

Issued March,2007



Auditor General's Report

On the Accounts of

Sierra Leone

for the year 2004/2005

Volume 1

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INTRODUCTION

1.0 In accordance with the provisions of Sections 119(4) of the 1991 Constitution of Sierra Leone, Section 8 of the Audit Act 1962 and Section 58 (1), (2) and (3) of the Public Budgeting and Accounting Act of 1992 and Sections 66 (1) of the Government Budgeting and Accountability Act 2005, I submit my Volume 1 Report on the audit of the transactions of various ministries and departments in Sierra Leone for the years 2004 and 2005. The Report on the Annual Accounts for 2002,2003, 2004 and 2005 have not been received from the Accountant General although there are very positive signs that they will be submitted shortly. The accounts of local councils for the years 2004 and 2005 have been audited and the report on the nineteen councils will be submitted in a separate report on local councils. Extracts from audit reports and comments made on some parastatals have been included.

2.0 Scope of the Audit

2.1 The examination of the transactions has been carried out on a comprehensive test basis and a thorough examination of the approved system of controls and accounting practice adopted by all Government ministries and departments. Particular attention has been paid to the method of revenue collection and authorities for expenditure. The entire report covers audits undertaken within the period 1st January 2004 to 31st December 2005.

3.0 Public Accounts Committee

3.1 The Report of the Public Accounts Committee Report on issues dealt with in the 1996/99 Auditor General's Report has still not been fully implemented. The Accountant General has not taken action to recover from the salaries/pensions of defaulters as requested by the Auditor General. In the same vein much has not been achieved with matters referred to the Attorney General. Parliament has issued its Report (Vol I&II) on the Auditor General's Report for 2000, 2001 and 2002.

4.0 LOSSES OF CASH AND STORES-
CASH – LE4,119,974,687;GBP11,009;USD441,159;N100,000
STORES – LE17,606,000
ARREARS OF REVENUE MINISTRIES AND DEPARTMENTS
LE16,148,886,090 &N125,000
SCHOOLS AND OTHER EDUCATIONAL INSTITUTIONS
LE1,354,760,092

4.1 A schedule of losses of cash and stores arising from theft, fraud, or serious irregularities during the year, totaling Le5,680,348,305; GBP11,009,USD441,159 and N100,000 is attached at Appendix 1. Arrears of revenue due to ministries/departments for the period under review soared to Le16,148,886,090 and N125,000. A breakdown is given at Appendix 11. Schools and other educational institutions have been singled out at Appendix 111 as they continue to attract not only losses of cash in respect of revenue collected but also large arrears of school fees, advances unpaid and unclaimed salaries. These amounted to Le1,354,760,092.

5.0 CUSTODY OF ACCOUNTABLE DOCUMENTS

5.1 Some improvement has been made with regard to supervision, the custody of documents in the Records Store (Voucher Room), although there is room for a lot more. In accordance with Section III (2) of the Financial Administration Regulations the Accountant General is required to put a mechanism in place to administer effective control on the custody of accountable documents.

6.0 PAYROLL SYSTEM

6.1 Although 90% of the payroll for the entire country had been computerized, it was rather unfortunate that only 2% of the Identity Cards of Civil Servants were issued even after the photo verification had been concluded. This was as a result of the inadequacy of staff, poor planning and lack of coordination between the Establishment Secretary's Office and the Accountant General's Department. A status report was not issued, either by the Accountant General or the Payroll and Pension Verification Expert to the Auditor General for independent scrutiny. In the absence of a status report it was difficult to confirm that the present computerized system had achieved the required objectives with a view to getting rid of ghost workers. The local staff who had been working with the Accountant General had limited knowledge of the whole computerized system in operation. There were still problems on the validation of payroll i.e. evidence of wrong pin codes wrong surnames and wrong designations. This indicates that the computerized system has not fully achieved its objective.

7.0 PENSIONS SYSTEM

7.1 Thirty percent of Identity Cards that were not signed up to May 2005 had been issued by December 2005.

8.0 ASSET ACCOUNTING AND CONTROL SYSTEM

8.1 The Integrated Financial Management Information System (IFMIS) in operation has captured assets in the system.

9.0 BACK-UP FOR THE COMPUTERISED SYSTEM

- 9.1 Review of the current IFMIS revealed that regular back up was made and kept at the Decentralization House, Wellington Street, away from the Treasury Building.

10.0 COMPUTERISED SYSTEM, MANAGEMENT & TRAINING

- 10.1 Two trained and qualified Information Technology (IT) personnel had been recruited as specialists at the Accountant General's Department with responsibility for the Systems Administration. Also, another Information Technology (IT) specialist had been employed by the Public Financial Management (PFM) Unit to work as a Technical Assistant at the Treasury. The operational staff are also trained to use the various functionalities of the system.

11.0 THE SUSTAINABILITY OF THE COMPUTERISED SYSTEM

- 11.1 As a result of the developments highlighted in the previous paragraph the sustainability of the computerized system is no longer a problem. Attractive packages should be given to retain them.

12.0 MANAGEMENT AND TRAINING

- 12.1 With the introduction of the Integrated Financial Management Information System (IFMIS) a good number of staff has been trained on it. The impact on the training will be experienced in future years.

13.0 MINISTRY OF FINANCE

- 13.1 No evidence of Internal Audit inspection was produced throughout the period under review. A Procurement Unit was not established as all divisions within the Ministry procured their goods and services. Stores Ledgers were not in existence. Certificates were not obtained from Sierra Leone Road Transport Authority in relation to vehicles that were allegedly repaired. Supporting documents in the form of bills were not produced for a total of Le144,455,997. Documents were not produced in support of overseas travelling amounting to Le67,757,055. Alterations on Payment Vouchers were not done in accordance with accepted accounting principles. Payment Vouchers from other ministries were authorised by Professional Heads instead of Vote Controllers. Payment Vouchers, amounting to Le3,715,221,308 were not submitted for necessary Presidential approval. Monthly comparisons of records and statements with those maintained at the Accountant General's Department were not evidenced in writing. An Inventory Register was not maintained. Imprests without supporting documents totalled Le146,392,000. An amount of Le6,645,000 was not refunded by the Bank of

Sierra Leone in respect of entertainment to International Monetary Fund (IMF) officials. Contract agreements were not produced in respect of a total of Le285,491,522 paid to a number of contract Technical Assistants out of the Consolidated Fund. Mobile Phone Cards not accounted for rose to the sum of Le29,334,000. Some items purchased were neither issued for use by the Ministry nor were they physically available for verification. There was no contract agreement for the payment of Le16,950,000 to a security agency for its services. The Fuel Register did not record complete entries for fuel received and utilised for a total of Le507,181,800. Supporting documents were not produced to account for the disbursement of Le1,096,781,799 for the Medium Term Expenditure Framework (MTEF) /Public Expenditure Tracking Survey Programme (PETS). Debts in respect of various domestic supplies were overstated by Le1,360,800.

13.2 Payroll

No Attendance Register was maintained for the year ended December 2003.

13.3 Central Tender Board

Contractors were paid 100% of the contract before commencing performance. Contracts were awarded to higher bidders without sufficient justification. Proceeds from the sale of Tender Documents, totalling Le4,250,000, were not posted into the Cash Book. The sum of Le607,428,100, collected from the sale of Tender Documents, allegedly paid into the bank, was not brought to account in the Cash Book. Payments, totalling Le64,233,000 and \$16,460, were without supporting documents. There was no proper handing over of documents and other relevant materials and information to the current Head of the Public Procurement Reform Secretariat by his predecessor. Problems were encountered in determining whether money spent for training staff overseas was relevant to the restructured activities or whether such staff were employees of the organisation.

13.4 Public Expenditure Tracking Survey (PETS) 2004 Eastern Province

Poor Records Management and weak Internal Controls existed at all levels in the sectors covered by the survey. Storekeepers were not given copies of requisition forms on the receipt of drugs. Textbooks supplied to schools were far less than the number of pupils in the schools. Storage facilities for drugs and other medical items were poor in most Hospitals and Health Centres. In addition, the quality of drugs received were substandard and had been condemned by the Pharmacy Board of Sierra Leone. Delay in the supply of seed rice led to poor harvest by the farmers. The quantities of seed rice supplied were also inadequate to support the farming capacity. Poor transport facilities made it difficult for enumerators and

supervisors to reach villages. Delay was experienced in the commencement of the exercise owing to the fact that allowances were not paid on time to the enumerators. Poor sensitization in the respective regions also delayed the process.

13.5 Public Expenditure Tracking Survey (PETS) 2005 **Southern Province**

It was observed that the channel for distribution was too long in Bo and the agency i.e. the Bo District Council refused to supply school materials to various schools under its auspices. There was poor storage facilities for drugs which rendered such drugs ineffective before their expiry date. To avoid being accountable for school materials, an officer at Pujehun stated that all accountable documents had gone missing. Revenue collected by the Medical Officer in Pujehun was not banked. It was observed that two schools, Roman Catholic Primary School, Heinan and District Education Council (DEC) Primary School Shan Moden, Pujehun were non existent although school materials had been sent to them. No Attendance Register was maintained.

13.6 ACCOUNTANT GENERAL'S DEPARTMENT

13.6.1 Head Quarters

Imprest payments were made to Ministries, Departments and Agencies when previous imprests had not been retired. The total involved was Le87,450,000. Administrative procedures were not followed for the processing of Payment Vouchers, totalling Le167,464,934. The sum of Le3,767,644,882 was paid without approval. A payment of Le3,500,000 was made even though there was insufficient funds to meet such payment. Payments, totalling Le101,911,385, were made to third parties without authority. Payments above Le5 Million were made by cheque instead of bank transfers. The amount involved was Le2,003,906,083.

13.6.2 Payroll

A Control Ledger was not maintained to record the receipt of Salary Vouchers from ministries, department and agencies (MDAs) for onward transmission to the store. No authority was retained for cashing cheques for salaries. There was no documentary evidence for the take over of payment of salaries. It was observed that 114 staff of the Accountant General's Department did not maintain consistent signatures in the payroll. A Procedures Manual was requested for the payroll. However only the manual for the Police Force was produced. There was no regular appraisal of staff performance. Leave records were not maintained in personnel files as leave was granted on an adhoc basis.

13.6.3 Provincial Offices

There was lack of control with regard to receipt of salaries.

14.0 MINISTRY OF FOREIGN AFFAIRS

14.1 S.L. High Commission – London

The Cash Book was still not maintained in spite of the assurance given in an earlier memorandum to maintain one. Consular Fees, totalling GBP182,290, were utilised for expenditure of the High Commission. No authority was seen for such disbursements. Bank Reconciliation Statements were not prepared in respect of two accounts operated by the High Commission. Owing to the inadequate supply of General Receipt Books from the Accountant General, the High Commission was forced to use temporary receipts for the collection of Consular Fees. Wages, for which no provision was made, were paid out of Consular Fees. Payment Vouchers, totalling GBP3178, were not produced for inspection. Although monthly allowances were given to diplomatic staff for telephone bills, the High Commission paid a huge sum of GBP39,602 on telephone bills in respect of such officers. Payments, totalling GBP6975, were made on behalf of sundry persons in organisations/institutions for which no authority was seen. Permission was not sought from the Ministry of Finance for the utilization of the sum of GBP98,261 for rehabilitation of the High Commission's properties. Several items of furniture bought were not taken on ledger charge. Issues raised in a previous audit report had not been addressed. The premises occupied by the High Commission did not befit the status of a diplomatic mission.

15.0 PRESIDENT'S OFFICE

15.1 Verification of Debts owed to IPC Travel Agents by Government Agencies

On a request from the Office of the President, debts by Ministries and Departments to IPC Travel Agents between 2002 and 2005 were verified. It was discovered that for the period in question a total of Le68,437,789 and USD12,901 were owed by various ministries, departments and other institutions, the breakdown of which was as follows:

	Le	USD
i. Ministry of Foreign Affairs	31,836,339	3,194
ii. Ministry of Trade & Industry	25,883,950	1,089
iii. Ministry of Youths & Sports	10,717,500	-
iv. S.L. Sport Development and Investment Corporation	-	8,618

	-	68,437,789	12,901
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A claim of Le5,070,000 was disputed as having been settled by the Ministry of Defence. However, evidence of such settlement could not be obtained. The sum of Le1,210,000 and USD7,167 claimed by IPC Travel Agents against Government Institutions were discovered to be Private/Personal debts even though the debtors were Government Officers. In spite of relentless efforts made by the auditors to verify debts claimed by IPC Travel Agents, one Ministry, one Parastatal and Minister were unable to provide reliable information/documentation with regard to the claims made by the Travel Agency. The Audit Service recommended that the Ministries/Institutions in default should do their best to settle their obligations and in the case of individuals, IPC should resort to normal commercial practice in respect of the collection of such debts.

15.2 MONITORING AND VERIFICATION OF PERFORMANCE OF CONTRACTS EXCLUDING CIVIL WORKS CONTRACTS

At the request of His Excellency, the President, an exercise was conducted on the monitoring and evaluation of contracts between 2002 and 2004. Civil Works contracts had to be excluded because of the lack of technical expertise in that area. An appeal made earlier to a donor agency to provide the office with a Civil Engineer with Quantity Surveying bias had still not been met with a favourable response. The following are the observations revealed:

15.2.1

Ministry of Agriculture Forestry and Food Security- It was discovered that contracts totalling Le5,872,917,885 and USD3,077,167 were awarded and part payment made to various contractors. However such contract documents were not produced for examination.

15.2.2

Kenema Office – No opportunity was given to auditors, in spite of relentless efforts made by the team, to check the records and store items.

15.2.3

Kailahun Office – It was observed that a contractor for the supply of 15 Tillers and 125 threshers at Le615,238,050, USD\$768,750 respectively did not perform the contract as per the contract agreement.

15.2.4

Ministry of Health and Sanitation

Examination of contract documents revealed that contracts detailed below were not fully performed. It was discovered that suppliers did not deliver the correct quantities of items as per contract schedules.

<u>Details of Contract</u>	<u>Value of Contract</u> LE	<u>Amount Short Supplied</u> LE
Diet to Connaught Hospital	271,583,520	8,114,600
Diet to National School of Nursing	249,197,520	1,062,000
Diet to Princess Christian Maternity Hospital (Annexe)	96,250,400	964,000
Diet to Macauley Street	50,127,486	3,911,440
Essential Drugs to the Ministry of Health	USD 2,542,980	USD 346,485

Contracts awarded to MIK Trading Company for a total of Le844,000,000 for which an advance payment of Le149,150,000 had been made were not performed up to January 2005. Documents relating to these contracts were also not available. The matter was under investigation by the Anti-Corruption Commission.

(i) Jenner-Wright Clinic

Several accountable documents were not submitted for audit inspection. Revenue Issue Vouchers were not prepared in respect of the sale of drugs totalling Le 741,500. The revenue received from the sales were not paid into bank. It was observed that a large proportion of drugs, totalling Le3,379,000, remained unsold.

(ii) Government Hospital Bo (2004)

Out of a total of Le194,588,550 collected as revenue, only the sum of Le19,458,855 was paid into the Consolidated Revenue Fund. Even though the Ministry of Health and Sanitation's Management Committee authorized the disbursement of such funds, prior approval was not sought from the Ministry of Finance. No authority was produced for the opening of bank accounts at the Sierra Leone Commercial Bank and Standard Chartered Bank into which payments of Cost Recovery Drugs were deposited. A total of Le35,549,260 from Cost Recovery drugs was paid into these accounts. Similarly, amounts collected for In and Out-Patient Fees, totalling Le11,350,950, were paid into a separate bank account. Revenue was also utilised to meet various running costs of the hospital and payment of bonus to doctors and other staff. This was in contravention of current financial regulations. It was observed that unofficial receipts were used for the collection of revenue by the Finance Department. Several items of drugs were not taken on ledger charge. Expired and slow moving drugs were also found in stock. Stores items valued at USD88,480 were issued without Store Issue Vouchers.

(iii) Government Hospital Bo (2005)

No Assets Register was maintained for the office, wards and other units within the hospital. Payment Vouchers covering the period 1st September 2004 to 31st December 2004 were not presented for audit inspection. Requisitions made were not sequentially renumbered. Vouchers raised to effect payments were also not numbered. In addition, the total cost of items purchased was not quoted on the face of the vouchers. Purchases were made for which receipts were not obtained. Receipts attached to Payment Vouchers were also not stamped paid. Expenditure totalling Le429,500 was incurred, without the approval of the Medical Superintendent for the provision of lunch for seven (7) Cuban Doctors. A Cash Book was not maintained. Also, no separate account was maintained for the Benevolent Fund; instead amounts collected from staff and other members of the fund were deposited into the Hospital Subvention Account. Withdrawals amounting to Le5,501,000 were made from the bank account without authority. No surprise cash count was conducted. Bank reconciliations were not carried out and the relevant statements were not obtained from the bank on a monthly basis. Quantities of items supplied to the hospital kitchen and Therapeutic Ward were done without the Delivery Notes. Items on Delivery Notes could not be physically verified. Food stuff supplied for the management of the hospital kitchen, the Therapeutic Ward and the X-ray Department were not taken on charge. Hospital staff who pursued courses in various disciplines were granted study leave with pay without written approval from the Establishment Secretary's Office.

(iv) Kailahun Government Hospital-(2005)

Relevant documents and copies of supporting documents for perishable and non perishable items supplied by a contractor were in most cases not maintained.

Imprest payments without supporting documents totalled Le7,512,000. Significant differences were noted between items received by Hospital Staff and those claimed to have been supplied by the contractor. As a result, a total of Le1,878,400 worth of items were not received at the hospital. Owing to discrepancies in the frequency of supplies between the contractor's records and the hospital records, a total of Le76,151,480 was short supplied. There was a lack of sensitization of the terms of this contract to beneficiaries as well as poor coordination between the Ministry and the Hospital Management Team. There had been no formal report on the contract by the Hospital Management Team to the District Medical Board.

15.2.5

Ministry of Defence

A down payment of 50% was made to a contractor for the supply of 15,300 Combat Suits for Le993,300,000. The contractor was expected to deliver the supplies within eight weeks from 30/7/04. However no supply was made up to January 2005. Another supplier also failed to deliver raincoats costing Le480,000,000 within the eight weeks specified in the contract agreement, for which 50% down payment had been made. A contractor was required to supply four Compac or Toshiba Laptop computers at a cost of Le34,608,610. Instead HP computers which were substandard to Compac or Toshiba were delivered. Among the furniture items that were ordered for the official residence of the Chief of Defence Staff, from a commercial organisation, one item (imported multo) was not supplied and the settee chairs supplied were substandard. In spite of the ministry's request for a replacement of them with a better quality no action was taken by the supplier. Ammunition and Demolition stock items costing USD\$1,452,500 were not supplied by Premium Logistics Supplies owing to procedural matters required by Ecowas. Two memory sticks were short supplied on IT spares for Le29,604,000. Contract for the supply of Honda and Harvey Davidson spares was made to a supplier at a cost of Le70,000,000 per month. Various spares deemed to have been supplied costing Le32,896,000 were not found in stock even though no issue was made by the storekeeper. Late supplies of rice and fuel were noted in the Kenema Headquarters and Kailahun District. . Purchases were debited to the wrong subheads.

15.2.6

Ministry of Internal Affairs

(i) Police Hospital Kingdom

Specifications for the supply of drugs were not prepared in consultation with the Medical Officer. As a result, out of a total of USD22,516 supplied per month, drugs not required totalled USD 1,491.45.

(ii) Prisons Department

The contract for the supply of several vehicles at the cost of Le497,526,000 was made to a supplier. A part payment of Le51,237,000 was made. These vehicles were not supplied up to the date of verification.

(iii) National Fire Force

A contract was made for the supply of Fire Engines at a cost of GBP1,385,800.21 (Le5,415,508,352). These contracts had not been performed even with the extended period agreed of 31st December 2004. Similarly three Landrovers (Utility Vehicles) purchased at a cost of Le306,180,000 were delivered late on the 14th of January 2004 instead of August 2003.

15.2.7

Ministry of Social Welfare, Gender and Children's affairs

A contract was made for the purchase of one Mini Bus and Landrover Discovery for Le60,000,000 and Le38,000,000 respectively. In spite of countless visits made by the auditors, documents relating to this contract were not submitted for verification. Although it was stated that the vehicles had been supplied, the auditors could not physically verify them.

(i) Approved School - Wellington

The contract for the fencing of the Approved School Compound was not completed on the due date, 3rd April, 2005, because of frequent attacks and harassment faced by the contractor from hooligans at the site. The contract cost was Le798,725,000.

(ii) National Commission for War Affected Children (NACWAC)

A contract was made for the supply of two Nissan Patrols and other items at a cost of Le97,750,000 from a company. It was observed that one used Nissan Patrol and one used Mitsubishi Pajero were supplied instead of brand new vehicles at a cost of Le74,000,000. Considering the recorded mileages of the vehicles the price was expensive.

15.2.8

Ministry of Local Government

Several stores items received amounting to Le148,823,650 were not taken on ledger charge. These items were put into immediate use without prior postings to ledgers. There was an absence of stores records such as Stores Receipt Vouchers and Stores Issue Vouchers. No distribution list was produced to substantiate the issue of these items.

15.2.9

Ministry of Education Science and Technology

There was no Schedule of Requirement for the supply of Science Equipment. Such supplies were not made on time and difficulty was also experienced in comparing items supplied against requirements. The amount involved was Le143,392,000. The contract for the supply of various items at a cost of USD\$110,000 was awarded to a company. Examination of the contract document and Delivery Notes revealed that Attendance Registers were short supplied by 4,543 and blackboards by 133. Admission Registers costing of Le20,000 were not fully supplied. Blackboards supplied did not have easles or stands as required by the contract. Another contract for the supply of school materials for a total of USD\$240,102.50 was awarded to another company. According to the contract, delivery should have been effected within two months ending 26/7/03. However, delivery actually took place on 1/3/04. The Schedule of Requirements was not prepared in respect of a contract for the supply of twenty science materials for a total of Le119,998,275 made to a commercial organization. As a Schedule of Requirements was not produced for verification, it was difficult to ascertain whether the actual quantity and quality had been delivered at the time of the audit.

16.0 HOUSE OF PARLIAMENT

16.1 Receipt for the payment of Le162,780 in respect of unclaimed salaries was not produced for inspection.

17.0 MINISTRY OF WORKS AND TECHNICAL MAINTENANCE

17.1 It was observed that rents payable for quarters to be occupied by Civil Servants had not been specified in the letters of allocation. As such, departments/ministries were unable to determine the quantum of rent that should be deducted from officers to whom such quarters were allocated. In spite of a request to the Permanent Secretary, Ministry of Works and Technical Maintenance, in September 2004, requesting specific details on all officers occupying Government quarters to be submitted to the Accountant General and the Auditor General, no response has been received. This has created much difficulty in audit inspections relating to rents payable by Civil Servants.

18.0 MINISTRY OF INTERNAL AFFAIRS

18.1 Headquarters

Cancelled Payment Vouchers, totalling Le7,000,000, were not reversed. Delivery Notes for the supply of passports for a total of Le12,769,377,070 were not produced for inspection. Expenditure without supporting documents totalled Le413,745,748. Mobile phones purchased for Le5,071,900 were not available for verification. No breakdown of expenditure was seen for an amount of Le13,650,000 for the hosting of an official reception. Several Payment Vouchers were not posted in the Vote Service Ledger. An Imprest Cash Book was not maintained to record disbursements for a total of Le28,580,300 received as imprest. Vehicle Log Books were not in use. Several accountable documents recorded in the Handing /Taking Over Notes were not produced for inspection. Several discrepancies were noted in the Fuel Register. There was no proper segregation of duties in the Accounts Department.

18.2 Provincial

Detailed examination revealed that the sum of Le5,071,000 was expended on the purchase of mobile phones which were not physically verified. Payment Voucher No.C7189 dated 27th May 2007 indicated that the sum of Le13,650,000 was paid to the Permanent Secretary for the hosting of an official reception. There was no breakdown as to how this amount was expended. Documents produced for inspection revealed that neither Vehicle Log Books nor operating records were maintained.

18.3 Immigration Department

Many Accountable Documents were not presented for inspection. A total of Le20,323,500 collected as revenue was neither banked nor paid into the Consolidated Revenue Fund. Several passports were issued without supporting documents. The sum of Le94,560,000 in respect of proceeds from sale of ordinary passports was not brought to account as well as revenue from the issue of Emergency Travelling Certificates, totalling Le43,842,000. Under assessments of revenue soared to Le26,869,50. Differences between Revenue Assessment Registers and General Receipts totalled Le204,619,300.

18.4 Provincial Secretary's Office – Bo (2004)

Several documents were not presented for inspection. Expenditure without Payment Vouchers and other supporting documents totalled Le19,195,000. Items of furniture and equipment found on hand have been incorporated in a Fixed Assets Register although assets in the President's Lodge could not be verified. A new Lister Generator installed in the Provincial Secretary's Office had not been put into use. Vehicle Log Books were not maintained by several drivers and use of fuel appeared to be excessive.

18.5 Provincial Secretary's Office-Bo (2005)

Accountable Documents were not presented for inspection. A separate ledger was not maintained for monthly imprests received, totalling Le42,000,000. The system of collecting rents from Government owned properties or other similar monies due Government was unclear. Properties donated to Government by GTZ could not be determined after the expiring date of 31st May 2002. Several requests for submission of the current contract or tenancy agreement were ignored. Arrears in respect of rent for both junior and senior service Staff Quarters rose to an alarming sum of Le25,419,000. A vehicle Log Book was not maintained. As a result, a total of Le103,000,000 in respect of fuel could not be brought to account. The status of three vehicles was not disclosed to the inspecting officers. A Master Inventory Ledger was not maintained. Supporting Documents totalling Le37,000,000, were not produced in respect of Other Charges Payment Vouchers. State lands were vehemently encroached upon.

18.6 Provincial Secretary's Office Makeni

An audit was planned for the Provincial Secretary's Office in Makeni. The execution was forestalled because all documents had already been impounded by the Anti-Corruption Commission for investigation.

18.7 National Registration Secretariat

An Imprest Cash Book was not maintained, as a result of which details of expenditure for a total of Le28,800,000 were not available. Expenditure on repairs and maintenance of buildings, vehicles and equipment, totalling Le19,788,897, did not conform with laid down regulations.

19.0 MINISTRY OF LOCAL GOVERNMENT

19.1 Freetown City Council

Arrears in respect of rates for the period 1st July 2001 to 30th June 2004 stood at Le1,634,433,428. Monies collected and recorded in the Cash Analysis Sheet, amounting to Le416,419,249, in respect of Market Dues, rates and other sources were not accounted for in the bank deposits. The sum of Le88,232,850 due from the sale of tickets for the period under review was not brought to account. A difference of Le10,610,120 was revealed between the amount collected for Licences and that brought to account. The sums of Le30,926,700 and Le36,818,617, in respect of Income Tax (PAYE) and Nassit respectively, were owed by the Council. Reconciliation Statements were not done in respect of Savings Accounts. Detailed examination of records revealed that the sum of Le154,322,400 was expended without supporting documents. A total of 44,961,740 was spent on fuel for which documents were not produced to

reconcile the receipts and issues of fuel supplied. A mobile phone costing Le480,000 was bought for the Deputy Chairman, who was no longer serving in the Council. Variances between Payment Vouchers and estimates with regard to cleaning and fumigation of Council's Markets amounted to Le685,000. Verbal requests were made for the printing of Accountable Documents. Contractors were paid for the cleaning of cemeteries even though there were staff employed in the Council for that purpose. The Expenditure Cash Book, Advances Ledger and Assets Register were not properly maintained.

19.2 Bo Town Council

Series of payments, totalling Le75,702,686, were made with inadequate or no supporting documents. Unauthorised payments amounted to Le166,099,10. The sum of Le1,879,673 was paid to third parties as salaries/wages without authority. There was no evidence of Unclaimed Salaries/Wages paid back to the Consolidated Revenue Fund (CRF). This amounted to Le3,657,269. Revenue underposted into the Cash Book amounted to Le714,220 whilst that not brought to account was Le690,850. Market tickets unaccounted for totalled Le13,200,000. Sixty-Six Receipt Books issued to various revenue collectors were not made available for inspection. A total of Le936,669 was incorrectly posted under Heads and SubHeads. Cash shortage of Le57,986,549 was observed between monies collected from the bank account and those expended. A huge variance existed between Revenue Estimates and what was actually collected. There was inadequate information on Salary Advances, to the tune of Le37,437,301, given to staff. A difference of Le247,000 was observed between the figures in the Salary and Wages Vouchers and those of the Personal Records. Handing Over procedures were not followed by the Town Clerk. A cash count was not carried out on 30th June 2004 to substantiate the amount of Le53,406,050 held on that date.

20.0 MINISTRY OF DEVELOPMENT AND ECONOMIC PLANNING

20.1 Entries in the Revenue Cash Book were not done in date order or sequentially by Cash Book Receipt Number. Further investigations revealed that two Revenue Cash Books had been used concurrently. There was a considerable delay in the banking of receipts. Documents were not produced in respect of a contract above the threshold of Le12,000,000 for the cleaning of Youyi Building. An Attendance Register was not maintained. Employees proceeded on leave without approval. The Vote Service Ledger maintained could not be reconciled with the Accountant General's print-out. There was an isolated duplication in the Accountant General's print-out regarding a disbursement relating to the Hospitality Account. Differences were noted between the number of days travelled for per diem purposes, as indicated in the Payment Vouchers and those in the travelling documents. Payment Vouchers were not properly completed. Documents were

not provided to prove that controls and safeguards were in existence to protect Cash and Liquid Assets. Bank Reconciliation Statements were not carried out. Ministry officials could not explain how additional expenditure above the amount of the imprest was being financed. A Fixed Assets Register was not maintained. No Cheque Book Register was maintained to monitor the receipts and issues of cheques during the year under review with regard to seven service oriented projects under the direct control of the Ministry. There was evidence of budgetary over expenditure of Le39,800,000 in the Recurrent Expenditure line item of Office and General.

21.0 MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY

A total of Le92,338,333 was paid to new teachers without E.D.Forms. Unclaimed salaries amounting to Le1,645,458 were not paid into bank. Teacher Supervisors, to whom a total of Le153,525,408 was paid in respect of salaries, were not on the Staff List. The sum of Le33,318,912 was paid to officers purporting to be Teacher Supervisors. A contractor failed to supply textbooks costing USD\$67,000. Payments without supporting documents totalled Le816,984,767. Fees Subsidies to non existent primary schools were Le39,158,000. Items not taken on ledger charge totalled Le167,144,300. Reconciliation between records kept by the Ministry, the Accountant General's Department and the Establishment Secretary's Office proved very difficult. Payments to contractors were spilt to evade the threshold of Le12,000,000 set by the Central Tender Board.

21.1 Methodist Boys High School - MBHS

Arrears of school fees totalled Le24,930,000 for the period 2000 to 2004 academic years. Wages paid to illiterate workers were not witnessed by third parties. Treasury receipts were not available for the sum of Le1,285,996 paid into the bank in respect of unclaimed salaries. Payments without supporting documents totalled Le3,836,000. Relevant documents were not available in respect of the construction of the school hall, work on which had been brought to a halt. An Inventory Ledger was not maintained.

21.2 St. Edward's Secondary School

An Accountable Documents Register was not maintained. Budgets were not prepared. A total of Le80,358,931 collected as revenue for the period 1999-2000, 2003 and 2004 was not brought to account. Arrears of school fees totalled Le14,615,000. Eleven cheques for various payments, totalling Le3,413,900, were not posted in the Expenditure Cash Book. The sum of Le25,747,022 was paid without supporting documents.

21.3 Prince of Wales Secondary School

A total of Le154,419,040, collected as school fees, for the period under review was not posted into a proper Fees Cash Book and there was no evidence to confirm that the monies collected were paid into the Bank. It was discovered that between November 1999 and August 2004 an amount of Le35,321,641, collected from pupils as Development Fund takings, was not used for its intended purpose.

21.4 Albert Academy Secondary School

Arrears of school fees for the period under review were Le22,507,000. Cheques were signed by the Principal only. There was no evidence of the recovery of a total of Le11,486,000 given out as loans to various teachers. Payments to illiterate workers were not witnessed by a third party. An Inventory Ledger was not maintained.

21.5 Vine Memorial Secondary School

Payments, totalling Le4,290,750, were not authorised by the Principal. The sum of Le3,023,000 was paid without authentic supporting documents. Arrears of school fees, for the period under review were Le9,033,000. It was observed that Bank Reconciliation Statements were not prepared.

21.6 Government Municipal Secondary School

An Accountable Documents Register was not maintained. Arrears of school fees totalled Le11,864,000. A Revenue Cash Book was not maintained. Payment Vouchers were not in use at this institution. Payments to illiterates were not witnessed by a third party. Salary Vouchers for 2000,2001 and 2002 calendar years were not produced for inspection. Bank Reconciliation Statements were not prepared. Class Attendance Registers were not properly maintained. An Inventory Ledger was not in use.

21.7 Freetown Secondary School For Girls – (FSSG)

An Accountable Documents Register was not maintained. A total of Le931,000, collected as revenue, was not posted in the Fees Cash Book. Arrears of school fees for the period under review totalled Le1,239,000. Details of receipts were also not available for the sum of Le6,245,000 posted into the Cash Book, in respect of school fees. Disbursements, totalling Le6,236,881, were not posted into the Expenditure Cash Book. Teachers' Personal Files were poorly maintained. The school compound was not properly kept and the buildings overdue for repairs.

21.8 Services Secondary School

An Accountable Documents Register was not maintained. Arrears of school fees for the period under review totalled Le15,851,000. Some payments were not classified under their respective codes. A total of Le1,803,000 was paid without authority. Teachers Personal Files and Class Registers were not properly maintained. Loans/Advances to teachers totalling Le820,000, remained unpaid. Bank reconciliations were not carried out. The school compound and properties left much to be desired.

21.9 Government Model Secondary School

Arrears of School Fees for the period 2000-2004 totalled Le15,679,000. The sum of Le3,969,000 was paid without proper authority. Loans to teachers, totalling Le1,090,000, remained unpaid. Copies of Teachers Certificates were not found in their files.

21.10 United Muslim Association Secondary School – UMASS

An Accountable Documents Register was not maintained. Arrears of school fees were Le9,586,000. School Fees collected, totalling Le5,920,000, were not posted into the Fees Cash Book. Forty-Five receipt books were not available for inspection. A Loans Register was not maintained. An Inventory Ledger was not maintained.

21.11 Sierra Leone Muslim Brotherhood Secondary School

Arrears of School Fees for the period under review rose to an alarming rate of Le37,478,000. It appeared that no effort is being made to collect such arrears. In spite of repeated requests to the Accountant General to delete the names of several teachers who had left, such names still appeared on the Salary Vouchers for the period under review.

21.12 S.L.Muslim Congress – Boys' Secondary School

Arrears of School Fees for the period under review amounted to Le16,560,000 whilst outstanding loans given to teachers totalled Le 804,000.

21.13 West African Methodist Collegiate School

(i) Junior Secondary School

Outstanding loans totalled Le3,000,000. The sum of Le3,855,000 was paid without supporting documents whilst payments totalling Le4,836,500 were not signed by the payees. Arrears of school fees rose to an alarming rate of

Le20,666,000. Bank reconciliations were not carried out during the period under review. Teachers' Personal Files and Attendance Registers were not properly maintained. An Inventory Ledger was not in use.

(ii) Senior Secondary School

Revenue collected in respect of fees, totalling Le6,800,370, was not brought to account. Outstanding loans stood at Le3,011,000. Arrears of School Fees rose to an alarming rate of Le26,535,000. Unclaimed salaries totalled Le707,454. Teachers Personal Files did not contain all relevant records. Class Attendance Registers were not properly maintained. There was no Inventory Ledger in existence.

21.14 Government Independence Memorial School

(i) Junior Secondary School

An Accountable Documents Register was not maintained. A total of Le32,255,500, collected as revenue, was not banked but put into immediate use. The sum of Le2,128,200 was not brought to account. Disbursements of Le11,413,750 were not supported by Payment Vouchers. During the period under review, a total of Le8,112,750 was expended through chits prepared by the Principal. Arrears of school fees were Le12,780,000. Budgets were not produced for the 2003/2004 and 2004/2005 academic years. Teachers Personal Files were poorly maintained. There was a marked financial indiscipline as the Internal Control system was weak.

(ii) Senior Secondary School

An Accountable Documents Register was not maintained. Several accountable documents were not produced for inspection. A total of Le14,626,000 collected as revenue was not paid into bank but was put into immediate use without proper authority. The sum of Le3,874,755 was not brought to account. Arrears of school fees were Le12,125,000 whilst the sum of Le6,389,000 was spent without authority. Expenditure without supporting documents soared to Le5,151,000. Budgets were not prepared for the period under review. The accounting system was not up to expectation. An Inventory Ledger was not maintained. Owing to the lack of a fence on the school premises, the school had lost most of its Corrugated Iron Sheets and the main school building was dilapidated.

21.15 Richard Allen High School

An Accountable Documents Register was not maintained. Revenue not brought to account totalled Le5,391,097. The colossal sum of Le141,493,853 was put into immediate use instead of being deposited in the school's account. An amount of

Le3,000,000 was allegedly stolen from the Office of the Principal. An Imprest Cash Book was not maintained. Bank reconciliations were not carried out. Teachers Personal Files were not properly maintained. An Inventory Ledger was not in existence.

21.16 YWCA Vocational Institute

An Accountable Documents Register was not maintained. Arrears of school fees, were Le14,649,000 for the period under review. Outstanding loans to teachers totalled Le1,322,000. The sum of Le1,694,500 was paid without authentic supporting documents. No contract agreement was produced in respect of an amount of Le2,000,000 disbursed as rent for the Principal. Class Attendance Registers were not properly kept as also were Teachers' Personal Files.

21.17 Sierra Leone Muslim Educational Institute

An Accountable Documents Register was not produced for inspection. Budgets were not prepared. Arrears of school fees stood at Le720,000. A total of Le642,000 was paid without supporting documents. Attendance Registers were not properly maintained. Photocopies of Teachers' Certificates were not in their personal files. In the absence of Handing/Taking Over Notes from the current caretaker Principal to the Acting Principal, assets bought and received from donors during the period could not be ascertained. An Inventory Register was not maintained. Various equipment received from the Ministry of Education, Science and Technology were not taken on ledger charge. The school compound was not fenced. The roof of the school was in dire need of repairs.

21.18 St. Joseph's Vocational Institute

Supporting documents were not available in respect of imprests, for the sum of Le3,150,000. Arrears of School Fees stood at Le2,604,000. Bank reconciliations were not carried out during the period under review.

21.19 Tahir Ahmadiyya Muslim Junior Secondary School - Bo, 2004/05

An Accountable Documents Register was not maintained. Arrears of school fees, totalling Le3,332,000, had still not been recovered. No Bank Reconciliation was carried out for the period under review. In addition, proper monitoring of the finances of the school was not effected. A Cash Book was not maintained. Payment Vouchers raised were not properly authorized and several payments, totalling Le1,508,000, were made without adequate supporting documents. Fixed Assets did not bear identification marks. The Inspector of Schools neither made periodic visits to the school nor did he produce an inspection report. Appraisal of

teachers by the Principal was not conducted in violation of Section 40 of the Education Act 2004.

21.20 Nusrat Jahan Ahmadiyya Girls Secondary School, Bo

No written evidence of periodic visits by the Inspector of Schools was available nor was a report of activities documented.

21.21 St. Andrew's Senior Secondary School – Bo

Arrears of school fees, totalling Le1,700,000, had still not been recovered. Bank reconciliations were not carried out. No system of monitoring the finances of the school existed. Payments were effected without proper documentation. In addition, Payment Vouchers, totalling Le3,148,000, were not stamped paid when payments were made thereby creating room for recycling. Identification marks were not placed on valuable assets. A Cash Book was not maintained for the period October – December 2003. Appraisal of Teachers was neither carried out by the Principal, in violation of Section 40 of the Education Act 2004, nor was a report from the Inspector of Schools produced for inspection.

21.22 Abdel Nasser Islamic Secondary School – Bo -2004

No staff appraisal of teachers was conducted by the Principal in complete violation of Section 40 of the Education Act 2004. In addition, it was noted that teachers were employed directly by the Board of Governors instead of the Ministry of Education, Science and Technology. An Accountable Documents Register was not maintained by the school. Salary Payment Vouchers were not appropriately filed resulting in the loss of vouchers, totalling Le54,271,080. Cheque payments were not lodged into the school's bank account. Revenue totalling Le2,338,720 was not properly brought to account. Receipts were not issued for fees paid by pupils. Payments, totalling Le6,250,430, were made without Payment Vouchers. There was a lack of segregation of duties in the general school administration and finance units. Staff, were terminated without notification to the Accountant General who continue to pay their salaries. Study leave was granted to staff members without approval by the Ministry of Education, Science and Technology.

21.23 Queen of the Rosary Secondary School – Bo 2004/05

The Inspector of Schools did not make the mandatory periodic visits to the school nor was an Inspection Report made. Estimates for revenue and expenditure were not prepared. Appraisal of teachers by the Principal was not conducted in

violation of Section 40 of the Education Act 2004. Arrears of school fees, totalling Le2,839,000, were not recovered. Poor financial management of school funds existed. Lack of supervision over the maintenance of financial records was observed. The Cash Book was not properly maintained. Bank reconciliations were not carried out for the period under review. Payments, totalling Le4,986,200, were made without Payment Vouchers. Neither an Inventory Register nor a Fixed Assets Register was maintained.

21.24 Methodist Secondary School – Kenema

Arrears of school fees for the 2003/2004 academic years totalled Le7,691,000. An Assets Register was not maintained. Clear lines of responsibility for officers were not spelt out.

21.25 Ansarul Islamic Secondary School - Kenema

An Accountable Documents Register as well as other accountable documents were not submitted for inspection. Arrears of school fees totalled Le412,000. An Inventory Ledger was not maintained. Expenditure was not supported by appropriate documents. Capital expenditure was not approved by the Board.

21.26 St. Joseph’s Secondary School - Blama

Receipts, totalling Le108,000, were posted into the Cash Book as Le72,000. Arrears of school fees totalled Le3,722,000. There was only one bank account used for both salaries and other transactions.

21.27 Ahmadiya Muslim Secondary School – Blama

Arrears of school fees totalled Le2,229,000. A Loans Register was not maintained in respect of loans to teachers, amounting to Le1,200,000. An Inventory Ledger was not maintained by the school.

21.28 Luke’s Commercial Institute Kenema

An Accountable Documents Register and other accounting documents were not presented for inspection. Arrears of school fees totalled Le3,239,500. An Inventory Ledger was not maintained. Only one bank account was operated for both salaries and other revenue/expenditure.

22.0 MINISTRY OF TRANSPORT AND COMMUNICATIONS

22.1 Revenue collected, totalling USD\$270,000 and Le625,136,595 respectively, were neither posted into the Cash Book nor banked. A total of Le9,900,000 was paid

as Sitting Fees to Board Members without adequate documentation. Payment Vouchers for the sum of Le277,903,150 was paid on incomplete supporting documents. The Imprest Cash Book was not maintained to record details of imprests, totalling Le81,600,000. Details were not available in respect of Account No.100581 operated by the Ministry for the deposit of Global Systems for Mobile Communications (GSM) Licences and Annual Renewal Fees. Utility Vehicle No.ABL002 was not recorded in the Fixed Assets Register.

23.0 MINISTRY OF INFORMATION AND BROADCASTING

23.1 Government Printing Department

Expenditure/Retirement documents in respect of an imprest of Le3,910,000 were not produced for inspection. A total of Le93,681,647, collected as revenue, was not banked.

24.0 MINISTRY OF FISHERIES AND MARINE RESOURCES

24.1 An amount of Le55,781,880 was paid as first instalment of the contract price of Le111,563,760 to a contractor for the construction of eight Smoke Houses with ovens in the Southern Province. The contract was not performed. Fines, totalling Le165,166,387, were not paid into the Monitoring Control Surveillance/Marine Fines Account; instead they paid into the Consolidated Revenue Fund.. A total of Le10,101,750 withdrawn from the Project Account as a loan had not been repaid. The sum of Le995,000 was overpaid as allowances to certain officers of the ministry. Unclaimed salaries of Le525,522 were not paid back to the Consolidated Revenue Fund. Proper records were not maintained in respect of loans totalling Le349,000,000 and Le514,500,000 respectively to Co-operative Societies at Goderich and Tombo.

25.0 MINISTRY OF MINERAL RESOURCES

25.1 Administrative Division

During the period January 2003 to November 2004, a total of Le1,068,734 in respect of salary was paid to deceased staff, whilst the sum of Le1,533,469 was paid to staff who had already retired from the service. A total of Le9,312,516 was paid to Mines Monitoring Officers whose names were not on the Staff List. The authority for and details of an incentive paid to hardworking staff in the Administrative Division were not available for verification. Several payments, totalling Le12,800,000, were made from

subheads not applicable to such payments. Supporting documents were not available for the payment of Le5,000,000 in respect of uniforms for female staff.

25.2 Mines Division

A total of Le2,060,500 was paid in respect of deceased staff whose names still appeared on the payroll vouchers. Board Sitting Fees amounting to Le10,410,000 were paid without supporting documents. No Fuel Register was maintained for the sum of Le26,486,000 spent on the purchase of fuel for the 2003/2004 years. A total of Le34,234,812 was not paid into the Mines Monitoring Fund Account by the Gold and Diamond Department (GDD) of the National Revenue Authority (NRA). The sum of Le220,416,767 was not paid into the Area Mining Committee Development Fund Account by GDD. Royalties not paid to chiefdoms totalled Le5,483,731. An amount of Le14,698,099 in respect of 5% Withholding Tax, was not paid to the Income Tax Department of the NRA. The sum of Le11,760,206 in respect of PAYE deductions from the salaries of Mines Monitoring Officers was also not paid to the Income Tax Department.

25.3 Geological Surveys Division

Store Issue Vouchers, totalling Le1,345,000, were not posted into the Stores Ledger. The sum of Le134,255,977 was paid without supporting documents. An officer who was interdicted still received full salary, instead of half salary, between July 2002 and November 2004. The amount involved was Le770,728. Payments, totalling Le10,633,594, were not initialled by the Vote Controller. Salaries in respect of deceased staff, amounting to Le3,265,254, were not paid back to revenue.

26.0 MINISTRY OF LANDS, COUNTRY PLANNING AND ENVIRONMENT

26.1 The sum of Le584,980,000 was paid without supporting documents. Payment Vouchers were not produced for the sum of Le127,861,955 whilst Payment Vouchers, totalling Le550,295,000, were not posted into the Vote Service Ledgers. Several cancelled Payment Vouchers, already posted into the Vote Service Ledgers, were not reversed. The amount involved was Le109,095,000. Expenditure charged to wrong subheads totalled Le49,800,000. Standing Imprests of Le10,000,000 were not retired. Payments not authorized by the Vote Controller totalled Le89,110,848. There was a discrepancy of Le13,891,000 between Store Issues and entries in the Stores Ledger whilst issues totalling Le2,870,000, were not posted to the Stores Ledger. Salaries for the month of November were overpaid by Le10,453,005 whilst unauthorized payments of salaries of Le4,517,050 were made. Records were not available to confirm that the sum of

USD13,750 collected in respect of Environmental Impact Assessment and Monitoring Fees was brought to account. Revenue was short posted by Le170,000. Revenue receipts for the sum of Le7,935,000 in respect of Building Permits were not produced for inspection. . Between August and December 2004 a total of Le23,220,000 collected in respect of Building Fees and Survey Charges were not posted in to the Cash Book.

Revenue collected, after this function had been assigned to the National Revenue Authority, totalled Le426,250.

27.0 MINISTRY OF AGRICULTURE, FORESTRY AND FOOD SECURITY

27.1 No Imprest Cash Book was maintained during the period under review resulting in the non-production of Petty Cash Vouchers and supporting documents. It was revealed that Payment Vouchers totalling Le163,340,480, were not backed by supporting documents. Twelve Fertilizer Receipt Books and thirteen Payment Voucher Books were not produced for inspection. Seed rice purchased and distributed from 1st May 2001 – 30th November 2004 were without distribution lists and recovery details. This amounted to Le5,466,386,000. Fertilizer Sales not accounted for soared up to Le939,740,000.

28.0 MINISTRY OF JUSTICE

28.1 Administrator and Registrar General

The sum of Le43,942,004 collected as revenue was neither posted into the Revenue Cash Book nor paid into bank. Revenue collected, totalling Le9,993,817, was posted in the Revenue Cash Book, entered in the Paying-slips and stamped but were not reflected in the bank statements. Between August and September 2001 amounts totalling Le20,647,430 were brought to account in the Cash Book but not paid into bank.

28.2 High Court Judiciary (Sub Treasury)

There was no contract agreement in respect of expenditure on State Briefs for which a total of Le18,000,000 was spent.

28.3 Appeal Court

The sum of Le6,000,000 was paid without supporting documents. Expenditure on maintenance of vehicles, buildings and equipment, totalling Le7,651,250, did not conform with laid down regulations.

Supreme Court

Stationery purchased, totalling Le14,373,000 were neither taken on charge nor were requisitions and issues in respect of them recorded in the Stores Ledger. The sum of Le82,191,203 was paid without supporting documents. Details of fuel and oil bought for a total of Le34,804,950 and their usage were not available.

29.0 PUBLIC ENTERPRISES AND COMMISSIONS

As at 31st December 2006, the following Public Enterprises and Commissions had not submitted their Accounts for the 2005 Financial Year.

1. Statistics – Sierra Leone
2. Eastern Polytechnic
3. Milton Margai College of Education & Technology (MMCET)
4. College of Medicine and Allied Health Science (COMAHS)
5. Institute of Public Administration and Management (IPAM)
6. University Court
7. Mining and General Services
8. National Assets Commission
9. National Commission for War Affected Children (NACWAC)
10. National Electoral Commission (NEC)
11. National Policy Advisory Council (NPAC)
12. Office of the National Security (ONS)
13. National Shipping Company
14. Sierra Leone Housing Corporation (SALHOC)
15. Sierra Leone Postal Services (SALPOST)
16. Sierra National Airlines (SNA)
17. National Commission for Democracy (NCD)
18. Sierra Leone Road Transport (SLRTA)
19. Sierra Leone Roads Authority (SLRA)
20. Anti-Corruption Commission

29.1 ANTI CORRUPTION COMMISSION – 2003

A total of Le13,720,000 was spent on the purchase of 426,000 Top-Up Telephone Cards for the period 1st January to 31st December 2003. Adequate details of the distribution of these cards were not available. Proper stores records were not maintained at this organisation and stores personnel lacked the required knowledge and skills in Stores Accounting. The relevant sections to which stores were issued did not maintain proper records on the usage of such stores. Amounts, totalling Le48,500,000, in respect of imprests to the Research and Development Unit were not backed by relevant documents. Significant variances were observed between the budgeted and the actual expenditure on several subheads for the period under review. No Fuel Register was maintained in respect of fuel purchased from a supplier. Special imprests totalling Le17,772,400 were paid for workshops held in the previous year. Supporting documents received totalled Le16,909,750. The amount refunded was only Le183,000, leaving a balance of Le679,650 to be brought to account. The balance of the standing imprest not retired at the end of the year was treated as debtors in the Financial Statements. The liquidity position of the Commission as at 31st December 2003 was most unsatisfactory.

29.1.2 ANTI-CORRUPTION COMMISSION -2004

Headquarters

Management exercised very little control over the accounting operations, which was entirely left to the Director of Finance who was expected to exercise total supervision and control. The Financial Statements were not properly presented. Differences were noted between nominal activity schedules and the Financial Statements. In other circumstances, balances were indiscriminately written off. Members of the Advisory Committee had not been involved in the Commission's Financial Activities. The Internal Auditor did not have adequate knowledge in some areas of the accounting system used by this organisation. Details of work completed or progress made on the Internal Audit Programme were not available. Pre-audit by the Internal Audit Division should be discouraged. The Fixed Assets Register was not properly maintained and there was no formal policy for the capitalization of such assets. A large proportion of the assets did not have identification marks. A net difference of Le7,339,697 was observed between the Cash Book balance and that recorded as Cash Book Balance in the Bank Reconciliation Statement. Unpresented cheques, most of which were stale, totalled Le10,508,215. However, in December 2004 these cheques did not appear in the Bank Reconciliation Statement. Imprests retired, totalling Le24,037,048 and GBP466, were neither banked nor brought to account in the Financial Statements. A difference of Le25,105,444 was noted between Staff Costs as recorded in the Financial Statement and that in the nominal activity. There was no policy in place with regard to the purchase and distribution of Top Up Cards. A difference of Le4,993,500 was noted between the amount on an insurance

policy and that paid by the Commission. A total of Le34,004,537 was paid without supporting documents. There were insufficient details regarding the transfer of a total of Le181,363,125 to overseas clients. Payments totalling Le5,304,000, were not approved by the Commissioner.

Bo Office

An Accountable Documents Register was not maintained at the Bo office. It was observed that the Officer-in-Charge of the Bo office carried out administrative as well as accounting functions even though she had no knowledge in Accounting. The imprest ceiling on the Petty Cash was inconsistent. A Fixed Assets Register was neither maintained nor did the assets bear official identification marks. A Staff Attendance Register was not in use. The Officer-in-Charge at the Bo office drew Rent Allowances whilst she was occupying a house rented by the Anti-Corruption.

29.2 GOVERNMENT GOLD AND DIAMOND OFFICE – (GGDO)

In flagrant violation of the Public Budgeting and Accounting Act 1992 and in spite of several reminders from the Audit Service Sierra Leone the Final Accounts of the Government Gold and Diamond Office for the year 2003 and the three months' period to 31st March 2004 have still not been submitted for auditing.

29.3 S.L. INSURANCE COMMISSION - 2004

An Operations Manual was neither in existence nor was an Accounting Manual maintained. The Fixed Assets Register did not incorporate all relevant information nor were the Fixed Assets labelled or tagged with the organisation's identification marks. There was no policy for the capitalisation of Fixed Assets acquired. A maintenance policy too was absent. Various insurance companies owed Le770,000 for manuals sold to them. The Petty Cash Imprest was not properly maintained. Creditors Ledgers were not updated. Withholding Tax, totalling Le7,791,167 was not deducted from payments to suppliers. Procedures regarding the payment of Sitting Fees were not observed.

29.3.2 SIERRA LEONE INSURANCE COMMISSION - 2005

Various Insurance Companies owed a total of Le570,000 and Le8,865,000 respectively for materials and stickers. It was observed that Directors Sitting Fees were not paid in accordance with the Insurance Act of 2000. Furthermore, Sitting Fees were paid to Directors even when meetings were not held. Board Minutes were not signed by the Chairman and Secretary to the Board. The management of cash was far from satisfactory.

Documents in support of payments for the procurement of goods and services were inadequate. A total of Le6,851,300 was paid without proper supporting documents. Insurance Brokers did not submit Financial Statements to the Commission. Several matters highlighted in the previous audit report had not been addressed.

29.4 INDEPENDENT MEDIA COMMISSION

A complete set of Financial Statements was not submitted for audit. An Operations and Accounting Manual was not maintained. Bank Reconciliation Statements were not prepared for the first quarter of 2005 and there was a lack of segregation of duties in their preparation and review. Files were not properly kept. Neither a properly designed Fixed Assets Register nor a maintenance policy in respect of Fixed Assets was in operation. The balance on the Dollar Account was \$7,886. Licence Fees paid in USD\$ were not transferred into the Leone Account. There was no record of receipt books received from the Accountant General's Department. Temporary receipts were used for partly paid Licence Renewal Fees. Some debtors were omitted from the Debtors List at 31/12/05. Measures for the collection of Licence and Renewal Fees were inadequate.

29.5 TERTIARY EDUCATION COMMISSION - 2004

Significant weaknesses existed in the Internal Control System especially in the Control Environment in which the organisation operates. Payments, totalling Le38,007,683 were without adequate supporting documents.

29.6 PETROLEUM RESOURCES UNIT - 2004

An Operations Manual was not maintained. Several Books of Account were not kept. Vital documentation in respect of a payroll was not produced for inspection. An Accounting Manual was not maintained and there was no segregation of duties in the Accounts Department. The Fixed Assets Register did not contain all relevant information in respect of Fixed Assets, which were also not labelled or tagged with uniform identification marks. There was neither a capitalization policy in respect of Fixed Assets nor was a maintenance policy in operation. The

Petty Cash Imprest was not properly maintained. Certain Accounts in the Creditors Ledger were not updated. A total of Le147,889,000 in respect of payments made was without supporting documents. Circumstances surrounding the rental valuation of the premises occupied by the Director General were dubious.

29.7 NATIONAL PUBLIC PROCUREMENT AUTHORITY – NPPA

An Accountable Documents Register was not maintained. A Procedural Manual was not in operation. Conditions of Service had not been instituted. A safe was not in use. A file of names and specimen signatures of persons authorized to approve transactions was not maintained. Bank Reconciliation Statements were not approved by an appropriate personnel. Procurement of goods and services was not done in accordance with normal accounting procedures. An Accounting Manual was not maintained and there was no segregation of duties in the Accounts Department. Fuel chits issued for a total of Le245 gallons did not specify relevant details. Payment Vouchers were not signed by payees. Appropriate records in relation to the donation and transfers of assets were not maintained in the Accounts Department. A Fixed Assets Register was not kept and Fixed Assets were not labelled or tagged with the authorized identification code. There was no maintenance policy in respect of Fixed Assets. An effective audit could not be carried out on the payroll owing to fundamental administrative weaknesses.

29.8 BANK OF SIERRA LEONE - 2005

An unexplained difference of Le198,099,700 was noted in the reconciliation of the fund balances and Investments Accounts for the year 2005. Documentary evidence was not available to establish that the Bonds Certificates of the Pensions Fund were physically verified. Verification of Treasury Bearer Bonds (TBB) could not be reconciled with the recorded holdings of such bonds. The verification of such Bonds was not witnessed by the Internal Audit Department. Disinvestments recorded in the Treasury Bearer Bonds(TBB) Register did not capture details of bills disinvested by each Commercial Bank. The depreciation charge on Assets was grossly overstated. Store Issue Vouchers were not regularly posted. A difference of 389 gallons was noted between the physical stock and that recorded in the ledger. Several staff advances had been long outstanding. The list of Fixed Assets at the Kenema Branch was not available and there was no evidence of physical verification of such Assets.

29.9 ROKEL COMMERCIAL BANK – 2004

A number of outstanding items were noted in the Nostro Bank Reconciliation Statement which had been outstanding as far back as 1999. Total cash counts at the Siaka Stevens Street Branch for the year ended 31st December 2004 amounted to Le1,612,359,236. The amount brought to account by the bank was Le1,618,105,000. Long outstanding bills were noted in the Bills negotiated under Foreign Currency Account. A good number of liabilities on guarantees and indemnities had expired before 31st December 2004. The Internal Audit was not adequately staffed. The recommendations of that department were not implemented.

29.10 ROKEL COMMERCIAL BANK – 2005

A number of facilities granted by the bank were not adequately covered by collateral provided by the customers for the relevant exposures. The bank violated its lending guidelines as regards the proportion of facilities granted to various sectors. The bank lacked a dedicated unit in charge of legal and compliance issues. Long outstanding items on the Nostros Account still remained uncleared. The bank's Fixed Assets Capitalisation Policy was not produced for inspection. The bank did not update its Accounting Procedures Manual. Monthly reconciliations on investments in other financial institutions were not carried out. Fixed Assets physically verified at the Bo and Kenema Branches were not included in the Inventory Record Cards and the Fixed Assets Register. Assets in Wellington, Clock Tower, Bo and Kenema branches did not bear identification marks. There was inadequate Insurance Cover for cash in the vault of branches. There was no consistency in the application of Commission on Turnover (COT) business rules. Personnel in the IT department did not possess relevant skills to effectively perform IT audit functions.

29.11 SIERRA LEONE COMMERCIAL BANK LTD - 2005

Issues raised in the 2004 Reports have been addressed with the exception of the following:

- i. Inadequacy of staff in the Internal Audit Department
- ii. Malfunctioning of the Automated Teller Machine (ATM)

Fines were imposed on the bank by the Bank of Sierra Leone for breaches of regulations pertaining to the industry. The Internal Audit Department's recommendations had not been fully implemented as a result of which;

- Dormant Accounts listings had not been fully computerized and the filing system needed some improvement at the Siaka Stevens Street Branch.

- occasionally overnight Cash Balances exceeded the Insurance Covers at the Kenema Branch.

- relevant records were not maintained in accordance with the Operations Manual in respect of Dormant Accounts at the Bo Branch.

- a difference existed between the General Ledger and Treasury Bearer Bonds (TBB) Matured/Disinvestment Account since August 2003.

- several Treasury Bearer Bonds (TBB) and Interest Coupons were held by the Investment Section awaiting collection by customers.

A review of advances disclosed that, in some cases, the terms were not complied with by customers. In other cases securities were inadequate. Bank procedures were not always followed in relation to several discounted loans given. Long outstanding items in the Account maintained at the Central Bank had not been investigated. Differences were noted between the General Ledger balance and listings in respect of deposits.

29.12.0 NASSIT - 2004

Payment Vouchers, totalling Le699,634,651, in respect of expenses posted to the General Ledger were generally not signed to indicate approval by any authority that had reviewed such vouchers. A recurring difference of Le24,575,252 was noted between the monthly entries in the General Ledger for 2004 and those of the payroll in the same year. The schedule of balances of outstanding loans to staff members could not be reconciled with the Leones Accounts in the General Ledger. The difference stood at Le12,134,924.

29.12.1 NASSIT – 2005

The accumulated depreciation for fixtures, furniture and equipment was grossly overstated in the Financial Statements. Staff Loans and Advances Policy Procedures were not adhered to for selected personal loans during 2005. Outstanding Loans to staff since July 2004 totalled Le12,159,958. Valuation of the investments in a commercial organisation was not supported by the value in the Share Certificate whilst no Share Certificate was made available for the investment in another. Certificates in respect of Debenture Loan for Le6 Billion granted to a third commercial enterprise was also not made available for inspection. The Kenema Branch Office exceeded a ceiling of its imprest by Le157,600 at the end of 2005. Provincial offices did not submit bank reconciliations to Head Office. The compilation of closing stock balances at the end of the year was not properly done because there was an absence of trained

personnel to maintain proper stock records. A review of the payroll could not be carried out owing to the destruction of the payroll file.

29.13 NATIONAL TOURIST BOARD – 2005

Supporting documents in respect of transactions, totalling Le1,349,000, were not attached to the relevant Payment Vouchers. Receipts for payment were not available for inspection. In spite of the introduction of a Fixed Assets Register, additional Fixed Assets bought were omitted from the Register at the date of the Balance Sheet. Stock Cards were not introduced and there was no stock verification on 31st December 2005. Although Levies and Registration Fees decreased from Le180,073,326 to Le171,074,692, there was delay in the collection which reduced the liquidity position of the Board.

29.14 NATIONAL CO-OPERATIVE BANK

At the request from the Hon. Minister of Trade and Industry, an investigative audit was carried out on the National Co-operative Bank. The findings in that respect are stated below:

An Accountable Documents Register was not maintained. An Investment Policy did not exist and an Investment Register was not maintained. Neither a policy existed for Cash Withdrawals, Float and Security Fund, nor was any limit on Cash Float, Petty Cash established in writing. A Fixed Assets Register was not maintained.

The Bank operated without an Internal Control Manual and Internal Audit Department.

There were differences between two sets of balances with neither an adjusted Trial Balance nor adjusting journal entries to support them. Monthly reconciliations of all bank accounts and statements were never carried out. Amounts, totalling Le 17,952,600, were not captured and entered into the Cash Control Books in 2002. Differences were noted between the Monthly Summary Book and the Nominal Ledger Account balances. Several anomalies were noted between balances carried forward/ down and those brought forward/down. The sum of Le27,435,473 was transferred to an unknown account which could not be traced. Under the Barry Scheme Accounts there was a shortfall of Le101,492,587. Purchasing Documents were not used during the business process.

Budget Control Reports(BCR) were not prepared to monitor expenditure and identify the causes of variances so that remedial action could be taken. The Contract Agreement between the National Co-operative Development Bank and other Parastatals with respect to collateral for loans received was contravened. Exchange accounting treatment/policies were not adhered to by the Bank .Exchange rate adjustments used to value goods issued to loanees were at the expense of the beneficiaries. Interest amounting to Le 171,309,978 had not been computerized and charged on the loans issued to Co-operative Societies.

A contract for the supply of two(2) Mercedes Atego trucks for which an advance payment of US \$45,100 representing 50% down payment, was effected did not materialize. Almost all documentation with regard to transactions entered into

with suppliers were not originals. The method of clearing goods from the port and issuing them out to beneficiaries left much to be desired. 'Cheque books' to issue loans did not conform with accounting standards and have not been registered in an Accountable Documents Register.

Fixed Assets were not reflected in their various accounts. Grants received from donors for the purpose of loans to be applied to targeted beneficiaries had been written off the accounts systematically over the years with disregard for accounting standards.