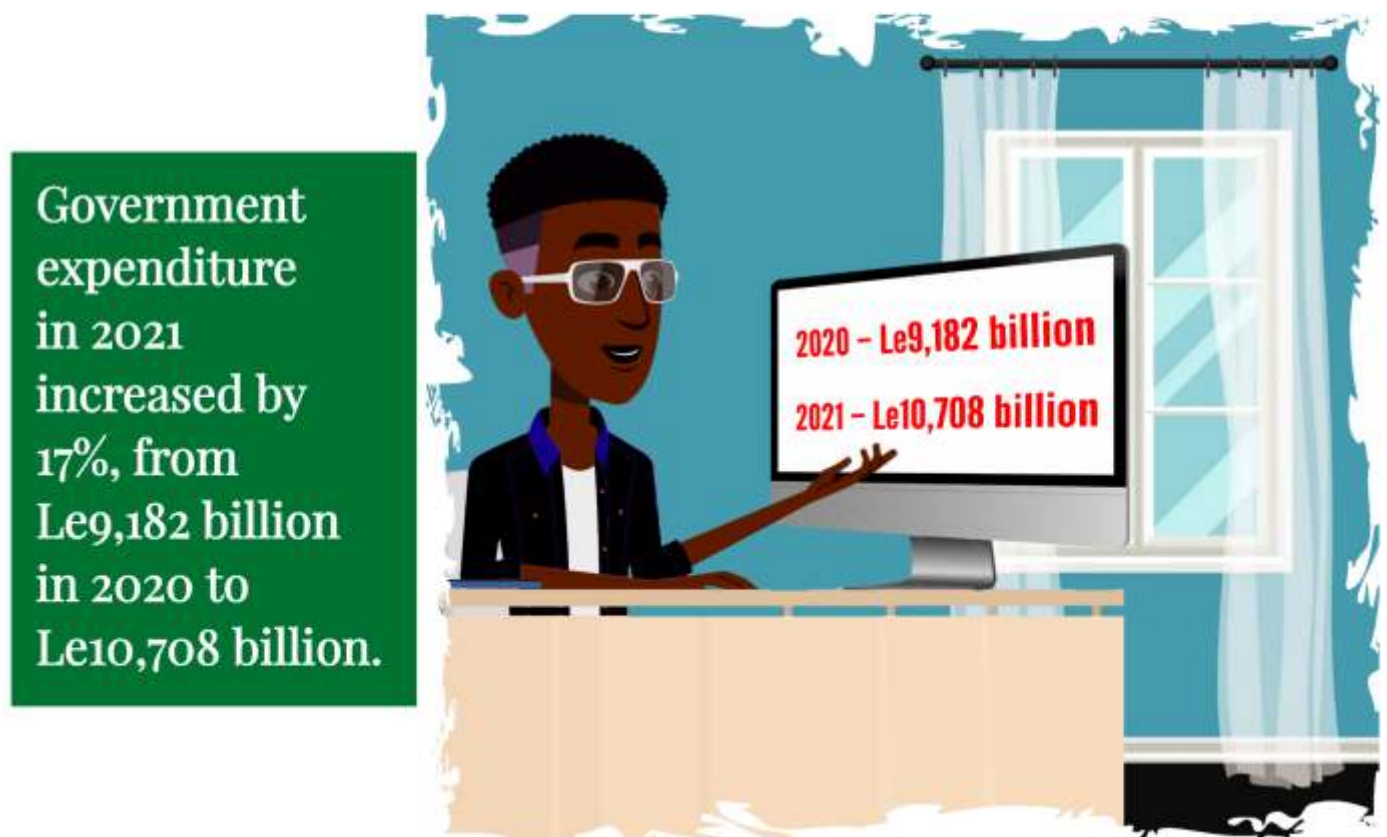


9. Direct Budget Support



Direct budget support grants received in 2021 increased by 243%, from Le302.4 billion in 2020 to Le1,037.8 billion.

10. Expenditure



Government expenditure in 2021 increased by 17%, from Le9,182 billion in 2020 to Le10,708 billion.

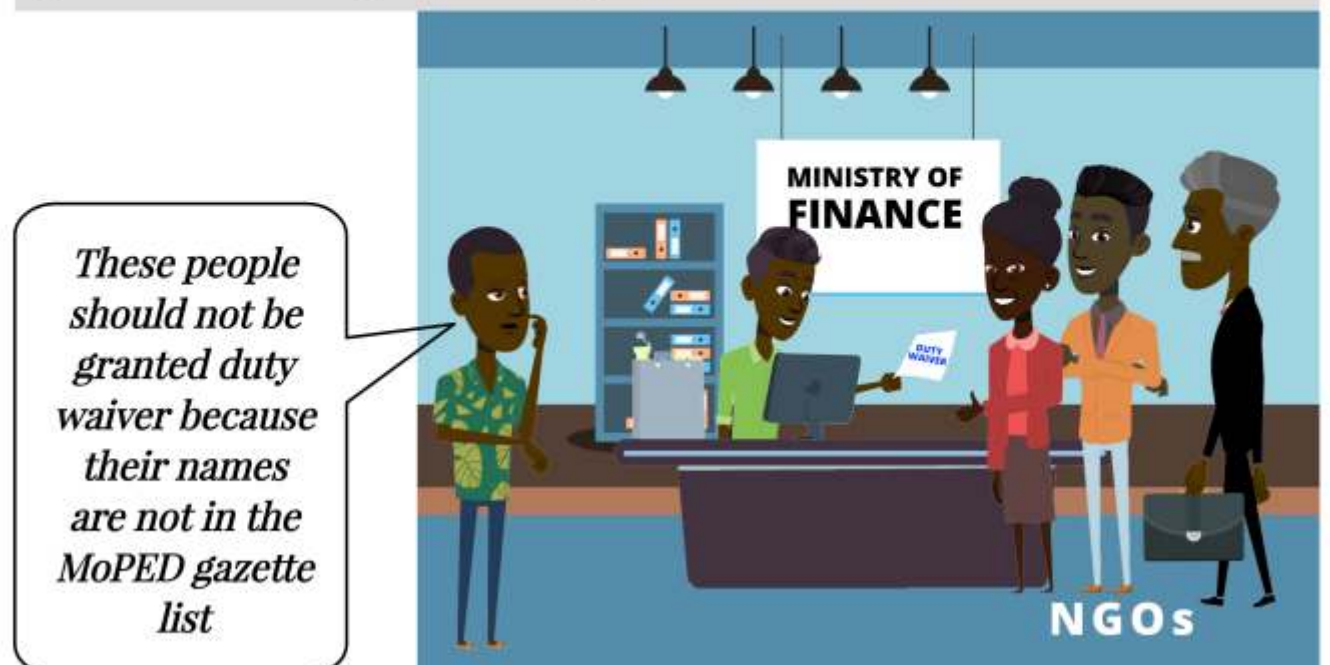
11. Public Debt

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



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

From data obtained from the ASYCUDA world, the Ministry of Finance gave duty waivers of Le 4.9 billion to NGOs, not in the MoPED's NGO gazette and not eligible for duty waiver concessions.



13. Revenue not paid in the Consolidated Fund



Some Commercial Banks made transfers totalling Le233 million regarding the Sierra Leone Roads Safety Authority's (SLRSA) revenue collected during 2021 to the Bank of Sierra Leone (BSL). However, transfers to the BSL account was not traced.

Furthermore, amounts totalling Le1.40 billion held at the transit banks were not transferred to the TSA at the end of the year.

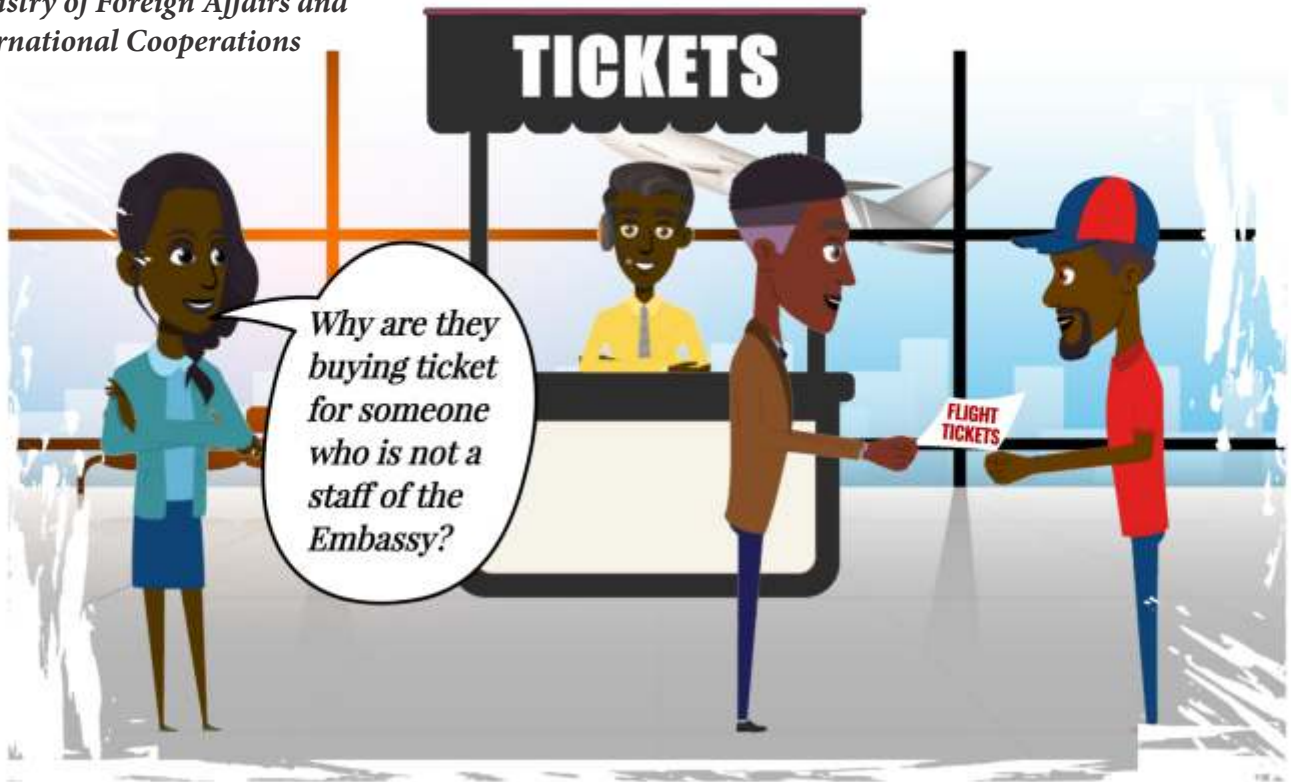
14. Special Imprest for Repatriation and Posting of Diplomats not Accounted for



The Ministry of Foreign Affairs received Le3,347,054,296.16 from the Ministry of Finance for posting and recalling of ambassadors. The Ministry utilised Le2,325,423,954.56, leaving a balance of Le1,021,630,341.60. There was no evidence to show that the unexpended amount was refunded into the Consolidated Fund.

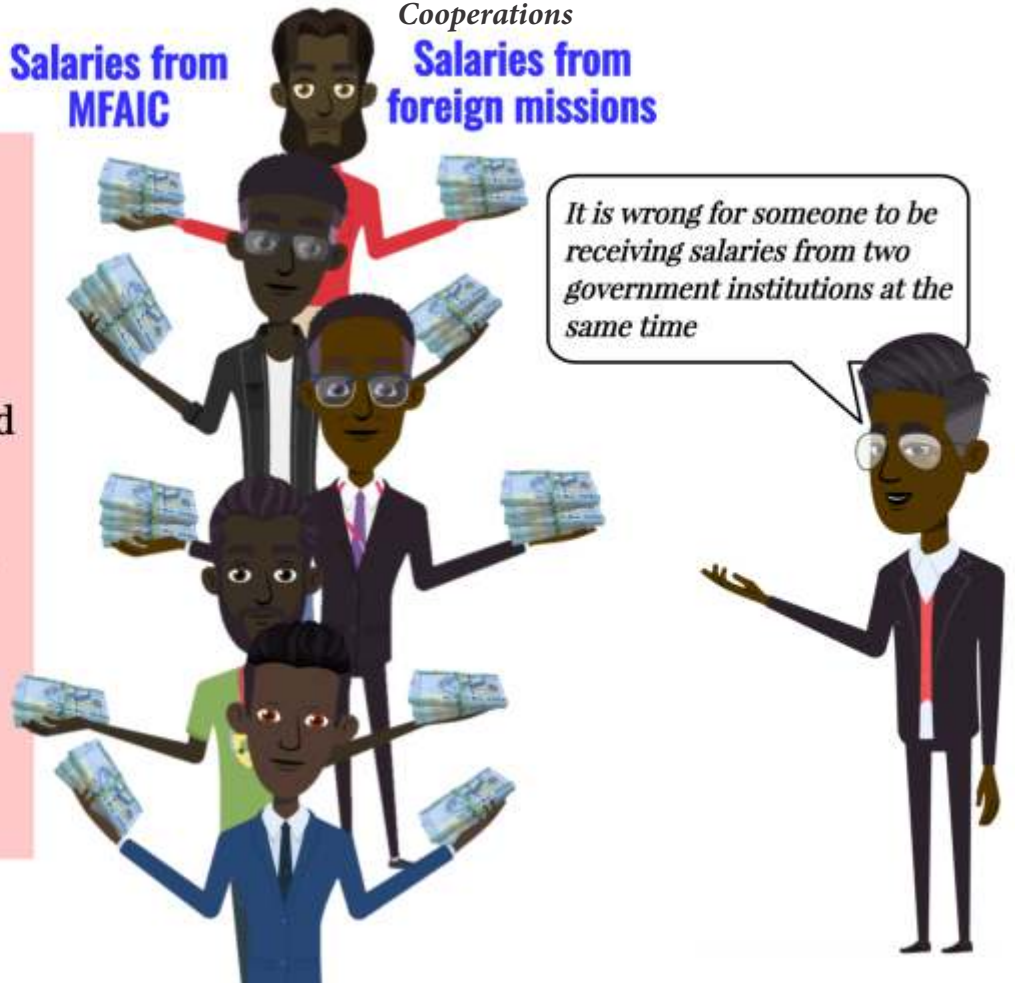
15. In addition, air tickets valued at Le16,642,000 were bought for ineligible staff when a Deputy Ambassador was repatriated from Ethiopia

Ministry of Foreign Affairs and International Cooperations



16. Double Payment of Salaries to Diplomatic Staff *Ministry of Foreign Affairs and International Cooperations*

Five staff posted to foreign missions were still on the payroll of both the MFAIC and the foreign missions and they received salaries from the MFAIC for a period ranging from one to ten months amounting to Le102,708,944.89.



17. Consular Funds Collected but not Transferred into the Consolidated Fund

Ministry of Foreign Affairs and International Cooperations

EMBASSY

Revenues collected must be put into the consolidated fund before using them



Revenue collected by the Embassies were not fully paid into the Consolidated Fund.

Instead, these funds were withdrawn from the Consular Account and utilised in the operations of the Missions without authorisation from the MoF.

18. Consular Funds collected but not transferred into the Consolidated Fund

Ministry of Foreign Affairs and International Cooperations

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



19. Payments to Staff after Recall from Tour of Duty

Ministry of Foreign Affairs and International Cooperations

Why is it that you have been recalled but you are still receiving salaries and allowances from the embassies?

We warned you in our last report not to do this and you are doing it!



Huge salaries and leave allowances amounting to US\$220,825.83 was paid to a staff after the end of her foreign service duty tour at the Embassy. She was recalled to headquarters and paid her repatriation allowance on 17th September, 2017.

The decision to pay this staff was contrary to the recommendations in the previous audit report and there was absence of evidence to show that the staff was performing duties at the Embassy for this payment to have been authorised.

20. Advance Payment Received without Evidence of Delivery

Ministry of Health and Sanitation

An advance payment of Le411,208,377 was made to a supplier for the supply of laboratory reagent and consumables and the contract terms require the supply of the items between 12 to 14 weeks from the date of signing the contracts and receipt of the advance payment.

However, 87 weeks after the advance payment was made, the item or equivalent of the advance payment received was still not supplied.

Why is it that the supply of laboratory reagent and consumables have not been supplied for over 87 weeks since an advance payment of Le411,208,377.00 was made to the supplier?



21. Assessment of Service Delivery in DHMTs

Ministry of Health and Sanitation



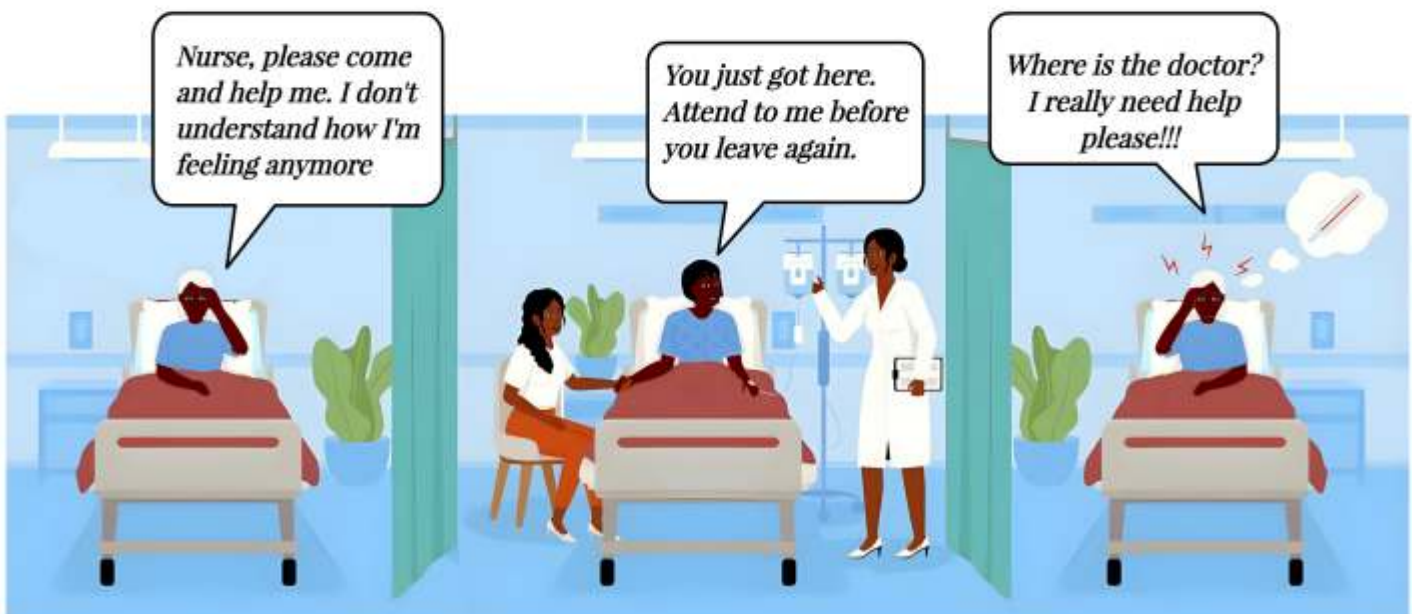
Our assessment of service delivery systems of the DHMT revealed the following:

Ambulance facilities were not available for PHUs that are located at hard-to-reach areas especially during emergency referrals as the ambulance services unit complaint about the nonavailability of fuel.

Even medical equipment such as BP machines, scales and salter scales, thermometer pulse oximeter, glucometer and strip and drip stands were lacking in the PHUs.

22. Most of the PHU staff were without pin codes. As a result, they most times abandon the facility without prior notice to the in-charge officers.

Ministry of Health and Sanitation



23. Double Salaries Paid to a Public Servant

Ministry of Basic and Senior Secondary School Education

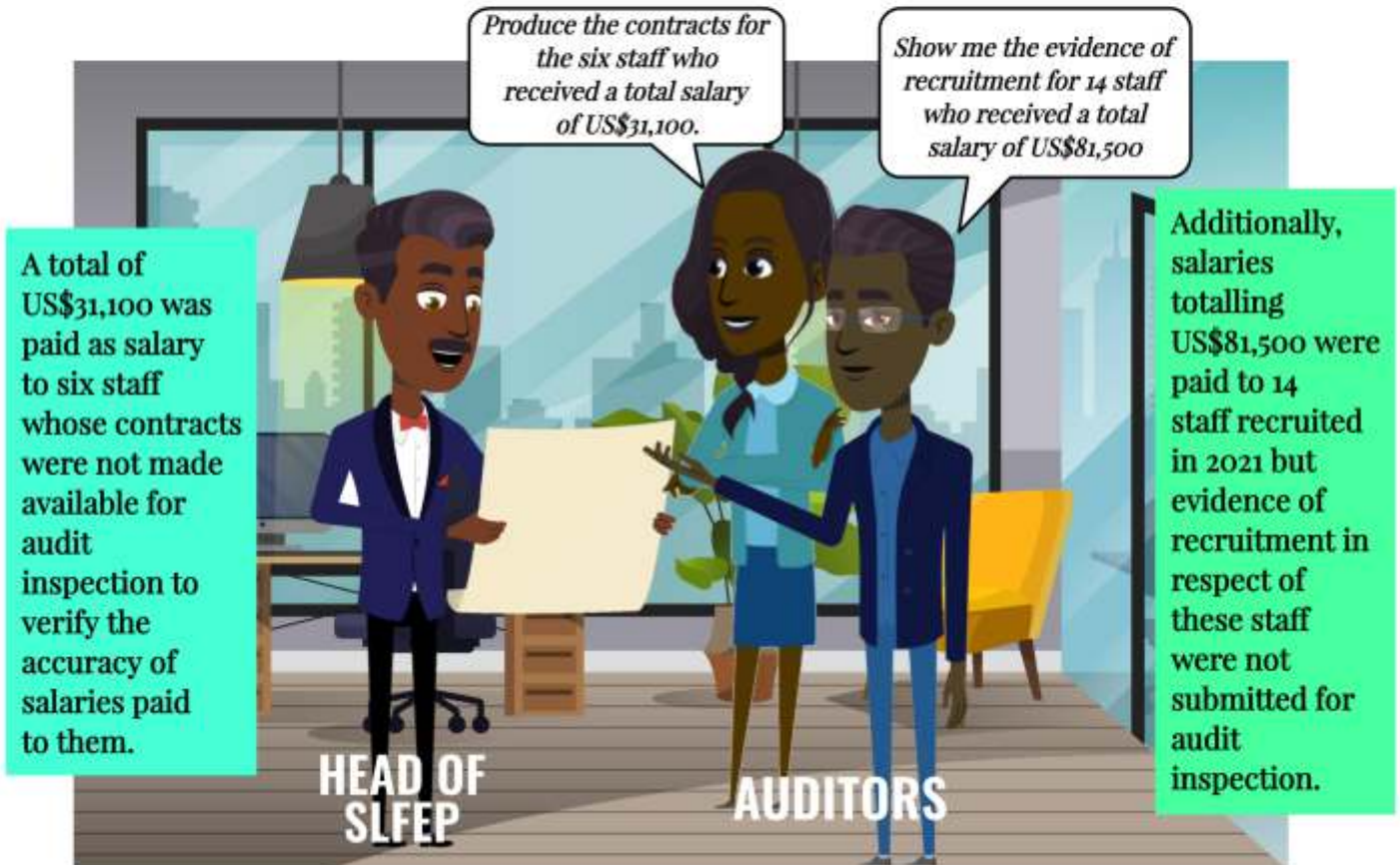


A former Assistant Director of Procurement in the Ministry, who was offered another employment in the Sierra Leone Free Education Project (SLFEP) continued to receive salaries in the Ministry for three months.

He received a total salary of Le118,063,086 and Le89,302,140 as an employee of the Ministry and SLFEP respectively.

24. Payments of Salaries without Supporting Documents

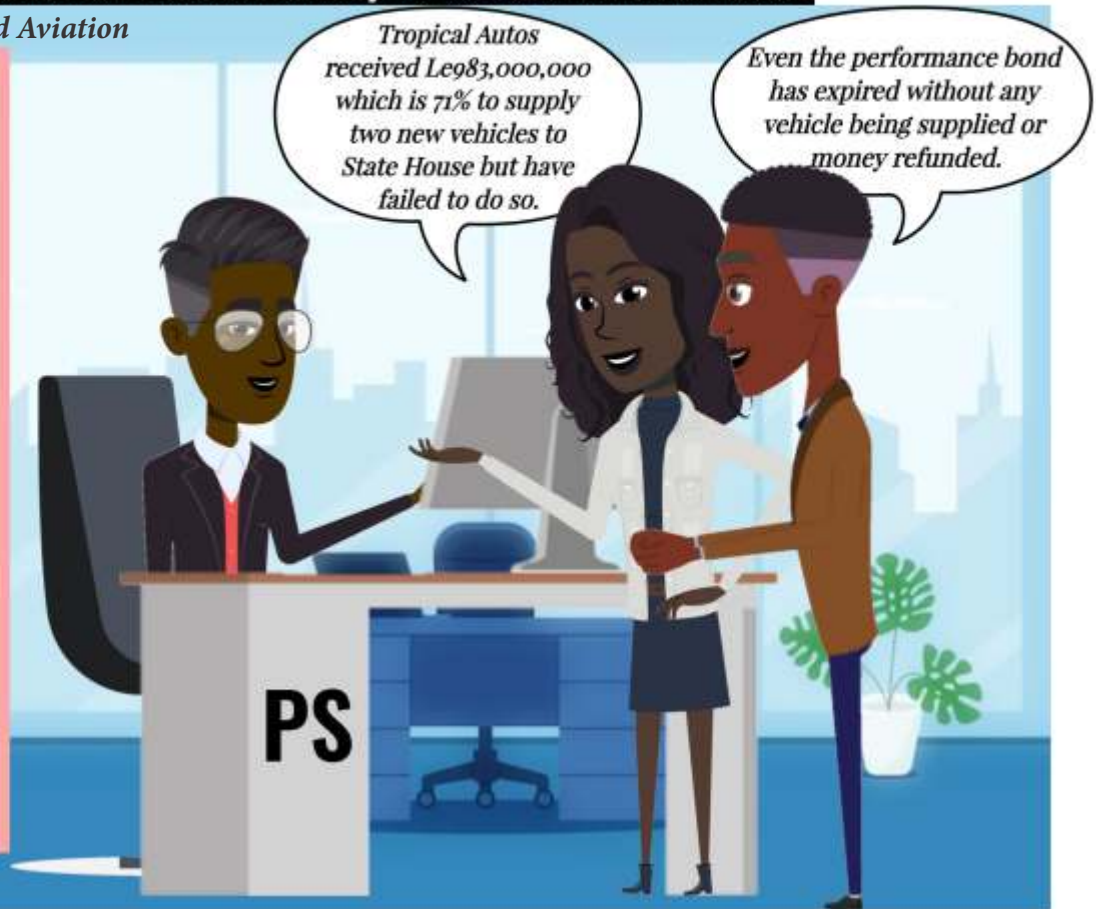
Sierra Leone Free Education Project



25. Advance Payment made without delivery of Vehicles to State House

Ministry of Transport and Aviation

On 18th May 2021, the MTA signed a contract with Tropical Autos worth Le1,390,000,000 for the supply of two new vehicles to be assigned to State House. A cumulative payment to the tune of Le983,000,000 (71%) was made without any evidence of the vehicles being delivered, which is contrary to the terms of the contract.

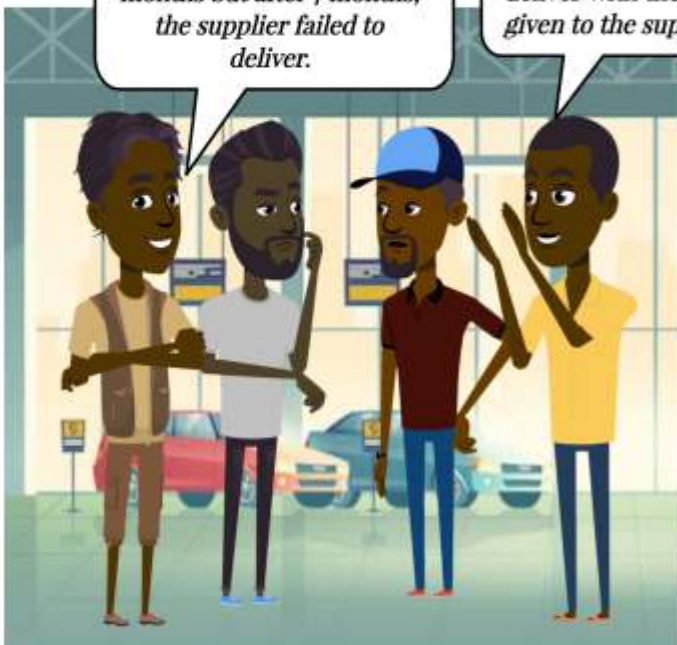


26. Advance Payment made without delivery of vehicles to State House and other public offices

Ministry of Transport and Aviation

Le5,892,000,000 disbursed as 60% for 15 new vehicles for State House which should have been supplied within 4 months but after 7 months, the supplier failed to deliver.

An additional 30% was given to the Supplier even when he failed to deliver with the 60% given to the supplier.



On 8th November 2021, the Ministry signed a contract with Mirakle Enterprises for a contractual price of Le9,820,000,000 for the supply of 15 new vehicles to be assigned to State House and other public offices.

A 60% advance payment amounting to Le5,892,000,000 was made to the supplier on 23rd December, 2021 so that the vehicles could be delivered within four weeks from the date of advance payment (23rd December, 2021).

The following anomalies were however noted:

- (i) Seven months after receipt of the payments, the supplier has still not delivered the vehicles or an equivalent in respect of amount already received.
- (ii) Furthermore, evidence of the relevant bill of lading to warrant payment of the additional 30% payment which amounted to Le2,946,000,000 in the 60% advance payment made to the supplier was not submitted for verification.

27. Advance Payment made without delivery of vehicles to NEC

Ministry of Transport and Aviation

Le2,880,000,000 disbursed as 60% for 15 vehicles for NEC which should have been supplied within 4 weeks but after 8 months, the supplier failed to deliver.



The Ministry signed contract with Anagkazo Ventures Company Ltd. at a contract price of Le9,600,000,000 on 17th March, 2021 to supply 16 new Toyota Land Cruisers to the National Electoral Commission (NEC). A 30% advance payment of Le2,880,000,000 was made to the supplier on 7th October, 2021.

Contractual terms stipulate that the 16 vehicles should be delivered within four weeks after receipt of the advance payment by the supplier. However, there was no indication of delivery of the said vehicles over eight months after the advance payment.

28. Staff receiving DSA without Evidence of Attending Functions

Ministry of Land Housing and Country Planning



The Ministry undertook series of activities in the provinces for which daily subsistence allowances (DSAs) were paid to various staff.

Some staff of Ministry received DSA for a programme in the province and signed attendance register in the Ministry on the same dates they were expected to be in the provinces. A total of Le220,270,000 was expended on these activities.

29. Withholding taxes deducted but not paid to the NRA



Withholding tax of Le439,685,263.27 was deducted from payment to suppliers but evidence of payment to NRA was not seen.

30. Revenue Records not Reconciled with NRA

There was no evidence to indicate that the OARG reconciled its records with that of the NRA's for 2020 and 2021 financial years. In addition, there was no confirmation from the NRA for total amounts of Le77,196,346 and Le106,038,054, alleged to have been collected in respect of business and marriage registration fees for 2020 and 2021 respectively.

Consequently, the auditors could not verify whether these monies actually reflected in the Consolidated Fund.



31. Significant matters identified in the audit of public enterprises and commissions

The significant matters identified in the audit of public enterprises and commissions fall into the following categories:

No	MAIN ISSUES
1	Payments without supporting document
2	Tax and NASSIT irregularities
3	Payroll irregularities
4	Contracts and Procurement irregularities
5	Revenue Management irregularities

A Total of Le 37,541,420,431.34 and also \$132,000.00 is the estimated loss for Public Enterprises in 2021.



32. Medical Facilities for Staff of the Authority

Sierra Leone Port Authority

The sum of Le32,550,000 was paid to a dentist for dental services rendered to an employee. A review of the HR policy and interview conducted with the Senior Medical Officer revealed that the Authority does not have a ceiling (maximum amount per employee) for medical services provided to employees.



SLPA GM

AUDITORS

33. Inadequate Control of the Management and Security of Assets

National Revenue Authority

Did NRA really spent Le4. 2 billion on renovation of a rented building?

Where is the tenancy agreement?

This is a waste of government resources.

Inadequate Control of the Management and Security of Assets The NRA occupies the WAMA Building situated at ECOWAS Street, and some material amounts totalling Le4,289,805,741.57 were spent on renovation of the said building but the tenancy agreement to justify the said expenditure was not provided.



AUDITORS

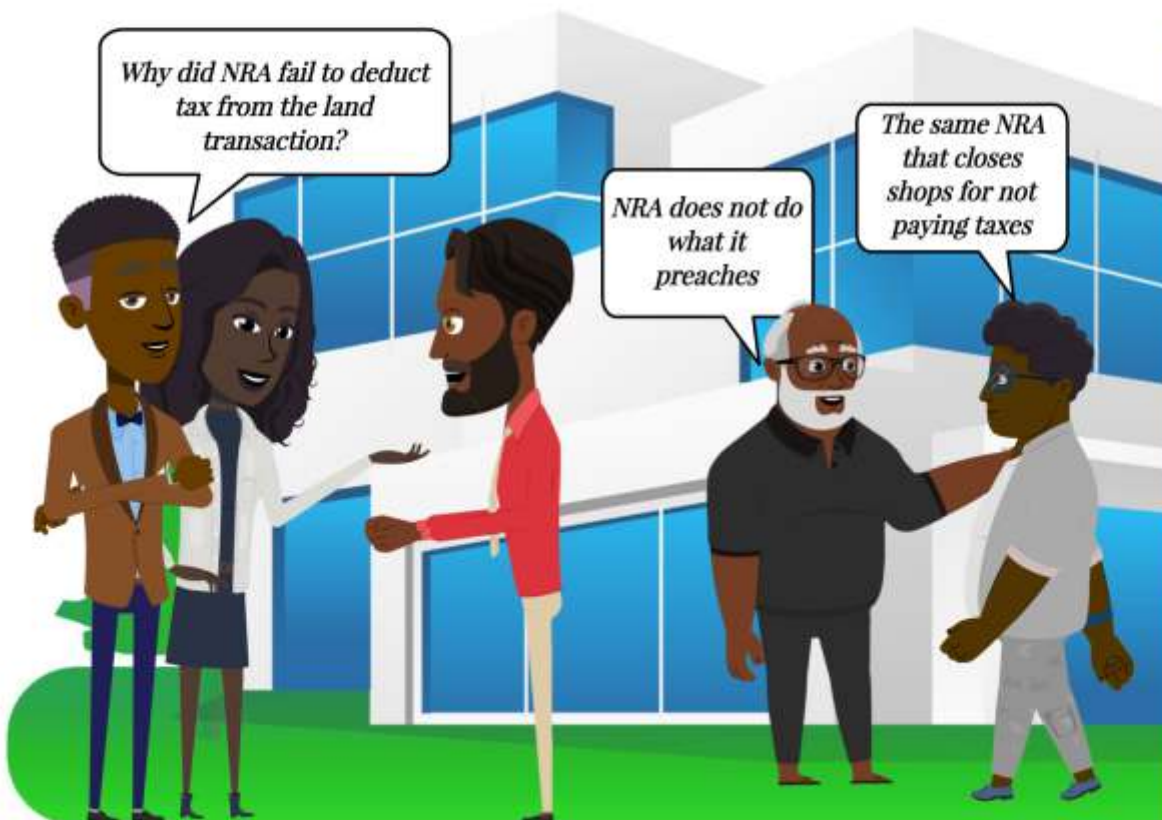
34. Withholding Taxes not Deducted and Paid to the NRA

Why did NRA fail to deduct tax from the land transaction?

NRA does not do what it preaches

The same NRA that closes shops for not paying taxes

NRA purchased a piece of land (CAPEX 0521010) for US\$1,320,000, but failed to deduct the withholding tax of 10% (US\$132,000).



AUDITORS

HEAD OF NRA

35. Withholding Tax Deducted but not Paid to the NRA

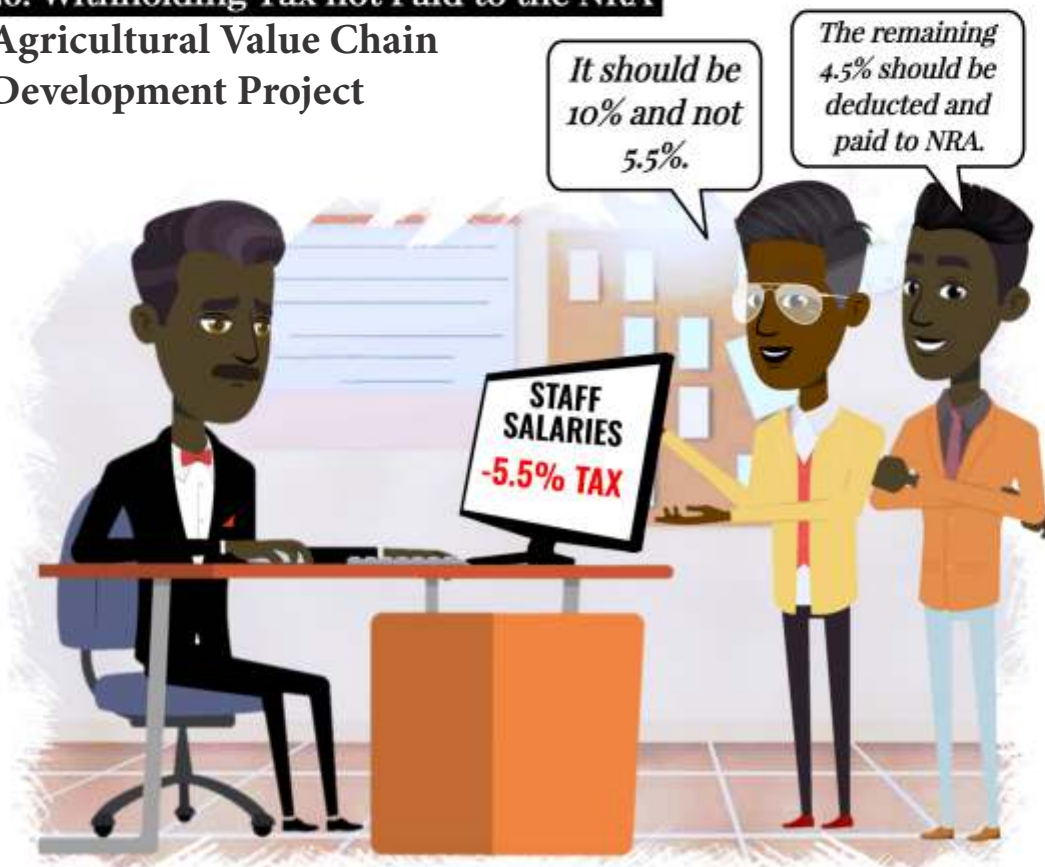
National Revenue Authority



Withholding taxes which amounted to Le191,657,257 were deducted from the payments made to suppliers and contractors for goods, services and works contracts but no payment was made to NRA.

36. Withholding Tax not Paid to the NRA

Agricultural Value Chain Development Project



The AVDP deducted 5.5% withholding taxes, totalling Le594,866,551.68 from staff salaries but there was no evidence of payments to the NRA.

We also observed that the total tax that should have been deducted from staff salaries was 10%, instead of the 5.5% that was deducted, leaving total unpaid staff taxes of Le701,922,721.

37. Significant matters identified in the audit examinations of the 22 LCs

Significant matters identified in the audit examinations of the 22 LCs fall into the following categories:

- Statutory deductions (Withholding taxes, NASSIT contributions and PAYE) not paid over to the relevant authorities.
- Irregularities in contract management and procurement administration.
- Irregularities in management of stores.
- Payments without supporting documents.

38. Summary of estimated cash loss on local council financial transactions in 2021

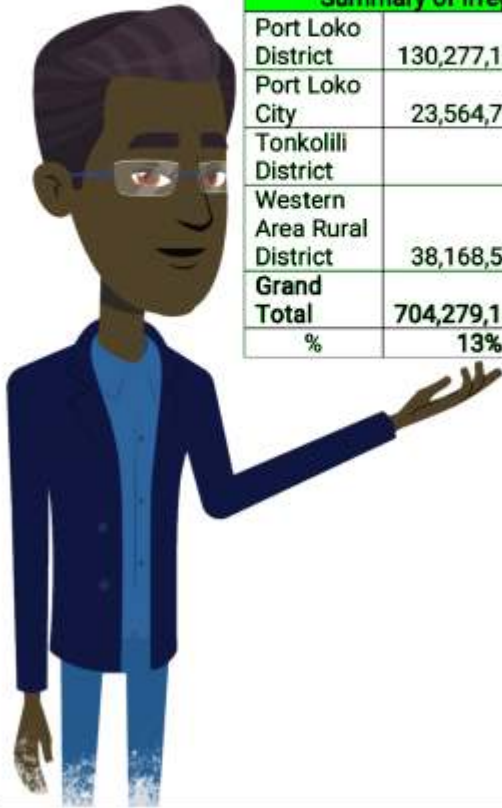
Table 4
Summary of Irregularities with Financial Impact (Estimated Loss) on Local Council's 2021

Name of LC	Tax Le	Contracts and Procurement Le	Stores Le	Expenditures Le	Total Le
Bombali District	9,219,063.00	-	-	-	9,219,063.00
Bonthe Municipal	-	20,000,000.00	-	-	20,000,000.00
Falaba District	3,701,500.00	18,000,000.00	42,796,000.00	-	64,497,500.00
Freetown City	207,099,303.00	57,684,620.00	-	59,900,000.00	324,683,923.00
Kailahun District	13,330,500.00	-	-	-	13,330,500.00
Kambia District	38,581,558.41	1,341,387,416.09	-	-	1,479,968,974.50
Koinadugu District	-	6,310,000.00	3,200,000.00	-	9,510,000.00
Karene District	6,156,000.00	3,000,000.00	-	-	9,156,000.00
Koidu New Sembehun City	65,843,325.00	-	-	-	65,843,325.00
Moyamba District	-	-	35,000,000.00	-	35,000,000.00
Makeni City	68,337,439.00	28,110,000.00	-	-	96,447,439.00

39. Summary of estimated loss for local council in 2021

Table 4
Summary of Irregularities with Financial Impact (Estimated Loss) on Local Council's 2021

Port Loko District	130,277,149.00	1,123,508,425.00	579,720,900.00	476,256,654.00	2,309,763,128.00
Port Loko City	23,564,746.14	-	10,000,000.00	-	33,564,746.14
Tonkolili District	-	1,034,508,551.00	-	57,800,000.00	1,092,308,551.00
Western Area Rural District	38,168,550.00	-	-	18,200,000.00	56,368,550.00
Grand Total	704,279,133.55	3,632,509,012.09	670,716,900.00	612,156,654.00	5,619,661,699.64
%	13%	65%	12%	11%	



40. Inadequate Control Over Own Source Revenue Mobilisation

Western Area Rural District Council

In 2021, the WARDC contracted three consulting services for the assessment of properties, collection of the property rates and the deployment of a comprehensive cadastre system.

However, the consultants were unable to meet the revenue payment obligations to council as Le5,610,000,000.00 (92% of the total contract revenue) was not paid to the council by the consultants.

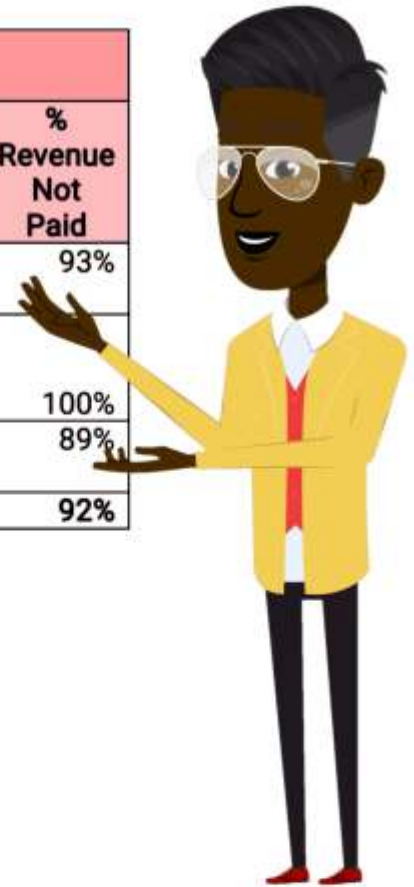


41. Contract Terms not met by Consultants

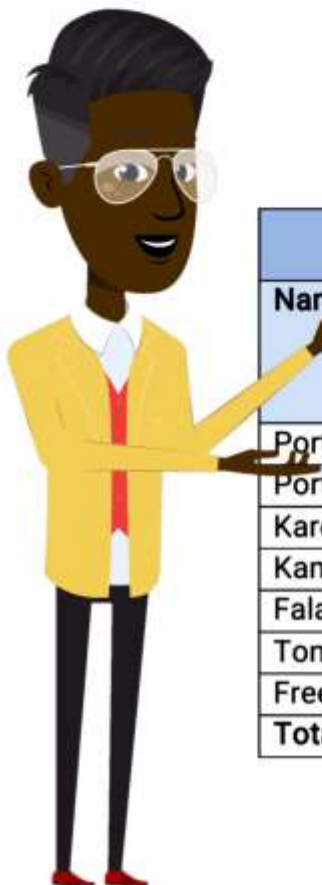
Western Area Rural District Council

**Table 4.2
Contract Terms Not Met By Consultants**

Name of Contractors	Revenue as per Contract (Le)	Revenue Paid to Council (Le)	Revenue Not Paid (Le)	% Revenue Not Paid
Sigma Ventures	2,600,000,000.00	190,000,000.00	2,410,000,000.00	93%
New Generation Solution	650,000,000.00	0	650,000,000.00	100%
Shaadeen Enterprise	2,850,000,000.00	300,000,000.00	2,550,000,000.00	89%
Total	6,100,000,000.00	490,000,000.00	5,610,000,000.00	92%



42. Payments without Supporting Documents

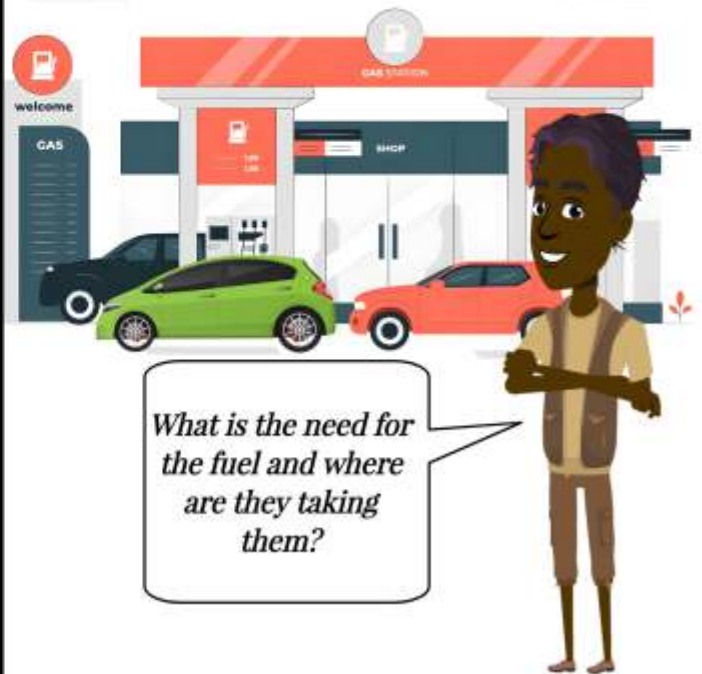


Payments without Supporting Documents

Name of Council	Payments Without PVs and Relevant Supporting Documents Le	Payments Without Adequate Supporting Documents Le
Port Loko District	476,256,654.00	678,539,259.00
Port Loko City	-	59,207,410.00
Karene District	-	75,770,379.00
Kambia District	-	31,440,000.00
Falaba District	-	40,450,000.00
Tonkolili District	57,800,000.00	20,223,000.00
Freetown City	59,900,000.00	183,000,000.00
Total	593,956,654.00	410,090,789.00

43. Fuel not Accounted For

Fuel procured and utilised by the council totalling Le528,720,900 was not accounted for. Additionally, there was no justification for the use of fuel and other expenditure line items amounting to Le51,000,000.



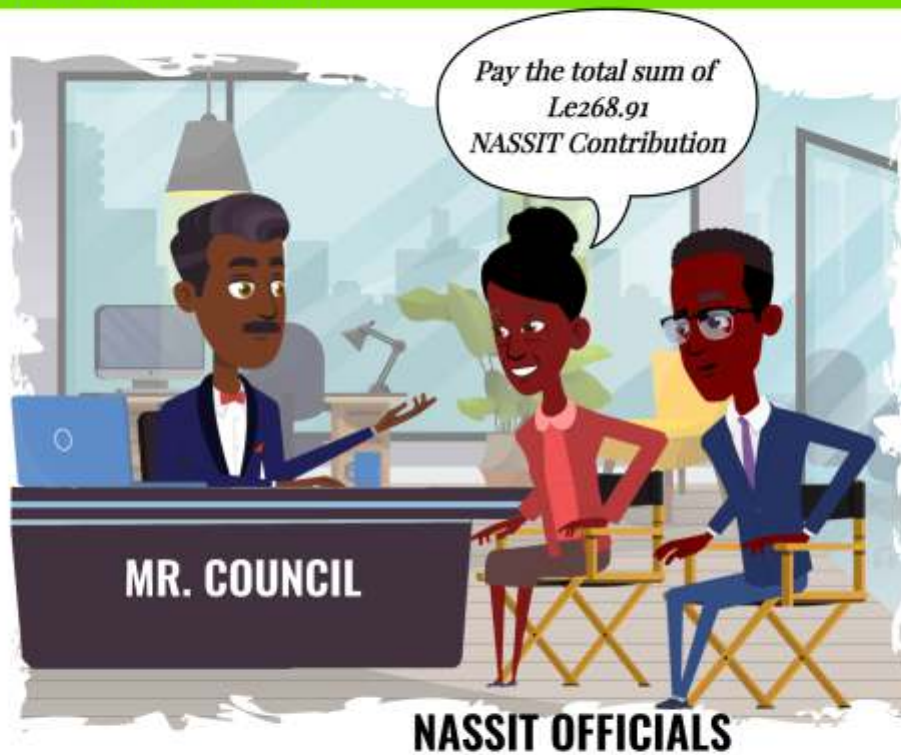
44. Ineligible Payment of Councillors' Sitting Fees and Allowances

The sum of Le18,200,000 was paid as sitting fees and allowances for March, May, July, August, September and December 2021. However, there was no evidence of meetings held during this period.



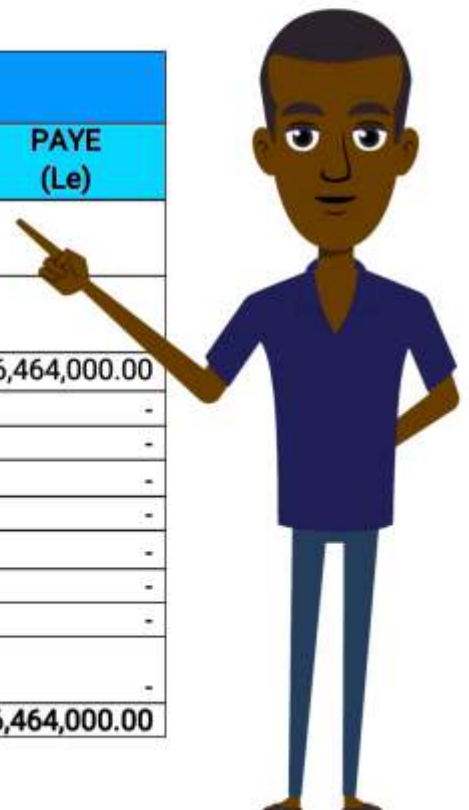
45. NASSIT Contributions Not Paid to the National Social Security and Insurance Trust

NASSIT contributions of Le268.91 million were not paid to the National Social Security and Insurance Trust for staff of the council.



46. Non-Payment of Statutory Obligations

Non-payment of Statutory Obligations			
Name of Council	NASSIT (Le)	Withholding Taxes (Le)	PAYE (Le)
Kailahun District	13,330,500.00	-	
Koidu New Sembehun City	65,843,325.00	-	
Port Loko District	-	123,813,149.00	6,464,000.00
Port Loko City	9,450,000.00	14,114,746.14	-
Makeni City	35,556,180.00	32,781,259.00	-
Karene District	6,156,000.00	-	-
Kambia District	138,581,558.41	-	-
Falaba District	-	3,701,500.00	-
Bombali District	-	9,219,063.00	-
Freetown City	-	207,099,303.00	-
Western Area Rural District	-	38,168,550.00	-
Total	268,917,563.41	428,897,570.14	6,464,000.00



***“The Audit Service Sierra Leone
will continue to be a
Leading Audit Organization
Promoting Excellence and Accountability
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