



**Performance
Audit on the
Utilisation and
Monitoring of
Tied Grants by
the Freetown
City Council**

March 2024

Foreword

In submitting this Performance Audit Report for tabling in Parliament, we refer to Section 11 of the Audit Service Act of 2014, which indicates the responsibilities of the Audit Service Sierra Leone (ASSL) as follows:

“To audit and report on all public accounts of Sierra Leone and public offices including the Judiciary, the central and local government institutions, the University of Sierra Leone and other public sector institutions of like nature, all statutory corporations, companies and other bodies and organisations established by an Act of Parliament or statutory instrument or otherwise set up wholly or in part out of public funds.”

Section 11 (2c) of the Audit Service Act of 2014 mandates the Audit Service to carry out value-for-money and other audits, to ensure that efficiency and effectiveness are achieved in the use of public funds. Section 95(6) of the Public Financial Management Act of 2016 states: "Nothing in this section shall prevent the Auditor-General from submitting a special report for tabling in Parliament on matters that should not await disclosure in the annual report. "

In line with our mandate as described above, we have the pleasure and honour to submit a detailed Performance Audit Report on the Utilisation and Monitoring of Tied Grants by the Freetown City Council.



Aiah Gbondo-Tugbawa

F/ACTING AUDITOR-GENERAL

Abbreviations and Glossary of Terms

CA	Chief Administrator
DS	Decentralisation Secretariat
EUD	European Union Development
FCC	Freetown City Council
FDD	Fiscal Decentralisation Division
FY	Financial Year
GoSL	Government of Sierra Leone
IDA	International Development Association
LGA	Local Government Act, 2022
LGFD	Local Government Finance Division
LGSC	Local Government Service Commission
M&E	Monitoring and Evaluation
MoF	Ministry of Finance
SDGs	Sustainable Development Goals
UN	United Nations

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Executive Summary

Tied grants are allocations that are derived from the central government to the local councils for the execution of the activities of the devolved sector, development of its locality and expense of its administrative cost. Their use is limited to the earmarked sector and not across sectors, irrespective of specific needs by local councils.

Making human settlements inclusive, safe, reliable and sustainable is one of the Sustainable Development Goals (SDGs)¹. The Government of Sierra Leone's (GoSL) Transformation Strategy – Vision 2025 shares a similar goal with the UN, i.e, community development to improve the living standards of its citizens, which is linked to the country's vision and development plan. The Sierra Leone Medium-Term National Development Plan 2019–2023 cluster 4.8, highlights key targets in strengthening decentralisation, local governance and rural development in the local councils².

Councils are required to utilise tied grants for community service delivery which incorporated solid waste, community groups, youths, vulnerable, and for larger scale priority services identified through community consultation. The intergovernmental fiscal policy established criteria against which grants must be assessed.

In light of the above, and in compliance with the Auditor-General's mandate, as prescribed in Section 119 (2) of the 1991 Constitution of Sierra Leone, the Audit Service Sierra Leone (ASSL) conducted a performance audit on the utilisation and monitoring of tied grants by the Freetown City Council (FCC). The objective of the audit was to assess the extent to which the FCC is ensuring efficiency in the implementation, selection of beneficiaries and monitoring of activities with tied grants received from the Government of Sierra Leone (GoSL) to enhance community development.

We assessed the implementation of activities, selection of beneficiaries and monitoring of these activities on seven devolved sectors (Youth, Social Welfare, Gender and Children's Affairs, Sport, Fire prevention, Fisheries and Marine Resources and Agriculture) within the FCC.

The audit focused on the implementation of activities, selection of beneficiaries and monitoring of these activities by the FCC, covering the period from 1st January 2021 to 31st December, 2022. It also took into consideration current activities implemented in 2023. In order to achieve our objective, we sought answers to the following audit questions:

1. To what extent has the FCC ensured efficiency in the Utilisation of Devolved Tied Grants?
2. To what extent has the FCC ensured an efficient monitoring and evaluation system?

What we found out

The utilisation of Tied Grants was benchmarked based on the Local Government Act of 2022, Budget Call Circular and the Intergovernmental Fiscal Transfer and Allocation Expected Target by the sampled devolved sectors:

¹ Sustainable Development Goal 11

²Medium-Term National Development Plan 2019–2023

Utilisation of Devolved Tied Grants

Youth Devolved Grants Utilised on Unplanned activities

The youth devolved grant should be used to provide skills training including carpentry, tailoring, welding, driving, soap making and sporting to youths to increase self-esteem and self-empowerment, which will ultimately facilitate the transition from the informal to the formal economy. It also contributes to improving the country's economic competitiveness and promotes sustainable and inclusive development of the municipality.

From the review of the three-year work plan (2021 to 2023) and the cashbook of the Council, the team observed that SLE672, 880.5 was allocated to the youth devolved sector for the period under review. The audit team noted that there was no evidence of skills training including carpentry, tailoring, welding, driving and soap making provided for the youths. Out of this amount, SLE357,270 was spent on sensitisation, t-shirts, banners, transportation, refreshments which is 53% of the total allocation to the sector. The responsibility to provide the required training skills in productive ventures, which has been neglected by the FCC, may have led youths to engage in activities such as drug abuse, stealing, violence, street begging and other social crimes. This may also increase the rate of unemployment in the city.

Disbursement of start-up fee without due process

The auditors noted that the key activities in the work plan of the youth devolved sector were to provide start-up financial support and training on Small Medium Enterprise Scheme (SMEs). In 2021, SLE50,000 was allocated for 50 youths, and from 2022 to August 2023, SLE225,000 was allocated for 150 youths. These funds were provided to start new businesses or expand existing businesses. Out of the above amounts, each beneficiary received SLE1,000 in 2021 and SLE1,500 in 2022 and 2023. A total of SLE275,000 was given to 200 youths.

From the review of the start-up financial support and SMEs training reports from 2021 to August 2023, the auditors observed that these start-up financial supports were provided to youths without any form of application, contact, business plan or proposal, bases of support or process followed.

An interview with the head of the youth sector revealed that there were no set criteria for the disbursement of start-up fee. He further stated that the beneficiaries were chosen based on the youth structure and recommendations from councillors. The auditors randomly selected beneficiaries for verification based on the list provided and the contact numbers therein. We observed that 95% of the contact numbers were not in existence.

Utilisation of Sport Devolved Grants

The auditors noted from the review of the sport work plan and the activities undertaken that the activities implemented were not in line with the guidelines provided in the intergovernmental fiscal transfer and allocation. The sport tied grants were used for activities such as training of community leaders on health and environmental sanitation, holding seminars with physically challenged and disabled persons and

disadvantaged children within the municipality, non-violence campaigns in local communities, crime prevention, drug abuse and budget preparation process activities. The above activities do not relate to sport. There was no evidence of training in sporting skills; only refresher training for coaches and sports competitions were organised. The training activities would have developed a range of essential skills in sports, including leadership, self-discipline and respect for authority, competitiveness, cooperativeness, sportsmanship and self-confidence.

Sporting activities are essential within the municipality, as it unify youths, create jobs for the growing generation and promote healthy living through exercise. As such, the selection of the sports participants should be carefully done.

The Council did not have written criteria for the selection of participants for the implementation of sporting activities. However, in an interview with the Sports Devolved Officer at the Council, it was revealed that the selection of beneficiaries was based on the local community sports teams and those working with the National Sports Authority.

Youth groups or clubs were engaged in various sporting competitions such as volleyball and football for male, female and physically challenged persons. However, from the review of the attached list of participants and prizes, the auditors observed that only a list of individual names was submitted, instead of the names of teams and communities where the games were organised.

Utilisation of Gender and Children's Affairs Devolved Grants

Database for Family Tracing and Child Re-unification

The Gender and Children's Affairs Devolved Sector Officer of the FCC told auditors in an interview that one of her responsibilities is to reunify lost and found children on the street with their families within the Freetown Municipality. During the period under review, we observed that the Council had been making payments in respect of reunification packages. Despite these payments, the audit team requested for supporting documents such as reports and case files of children lost and found, and reunified with their families. We found out that the devolved sector did not have an updated database. The only available records were two pieces of paper containing statements relating to two children lost and found in 2022.

Utilisation of Social Services Devolved Grants

Donations to the Needy

A review of retirement details for activities in respect social services revealed that the Council provided cash support to foster parents, orphanages and persons with disabilities. We contacted 60 people whose names and telephone numbers were on the list of beneficiaries, to confirm whether they received cash donations from the Council for the period 2021 and 2022. Out of this number, 15 people said they have never received cash donations from FCC. Twenty said they only received cash donations from the Council in 2018. The other telephone numbers were invalid as we placed incessant calls without response. This indicates that the donations were not given to the right beneficiaries.

In 2022, a total of SLE10,000 was spent on livelihood support to the aged and vulnerable groups within Freetown. We reviewed the distribution list which contained 10 names and contact telephone numbers of the beneficiaries. We called the contact numbers to verify whether they received this amount. We however

noted that all the numbers did not exist based on the feedback received from the phone. This indicated that the amount was not used for the intended purpose.

Fisheries and Marine Resources Devolved Grants

A review of the devolved sector functions and confirmation from interviews with key officers within the Council revealed that registration of artisanal fishing canoes and data collection of artisanal fisheries license, which have been devolved to the local council is still under the control of the Ministry of Fisheries and Marine Resources.

Monitoring and Evaluation of Devolved Activities

Ineffective Monitoring and Evaluation of Devolved Sector Activities by the Local Council

Section 2(c) of the LGA of 2022 states: “The local council is responsible for conducting oversight and monitoring the performance of the local council administration and all devolved sector agencies and delivery units.” Therefore, the local council has set up a monitoring and evaluation unit to monitor all the activities of the devolved sectors.

From the review of the monitoring documents submitted by the M&E Officer of the Council, we noted that the activities implemented were not properly monitored, as there were no documentation or detailed monitoring reports on the devolved sector activities carried out by the monitoring and evaluation unit of the FCC. A report was submitted to confirm monitoring of the process. We also observed that the M&E matrix was completed whenever tied grants were disbursed to fulfil the process. The remarks column of the M&E matrix showed the indication of activities that were implemented without the involvement of the M&E team. Specific amount was allocated from all the devolved sectors for monitoring purposes, but no evidence of monitoring was submitted, even though the funds were fully utilised.

The M&E Officer of the Council explained during an interview that the non-submission of detailed reports on the devolved sectors was due to the limited number of staff, with only two officers in her unit. This affected their outputs in the monitoring of all the devolved sector activities which took place simultaneously. She further explained that the Council had no system to formally inform the M&E unit about activities to implement. Sometimes, they were not formally informed by the devolved officers.

Overall Conclusion

In conclusion, the tied grants provided by the GoSL to the sampled sectors were a waste of tax payers' monies, as most of the beneficiaries did not exist, and programmes not properly implemented and monitored. More than half of the grants were spent on administration for youth, gender, children's affairs and social welfare.

Divergence of Funds

It came out clearly during the audit that activities were not implemented in line with the intergovernmental fiscal transfer and tied grants guidelines which state that the grants should be used for the identified sector and not across sectors, irrespective of specific needs by local councils.

Even though the tied grants are not meant to be used by the Council for any purpose, the sectors failed to adhere to this provision. Sectors implemented activities that were not in line with their plans. For instance, the sport tied grants were used for activities such as training leaders on community health and environmental sanitation.

Inefficient Monitoring and Reporting

Inefficient monitoring by the M&E unit is evident in all activities implemented. The FCC internal audit report for the financial year 2021 also highlighted activities implemented with no retirement details submitted. The report states that no receipts for various transactions, pictorial evidence on seminars, training or acknowledgment by beneficiaries on donation were attached.

In conclusion, the tied grants provided by the GoSL to the sampled sectors were a waste of tax payers' monies, as 95% of beneficiaries do not exist, programmes were not properly implemented, and there was no evidence of monitoring by the M&E officers.

Overall Recommendation

Utilisation of the Devolved Sector Tied Grants

The Chief Administrator (CA) should ensure that devolved sector officers provide credible information about the beneficiaries of tied grants. Refunds should also be made for beneficiaries that are not in existence and those with no knowledge of the activities.

The CA should conduct an investigation on this matter with the view to identify the intended beneficiaries of the said devolved tied grants.

Monitoring and Reporting of Activities Implemented

The CA should strengthen the M&E unit and ensure efficient monitoring, evaluation and reporting of implemented devolved sector activities. All devolved sectors should submit plans with date of implementation to the M&E unit, as this will enable them to schedule for monitoring of devolved sector activities.

1. Introduction

1.1 Background

According to Section 50 of the Local Government Acts of 2022, tied grants are allocations from the central government to local councils for the discharge of devolved functions; development of its locality; and expense its administrative cost. Their use is limited to the identified sector and not across sectors, irrespective of specific needs by local councils.

Devolved sector grants to local councils include primary and secondary health; basic education; agriculture; rural water services; social welfare; gender and children affairs; , and others as stated in the third schedule of the Local Government Act (LGA) of 2022.

Making human settlements inclusive, safe, reliable and sustainable is one of the Sustainable Development Goals (SDGs)³. The Government of Sierra Leone's (GoSL) Transformation Strategy – Vision 2025 shares a similar goal with the UN, i.e., community development to improve the living standards of its citizens, which is linked to the country's vision and development plan. The Sierra Leone Medium-Term National Development Plan 2019–2023, cluster 4.8 highlights key targets in strengthening decentralisation, local governance and rural development in the local council⁴.

The Local Government Act of 2004 revised in 2022, provides for the decentralisation and devolution of functions, powers and services to local councils for the development of their localities and other matters connected therewith. The new LGA of 2022 makes provision for a bottom-top approach to economic development, greater local accountability, addressing poverty and building local democracy.⁵

1.2 Motivation of the Audit

The provision of sufficient, affordable and quality basic services is considered a core function of local governments. Delivery of services is executed from own-source revenue, and devolved functions delegated to the council by the central government for the health and well-being of their residents. However, service delivery has been constrained by challenges of coordination, governance, finance and capacity, which are impaired by the pace of the council.

Councils are required to utilise tied grants for community service delivery which incorporate solid waste, community groups, youths, people in need of special care and larger scale priority services identified through the community. The intergovernmental fiscal policy established criteria against which grants must be assessed.

³ Sustainable Development Goal 11

⁴Medium-Term National Development Plan 2019–2023

⁵Review Process of Sierra Leone Local Government Act & Decentralisation Policy Launched October 18, 2019 by the Calabash Newspaper

For the period under review, the 22 district councils received SLE121,914,595, of which the FCC received SLE20,403,813, the highest to cover the up-front cost of implementation of activities. See Appendix 1 for details.

The Auditor-General's reports for the financial years 2019, 2020, and 2021 revealed the following abnormalities:

1. Projects implemented by councils were abandoned by the contractors or stalled;
2. Grants allocated to councils were not transferred to the devolved sectors;
3. There were delays in the disbursement of funds;

The Audit Service Sierra Leone held citizen's engagement from 18th April to 5th May 2023, in eight chiefdoms in the regions and two communities in the Western Area Rural District. Key stakeholders including Paramount Chiefs / Headmen, Section Chiefs, Town Chiefs, Ex-councillors, Local Community members, and the Media participated in this programme. The following issues were raised:

- No special needs primary school for the disabled in the Maforki Chiefdom;
- Contracts were awarded to contractors without the knowledge of the community stakeholders;
- Poor waste management in the districts;
- The Council was unable to spread development across the districts;
- The Council was not prioritising community development; and
- Contractors abandoned construction works.

The points noted above indicate that there are challenges in achieving effective service delivery by the local councils. It is against this background that the Audit Service Sierra Leone (ASSL) decided to conduct a performance audit on the utilisation and monitoring of activities implemented with the tied grants provided by the GoSL.

1.3 Audit Objective

The objective of the audit was to assess the extent to which the FCC is ensuring efficiency in the utilisation of tied grants, monitoring, evaluation and reporting of activities implemented to achieve community development.

1.4 Audit Scope

The audit focused on the utilisation, monitoring, evaluation and reporting of tied grants for the financial years 2021 to 2023. The audit was conducted at the FCC as the Auditee. The team sampled seven devolved sectors tied grants namely; Gender and Children's Affairs, Fire Prevention, Fisheries and Marine Resources, Agriculture, Sport, Youth and Social Welfare.

1.5 Audit Questions

1. To what extent has the FCC ensured efficiency in the utilisation of tied grants?
2. To what extent has the FCC ensured an efficient monitoring, evaluation and reporting system?

1.6 Methods of Data Collection

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) which were issued by the International Organisation of Supreme Audit Institutions (INTOSAI). These standards require that the audit is planned and performed in order to obtain enough appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objective. In order to collect data for the audit, the team conducted interviews, documentary reviews and field visits/physical inspections.

Document Review

A number of reports were reviewed at the FCC to check the efficient utilisation of grants, frequency of implementation of activities and the monitoring mechanism for the period under review. These documents included quarterly and annual reports, operational plans, intergovernmental fiscal transfers and allocations, budget call circular and monthly financial reports.

This helped the team to assess the integrity of the activities implemented and understand the criteria for the selection of beneficiaries, and challenges during the implementation of activities. The team also reviewed payment vouchers and cashbooks to check how timely funds were disbursed to the beneficiaries. See Appendix II for details.

Interviews

Interviews were conducted to obtain testimonial evidence on how the selected activities were implemented and the challenges faced by the officers. At the FCC, interviews were conducted with the M&E Officer and other key stakeholders.

At the sample devolved sectors, interviews were conducted with the focal persons in order to get an in-depth understanding of the use of the tied grants, and how the activities were identified, implemented, and monitored. This was also done to obtain corroborative information from documents reviewed and observations made during the audit. See Appendix III for the interview schedule.

Beneficiaries were called randomly to understand the communities' involvement in activities implemented, benefits received and impact created by these activities.

Limitation

In order to assess the impact of activities implemented, a random selection of beneficiaries` was made based on lists of beneficiaries` provided by the FCC. This however proved abortive, as most of the beneficiaries` telephone numbers stated on the lists do not exist. The auditors attempted to visit the orphanages, but the addresses were not provided by the devolved officers.

Sampling Strategy

There are two councils within the Western Area (FCC in the Western Urban and Western Area Rural District Council (WARDC) in the Western Rural. The FCC which is the largest council in the country received SLE11,976,855 in 2021 and SLE8,426,958 in 2022, totalling SLE20,403,813 as fiscal transfer from the GoSL for the period under review.

Being that the FCC received 17% and 15% (which is the highest) of the total grant allocated to the 22 local councils for the financial years 2021 and 2022 respectively, we therefore considered the scope of our audit on FCC based on materiality by nature of local service delivered by devolved sectors under their supervision as compared to other local councils.

The Freetown City Council has a total of 14 tied grants and 1 block grant. Out of the 14 tied grants, a random sample of 7 were selected which represented 50% of the tied grants. We also consider the nature and purpose of the tied grants in relation to service delivery for the vulnerable. The audit considered devolved sectors such as Youth, Social Services, Gender and Children's Affairs, Sports, Agriculture, Fisheries, Marine and Fire Prevention.

2. DESCRIPTION OF THE AUDIT AREA

This chapter gives a brief description of the subject matter, including government undertakings during the period under review. It outlines the regulatory framework governing the local councils, their mandate, and other responsible parties. It also describes the functions and organisational structures of these councils and their sources of revenue. A detailed description together with the roles and responsibilities of the key players are also presented.

2.1 Regulatory Framework

The Acts, regulations, and policies that regulate local councils' development plans consist of the following:

2.1.1 The Local Government Act, 2022

The Local Government Act of 2022 prescribes the administration and management of tied grants in line with sections 50 to 62 of the Act. These sections of the Act include consolidating the administration of grants, distribution of grants, mode of payment, and the composition of the tied grant finance committee.

2.1.2 Public Finance Management Act, 2018

This Act prescribes the basis for the allocation, budgetary, and disbursement of the tied grants.

2.1.3 Local Council Development Plan Guidelines

These guidelines form the basis for the preparation of local council development plans and are issued by the Ministry of Local Government and Rural Development (**MLGRD**).

2.2 Functions of Local Councils

Section 4e of the Local Government Act of 2022 states: "The local council Chief Administrator shall be responsible for the overall coordination of the administration and devolved sector, agency and resource mobilisation."

Section 21 (1b) of the LGA of 2022 states: "The local council shall have legislative and executive powers to be exercised by this Act or any other enactment;

c) shall be responsible, generally for promoting the development of the locality and the welfare of the people in the locality with the resources at its disposal and with any resources and capacity as it can mobilise from the central government and its agencies, national and international organisations, and the private sector.

2c), it shall be the functions of the local council to conduct oversight and monitor the performance of the local council administration and all devolved sectors, agencies, and delivery units."

2.3 Organisational Structure of Local Government

The Ministry of Local Government and Rural Development is responsible for the local government structure, which comprises six urban councils, 15 district councils, and one municipal council. The Ministry provides policies and oversight functions for the local councils. It works closely with the Decentralisation Unit which provides technical support to councils and the Local Government Service Commission responsible for the recruitment of the core administrative and professional staff of the councils. The Mayor/Chairperson is the political head of the local council. The Chief Administrator (CA) is the administrative head and secretary to the local council. The CA is assisted by the Deputy CA and other core staff responsible for special areas such as the finance office, procurement office, HR office, and Internal Auditor, to name but a few. Various departments within the local council report directly to the CA.

2.4 Process Description of Tied Grants by the Local Councils

Budget and Planning

The Ministry of Finance sends budget ceilings to all MDAs including local councils. In the case of FCC, the devolved sector officers liaise with their respective supervisors at the devolved ministries' headquarters for the preparation of the annual work plans. The devolved sector officers prepare the annual work plans and submit them to the FCC budget unit. The budget unit compiles the annual work plans into a council annual budget and invites key stakeholders for the budget hearing. Thereafter, the council submits the approved budget to the Ministry of Finance.

Allocation or Request for Funds

When the quarterly allocations are available, the Finance Office has the responsibility to inform the various devolved sector heads. The head of the sector prepares their request using the public expenditure tracking survey (pets) form in line with the allocation and work plan for that quarter through the ministry supervisor. The cheques are disbursed according to set activities.

The tied grants are paid directly into the administrative bank accounts of local councils for onward transfer to the respective devolved sector bank accounts.

The tied grants for devolved functions form the bulk of total resources available to local councils for the implementation of devolved services as contained in the Statutory Instrument, the approved development plans, and the medium-term expenditure framework (MTEF) budgets of local councils.

Identification of the Activities and Beneficiaries

Activities are identified taking into consideration; prevailing current societal trends, the devolved ministries' priority issues, and the discretion of the devolved officer. Decisions for the selection of target beneficiaries are based on devolved officers' initiatives, the councillors' recommendation, or at the ministry level.

Implementation of Activities

Activities are implemented by the head of the devolved sector in line with the work plan and availability of funds. In the implementation phase, the devolved officer works directly with the beneficiaries. Upon completion of the set activities, reports and retirements are submitted to the FCC and the Ministry. For activities that are procurement-related, the request is prepared by the devolved officer and submitted to the FCC procurement unit for actions to be taken.

Monitoring of Tied Grants

According to section 60 of the LCG Act of 2022, the LGFC should visit local councils to follow up on the implementation of devolved functions and challenges. The intergovernmental fiscal transfers and allocation makes provision for the monitoring and evaluation of the tied grant, stating that the Local Government Finance Committee through the Fiscal DD in collaboration with the PFMRU, Internal Audit, Decentralisation Secretariat, Ministry of Local Government and Rural Development and devolved MDAs should monitor the use of funds allocated to local councils through budget support implementation missions. These missions ensure that due diligence is followed in the use of the funds in a transparent and accountable manner. Also, the implementation of the local council's development projects is monitored regularly.

Monitor and Evaluation by Council

The Monitoring and Evaluation Unit in the local council should monitor all activities of the devolved sector during implementation. The Finance Officer informs the M&E unit through the pet form on the activities to be implemented by the devolved sector. The devolved officer informs the M&E unit of the time and place the activities would be implemented. The M&E unit should be present when the activities are implemented. During the execution of the activities, the unit will note their observation and report to the Chief Administrator at the end of the exercise.

Also, the Internal Audit unit within the local council does yearly internal audits on the selected devolved sectors and submit reports to the CA.

Monitoring by the Ministry

The Ministry supervises the work plan, signs the pet form, and should be involved in the implementation of the activity executed by the devolved sector officer.

Once a year, the Ministry will meet with the local council to update and review the work of the devolved staff.

Reporting Requirements

Local councils are required to submit quarterly technical progress reports and quarterly in-year financial statements. These reports indicate the activities implemented for each devolved sector, the cost of implementing the activity, the location, and the beneficiaries. The quarterly in-year financial statements are accompanied by monthly reconciliation statements. Status reports on development projects and end-year financial statements are also required for submission. These are all conditions precedent for the transfer of grants.

2.5 Funding Arrangement

Section 56(1&2) LGA of 2022 states: “Payments shall be made from the central government to a local council every quarter subject to the local council’s compliance with conditions attached to previous payments by the ministry responsible for finance; grants and transfers to a local council shall be paid by the Ministry responsible for finance directly into the bank account of the local council.”

Section 57(1) states: “There is hereby established the Local Government Finance Committee which shall consist of– (a) a senior representative each not below the level of Director from the Ministry, the ministry responsible for finance, and the Ministry responsible for Development who shall be ex-officio members.” The function of the finance committee is stated in Section 60 which states: “The Local Government Finance Committee shall; (a) attend Local Council monthly meetings (b) visit Local Councils to follow up on the implementation of devolved functions and challenges therein (c) review draft budget of all Local Councils to ascertain compliance with budget call circular (d) Perform any other function as may be determined by the Ministry of Finance.”

Table 1: Sampled Tied Grants Devolved to FCC 2021 - 2023 (SLE)

Sector	2021	2022	2023
Agriculture	202,116,796.00	115,119.62	37,000.00
Social Services	436,047,690.00	340,636.09	272,000.00
Sport	239,673,219.00	169,979.36	89,000.00
Youth	191,738,575.00	203,975.23	89,000.00
Gender	925,312,009.60	783,007.48	612,000.00
Fire Prevention	119,997,333.00	71,889.07	34,000.00
Fisheries and Marine resource	64,633,164.00	62,147.27	18,000.00

Source: LGFD for 2022

2.6 Roles and Responsibilities of Key Players

The roles and responsibilities of the key players involved in the preparation, budgeting and funding, implementation; monitoring, and evaluation of local councils’ development plans are as follows:

Parliament

Section 53(1 & 2) of the LGA of 2022 states: “Parliament shall appropriate to a Local Council as a tied grant for each devolved service at least the amount necessary to continue the operation and maintenance of that service at the standard to which it was provided in the year before its devolution (2) Parliament shall appropriate to a Local Council the amount that enables the council to provide devolved services at an appropriate standard.”

Ministry of Finance

Section 56(1 & 2) of the LGA of 2022 states: “Payments shall be made to a local council every quarter subject to the local council’s compliance with conditions attached to previous payments by the ministry responsible for finance. Grants and transfers to a local council shall be paid by the Ministry responsible for finance directly into the bank account of the local council.”

Local Government Finance Committee

Section 57(1 a & b) of the LGA of 2022 states: “The establishment of the Local Government Finance Committee which shall consist of a senior representative each not below the level of Director from the Ministry, the ministry responsible for finance, and the Ministry responsible for Development who shall be ex-officio members; and 5 other persons from each region with considerable knowledge of public finance appointed by the Minister, one of whom shall be Chairman.”

Section 60 (b) of the LGA 2022 states: “One of the functions of the Local Government Finance Committee is to follow up on the implementation of devolved functions and challenges therein.”

Resident (Communities)

Section 85(4) of the LGA of 2004 mandates the Local Councils to consult residents of their localities before approving or reviewing a development plan taking into consideration the developmental needs of the people. Section 48(2) also requires the allocation of untied grants based on the relative needs of the local councils to provide services for their residents and the relative capacities of the councils to raise revenue.

3. FINDINGS AND RECOMMENDATIONS

This chapter brings out the audit findings on the utilisation, monitoring, evaluation, and reporting of devolved tied grants provided by the GoSL to seven devolved sectors within the FCC. It compares the evidence provided in the Intergovernmental Fiscal Transfers and Allocations and the Budget Call Circular of tied grants guidelines for preparing devolved sector work plans for FY 2022. It also analyses the causes and effects based on the guidelines.

3.1 Utilisation of the Tied Grants

3.1.1 Utilisation of the Youth Tied Grants

Training of Youth

The intergovernmental fiscal transfer and allocation of tied grants makes it clear that the grant should be used for the identified sector and not across sectors, irrespective of specific needs by local councils. Annexure F of the Intergovernmental Fiscal Transfers and Allocations and the Budget Call Circular provides measurable outputs for the use of the youth-devolved tied grants which include:

1. Training skills for a number of youths; and
2. Engage a number of youths in productive ventures.

Providing skills training such as (carpentry, tailoring, welding, driving, soap making, sporting, etc.) to youths' increase self-esteem and self-empowerment which ultimately facilitated the transitions from the informal to the formal economy. It also contributes to improving the country's economic competitiveness and promotes sustainable and inclusive development of the municipality.

From the review of the three-year work plan (2021 to 2022) and the cashbook of the council, the team observed that SLE672,880.5 was allocated to the youth devolved sector for the period under review. The audit team noted that there was no evidence of skills training including carpentry, tailoring, welding, driving, soap making provided for the youths. Out of this amount, SLE357,270 was spent on sensitisation; t-shirts; banners, transportation, refreshments, which forms 53% of the total allocation to the sector. The responsibility to provide the required training skills and engage youth in productive ventures, which has been neglected by the FCC, may have resulted in youths engaging in activities such as drug abuse, stealing, violence, street begging, and other social crimes. This may also increase the rate of unemployment in the city.

The team also noted that the FCC rented MUVA hall at Circular Road, Freetown for youth workshops/seminars, even though the FCC has halls or auditorium facilities where workshops or seminars could be organised. Our physical verification revealed that the MUVA hall at Circular Road, Freetown is a private residence where workshops or seminars cannot be organised. A total of SLE12,284 was spent on the rental of this hall. The youth devolved sector officer at the Council stated in an interview that they had never requested the use of the FCC halls. He further stated that skills training and engagement in productive ventures were not prioritised; most of the activities implemented were on sensitisation which includes community dialogue on teenage pregnancy and early marriage, environmental health, flood mitigation, waste management, community health and environmental sanitation.

This shows that the Council is not making optimal use of the resources allocated, when in fact they should have used the available facilities and save that cost for other pressing activities to be undertaken. It is possible that no workshop was carried out and the payments for hall rental may be fictitious.

A review of payment vouchers and other documents revealed that the Council conducted a community dialogue on teenage pregnancy and early marriage for which 150 pupils from selected schools were invited. The auditors requested from the devolved sector officer of youth, the contact address of the schools that were selected; however, this information was not provided.

We further observed that transport allowances of SLE100 were given to each participant based on the list provided. Further verification of the participant list revealed that the people contacted based on their telephone numbers in the list had no knowledge of such a programme, and confirmed that they never received such allowances from the Council. Some of the other contact numbers on the participant list were off and feedback from the phone stated that these numbers were invalid, whenever the team called. This came as a result of ineffective supervision and monitoring by the FCC, which forms part of their responsibility according to section 21(2c), to conduct oversight and monitor the performance of the local council administration and all devolved sectors, agencies, and delivery units. Likely, the programme was not organised, and the participants were not given the allowances as stated on the payment vouchers.

Recommendation

The CA should ensure that activities are implemented in line with the work plan prepared by the devolved sector to achieve measurable output. Money spent on hall rental and transport allowances as stated above should be refunded into the tied grant accounts and the bank statement, and payment slip submitted to the ASSL for verification.

Disbursement of Start-up Fees without Due Process

According to Annexure F of the Intergovernmental Fiscal Transfers and Allocations and the Budget Call Circular, a number of youths should be engaged in productive ventures. The Council did not have any written criteria for the selection of beneficiaries for start-up fees. However, the youth devolved officer in his interview revealed that selection of beneficiaries was based on the youth structures (District Zonal Youth or Youth Zonal Groups) on the youth database at the Ministry of Youth Affairs.

The empowerment of young people can lead to reduction in poverty, an increase in economic growth, and a stronger society⁶. For efficient utilisation of the start-up fees, beneficiaries should apply, attach their business proposal or plan, amount needed to start or expand the business, address, contact number etc.

The auditors noted that the key activity in the work plan of the youth devolved sector was to provide start-up financial support and training on Small Medium Enterprise Scheme (SMES).

In 2021, SLE50,000 was allocated for 50 youths, and in 2022 to August 2023, SLE225,000 was allocated for 150 youths. These funds were provided to start new businesses or expand existing ones. Out of the above amounts, each beneficiary received SLE1,000 in 2021 and SLE1,500 in 2022 and 2023. A total of SLE275,000 was given to 200 youths.

⁶ <https://edupadi.com/blog/what-is-youth-empowerment-definition-and-benefits/>

From the review of the start-up financial support and training of SMEs reports done in 2021 to August 2023, the auditors observed that these start-up financial supports were provided to youths without any form of application, contact, business plan, or proposal, bases of support or process followed.

An interview with the head of the youth sector revealed that there were no set criteria for the disbursement of start-up fees. He further stated that the beneficiaries were chosen based on the youth structure and recommendations from councillors. The auditors randomly selected beneficiaries for verification based on the list provided and the contact numbers therein. We observed that 95% of the contact numbers were not in existence. Those who responded also stated that they had no idea about the activity. Appendix 4 is attached for details of the beneficiaries.

The audit team could not ascertain whether the monies were given to youths, to enable them engage in productive ventures or progress made by the youths from the use of these funds. These funds would have helped young entrepreneurs to be self-sufficient, which will have a strong influence on career options and shape their goals. The flaws in the disbursement of the start-up fees to youths may have resulted in a waste of resources by the FCC. There is a likelihood that these funds were not given to the intended beneficiaries which would have impacted the lives of these youths and reduced the rate of unemployment.

Recommendation

The CA should ensure that the youth devolved sector officer provide credible information with regards the beneficiaries and intended or current business plans before the disbursement of funds. Refunds should be made for numbers that are not in existence and those with no knowledge of the business. The CA in future should ensure that start-up fees on financial support to youth are well structured and executed in an accountable manner.

Management's Response

The Youth Sector annually prepares annual work plan based on priority areas provided by the Ministry of Youth Affairs and the Ministry of Finance as per the budget call circular. Sensitisations, seminars, community dialogue engagements are means used to communicate to and target young people in shaping their behaviour in society. Activities on the work plan are time bound and because allocations do not come on time, and when allocations do come due to the amount sent for that period, activities are implemented based on issues affecting young people. Teenage pregnancy awareness and sensitisation, dialogue on crime prevention and drug abuse: these are very important issues affecting youth productivity in our society and so far, lots of impacts have been created and behavioural change is evident among the targeted audience and their peers. We note also the importance of skills development the reason it is included in the work plan. Timely disbursement will enable the implementation of this activity.

The community dialogue on teenage pregnancy and early marriage organised targeted schools and stakeholders within the municipality. The schools invited are all based in the municipality and they were contacted based on the data collected from the education department. The payment voucher required for participants to provide contact numbers, some did and others did not. Those that provided numbers, we

cannot at that material time verify because they were already at the event. During the course of the year, some may have been misplaced, some numbers may no longer be in operation and some participants may have also given wrong numbers just so to fill the space on the voucher. However, the recommendation proffered to ensure that activities are implemented in line with the work plan prepared by the devolved sectors to achieve measurable output is always adhered to. Regarding money spent on hall rental and transport allowances as stated above, based on the explanation provided by the devolved sector youth officer, management is of the view that the said amount should not be refunded, rather better controls should be adopted in the future which may include all payments to participants done by the Finance Devolved unit instead of the sectors.

Disbursement of Start-Up Fees without Due Process

Many young people are engaged in small businesses all around the municipality and financial support to these young people is key in developing and sustaining their operation. Most of these young people who are engaged in these businesses like top-up selling, tailoring, petty trading do not have the capacity to develop business plans or proposals. The support given to them is small; barely to help boost them. Before any amount is given, there is usually a meeting of committee members (comprising councillors), and youth council representatives to determine beneficiaries. Further verification is done on the field to ascertain the nature of the business the recommended beneficiaries are operating. There is pictorial evidence of beneficiaries. Some beneficiaries are no longer using the numbers given in the payment voucher at the time of distribution. Some may have misplaced or changed numbers over time. There is pictorial evidence of beneficiaries, their numbers and the type of business they are operating.

We note your recommendation on the importance of having clear criteria based procedure before giving out financial support. We would ensure that we improve on the method used for future financial support which will be well structured and executed in an accountable manner.

Auditor's Comments

We acknowledge your response; however, the issues remain unresolved and the CA should ensure that the recommendations are implemented.

3.1.2 Utilisation of the Sport-Devolved Tied Grants

Youth in Sporting Skills

Annexure F of the Intergovernmental Fiscal Transfers and Allocations and the Budget Call Circular provides measurable outputs for the use of the Sport Devolved tied grants which include:

- a. Number of youths with sporting skills
- b. Number of sport competitions organised
- c. Number of youth engaged in sporting activities.

The auditors noted from the review of the sport work plan that activities implemented were not in line with the guidelines provided in the intergovernmental fiscal transfer and allocation. The sport tied grants were used for activities such as training of community leaders on community health and environmental sanitation, seminar with physically challenged and disabled persons and disadvantaged children within the municipality, non-violence in local communities, crime prevention, drug abuse, violence amongst youths and budget preparation activities. The above activities implemented do not relate to sporting activities.

There was no evidence of training in sporting skills; only refresher training for coaches and sports competitions were organised. The training activities would have developed a range of essential skills in sports, including leadership, self-discipline, respect for authority, competitiveness, cooperativeness, sportsmanship, and self-confidence.

As highlighted in 3.1.1, the team also noted that the FCC rented halls for workshops/seminars, even though the Council owned halls or auditorium facilities where workshops or seminars could be organised. A total of SLE21,455 was spent on hall rental. In an interview with the devolved sector officer of sport at the Council, he stated that they had never requested the use of the FCC halls.

We further observed that transport allowances of SLE500 were given to each participant according to the list submitted. Further verification of the participants list revealed that the people we contacted based on their telephone numbers in the list had no knowledge of such programme and confirmed that they never received such allowances from the Council. Some of the other contact numbers on the participants list were off and feedback from the calls stated that these numbers were invalid.

This occurred as a result of ineffective supervision and monitoring by the FCC, as their responsibility according to section 21(2c), is to conduct oversight and monitor the performance of the local council administration and all devolved sectors, agencies and delivery units.

Recommendation

The CA should ensure that the youth devolved sector officer provide credible information about the intended activities in line with the intergovernmental fiscal transfer and allocation of measurable outputs. The CA in future should ensure that youth activities are well structured and executed in an accountable manner.

Sport Competitions

Sporting activities are essential within the municipality, as they unify youths, create jobs for the growing generation and promote healthy living through exercise. As such, the selection of the sport participants should be carefully done.

The Council did not have written criteria for the selection of participants for the implementation of sporting activities. However, in an interview with the sport devolved officer at the Council, he revealed that the selection of beneficiaries was based on the local community sports teams working with the National Sports Authority.

Youth groups or clubs were engaged in various sporting competitions such as volleyball, football for male, female physically challenged persons. However, from the review of the attached list of participants and prizes, the auditors observed that only a list of individual names was submitted instead of names of teams and the communities they represent.

The team observed that the youth devolved sector head requested SLE108,278 to be paid to 10-12 youth clubs for various sporting competitions as transport incentives. We observed that this amount was

distributed to 20 participants, instead of youth clubs. We also noted that some individuals received SLE500 each and others received SLE1,000. However, one photo of each of the clubs for the games was attached to the vouchers. The auditors randomly selected beneficiaries from the list of participants submitted and tried to contact them on the mobile numbers stated of each beneficiary. 95% of these mobile numbers were invalid or not in existence. The remaining 5% of the numbers contacted responded that they have no idea about the sporting activities organised by the Council. Appendix IV provides detailed of names and contact numbers of individuals the council reported to have received the transport incentives.

The team could not ascertain the participation of the other clubs for which these funds were allocated which may have resulted to waste of resources, and wrong target groups. The sports competitions would have helped in catching young talents, promoting social cohesion and improving human relations among participants.

This is as a result of ineffective supervision and monitoring by the FCC, as their responsibility according to section 21(2c), is to conduct oversight and monitor the performance of the local council administration and all devolved sectors, agencies, and delivery units.

There is a tendency that potential talented sports groups may have been left behind and the purpose for which the grants were given not achieved.

Recommendations

1. The CA and the Chief Finance Officer should establish a mechanism where individuals or groups to which the Council disbursed funds are easily identified; for example, requests for national or other credible identification cards, active mobile numbers, and utility bills showing the address of beneficiaries.
2. The CA and heads of devolved sectors should develop criteria for recommendation and/or invitation of targeted beneficiaries.
3. The head of the youth devolved sector should provide relevant contact details of individuals to whom the monies were distributed; otherwise, he should refund the amount into the Council's devolved sector account and evidence submitted to the ASSL for verification.

Management's Response

The annual budget is our guideline for all our implementation and any activity we undertake as a sector is clearly spelt out in our annual work plan, unless in a situation where we have a health emergency as in the case in FY 2021, the coronavirus outbreak in which most of the activities at the time were aligned to the fight against the corona disease. These activities are first presented to the Local Government Department as our supervisory body during our bilateral budget discussion held for all local councils before approval. There is no way such activities will be done if not part of the work plan. You can attest to it that violence and crime have been on the increase amongst youth in the sporting discipline in schools, communities, and such activity was timely like non-violence and crime prevention which are on the rampage in our society. That was why we thought it fit to bring in stakeholders and those concerned to create awareness and to educate them about the danger and effect such has on the sporting discipline. If not handled with

care, this will destroy the very essence of sport as people will be scared of attending such gathering. The sole aim of sport is to foster peace, unity and friendly atmosphere. Some beneficiaries are no longer using the numbers given in the payment voucher at the time of distribution. Some may have misplaced or changed numbers over time.

However, all the recommendations proffered above will be taken into consideration going forward.

Auditor's Comments

Your response regarding the audit findings is noted; however, the issues remain unresolved and the CA should ensure that the recommendations are implemented.

3.1.3 Utilisation of the Gender and Children's Affairs Devolved Tied Grants

Database for Family Tracing and Child Re-unification

According to Annexure F of the Intergovernmental Fiscal Transfers and Allocations and the Budget Call Circular, it is expected/required that gender-devolved grants should address children's issues in prevention and response to cases of abuse, neglect, abandonment and exploitation such as child marriage, teenage pregnancy, trafficking, child labour, street children, children in contact with the law, etc.

The Gender and Children's Affairs Devolved Sector Officer of the FCC stated in an interview that one of her responsibilities is to reunify lost and found children on the street with their families within the Freetown Municipality. During the period under review, we observed that the Council had been making payments concerning reunification packages. Despite these payments, the audit team requested supporting documents such as reports and case files of children lost and found and reunified with their families. We found out that the devolved sector did not have an updated database. The only available records were two pieces of paper containing statements relating to two children lost and found in 2022.

Without an updated database on the cases of children, the audit team could not verify the activities carried out on children lost, found and reunified with their families. It will also be difficult to ascertain whether the amount spent on these activities was used for the intended purposes.

It is very important to maintain an updated database of children unified with their families or the number of streets or abandoned children. This database will help the council or government to make informed decisions on policy, strategy, and plan efficiently in providing services that will minimise the rate of street or abandoned children.

Distribution of Items

The auditors noted from the activity retirement details that an amount totalling SLE130,500 for the period under review was spent on food stuff and used clothing as unification packages given to children and families. To confirm the support to the various beneficiaries, the team interviewed the gender-devolved sector officer and requested the distribution list, a list of items in the package, and pictorial evidence of handing over of these packages to the beneficiaries or proof of signatures of the beneficiaries. However, the auditors were not provided with this evidence of the distribution of items to beneficiaries. It will also be difficult to ascertain whether the amount spent on these activities was used for the intended purposes.

Recommendation

1. The gender-devolved sector officer should ensure that an updated database is maintained that captures all gender and children's affairs activities that the Council undertook within the period under review, and this updated database should be made accessible to the ASSL for verification within 15 days upon receipt of this report.
2. The gender-devolved sector officer should ensure that the distribution list states the contents of the packages, and evidence of handing over of these packages to the beneficiaries is submitted to the ASSL for verification within 15 days upon receipt of this report.

Management's Response

Based on recommendation one, a database that captures gender and children's affairs is being updated. Going forward, telephone numbers will be added.

Recommendation two was noted and would ensure strict adherence in the future.

Auditor's Comments

We acknowledge your effort on the update of the database, but can be improved for clarity as agreed.

However, the second recommendation is still on resolved.

3.1.4 Utilisation of the Social Services Tied Grants

Donations to the Needy

According to Annexure F of the Intergovernmental Fiscal Transfers and Allocations and the Budget Call Circular, one of the measurable outputs of the Social Welfare devolved sector to the FCC was to support families, care for their children, persons with disabilities and the aged.

A review of activities retirement details revealed that the Council provided cash support to foster parents, orphanages, and persons with disabilities. We contacted 60 people whose names and telephone numbers were on the list of beneficiaries to confirm whether they received cash donations from the Council for the period 2021 and 2022. Out of this number, 15 responded that they have never received cash donations from the FCC, 20 said they only received cash donations from the Council in 2018 and the other numbers proved to be invalid as indicated by the mobile phone companies. This indicates that the donations were not given to the right beneficiaries.

In 2022, a total of SLE10,000 was spent on livelihood support to the aged and vulnerable groups within Freetown. We reviewed the distribution list which contained 10 names and contact numbers of the beneficiaries. Attempts to reach the beneficiaries on phone proved futile as the numbers were indicated to be invalid. This indicated that the amount was not used for the intended purpose.

Distribution of Items

The auditors also found out that in 2021 and 2022, an amount totalling SLE208,510 was spent on the purchase of food, sundry items such as (bags of rice, bags of onions, vegetable oil, palm oil, milk, used clothing) and cash donations were also given. There were however no distribution lists showing what

exactly each beneficiary received. Those who received cash donations were called and their numbers were invalid.

Further review of the concept notes for the distribution of items indicated that the items should be distributed to seven orphanages. We observed from the activities report that donations were only made to three orphanages. This is also evident in the pictures attached to the other supporting documents submitted for audit. We tried to obtain further clarifications from the devolved sector officer, but we did not receive a response on this issue. It is highly likely that the items were not distributed to the intended beneficiaries.

Recommendation

The CA should establish an investigation of this matter with the view of identifying whether the intended beneficiaries received the donations. The investigation report should be forwarded to the ASSL for follow-up.

In the future, the CA and the Chief Finance Officer should establish mechanisms where individuals or groups to which the Council disbursed funds are easily identified. For example, request for their national or other credible identification cards, active mobile numbers, and utility bills showing the addresses of the beneficiaries. This information should be maintained for audit and reference purposes.

Management's Response

The phone numbers indicated on the distribution list attached to the Activity Report were the numbers provided by the beneficiaries together with their thumbprints/signatures. We cannot determine whether they are still using those phone numbers, as we do not have control as to when they should change their phone numbers, but we are certain that their thumbprints remain the same and that the numbers given at that material time of the donations were the numbers recorded.

The donations were made to the Management of the Orphanages and not directly to the individual beneficiary children as indicated in the query. The phone numbers indicated on the distribution list attached to the Activity Report were the numbers provided by the beneficiaries together with their thumbprints/signatures.

We cannot determine whether they are still using those phone numbers, as we do not have control as to when they should change their phone numbers, but we are certain that their thumbprints/signatures remain the same and that the phone numbers given as at that material time of the donations were the numbers recorded.

In addition, the Activity Report including sample pictures with evidence of receipt (thumbprints/signature) of recipients submitted for your review suffices/justifies that the donations were made. It is highly likely that the report or concept note being referenced may not be the one for the activity in question, as the report for this activity explicitly indicates all the targeted residential care facilities accordingly.

The correct report is available for verification.

Auditors Comments

We note your comment; however, the issues and audit recommendations remain the same.

3.1.5 Utilisation of the Agriculture Tied Grants

One of the measurable outputs in the work plan and budget of the FCC on Tied Grants states that extension services should be provided to farmers to increase farming productivity.

The review of the payment vouchers and supporting documents revealed that an amount totalling SLE112,508 was spent on the purchase of assorted planting seeds for the period under review. An attempt to verify the beneficiaries of the assorted planting seeds proved futile, as the agriculture devolved sector officer did not avail herself to aid the process. We tried to obtain further clarifications from the devolved sector head. However, no response was received on this issue. It is highly likely that the assorted planting seeds were not distributed to the intended beneficiaries. Without evidence on the distribution of the planting seeds to farmers, the objective to encourage farmers to embark on vegetable production and the multiplication of vegetables in Freetown might not be achieved.

Recommendation

The CA should establish an investigation in this matter with the view of identifying whether the intended beneficiaries received the planting seed. The investigation report should be forwarded to the ASSL for follow-up.

Management's Response

After investigation as recommended, a report that clearly shows that the distribution was done and submitted, which is available for audit inspection.

Auditor's Comments

We note your comment; however, the issues and audit recommendations remain the same.

3.1.6 Utilisation of the Fire Prevention Tied Grants

Section 21(2 l) of the Local Government Acts of 2022 states that without prejudice to the generality of subsection (1), it shall be the function of a local council to perform functions devolved to it under the Third Schedule, Section 50(1a) of the LGA of 2022 states that each year a local council shall be paid tied grants for the discharge of the devolved functions. The fire prevention functions are stated as follows:

- Sensitisation and education on fire prevention
- Basic non-technical fire fighting
- Fire prevention and control.

During the review of the payment vouchers and supporting documents and work plan on fire prevention, we observed that the fire prevention grants were expended on schools' sensitisations which include printing of T-shirt, honorarium, entertainment, fuel and oil totalling SLE144,160 for the period under review. Even though Fire Prevention Tied Grant was expended on sensitisation in remote communities, an interview with the devolved sector officer revealed that the Council did not carry out fire prevention and control training of fire wardens, creating awareness for the public to buy fire extinguishers for public buildings and dwelling homes, and erecting billboards on fire education because of limited tied grants received for fire prevention activities.

The limited activities in fire prevention have led to an increase in fire disasters from 35-42 fire cases within the municipality during the period under review, as stated in the National Fire Force Monthly Report 2021-

2022. This has caused several deaths, injuries and destruction of property. Therefore, proper allocation/administration of the grants should be expended to cater for the pressing needs of the municipalities in minimising fire cases through preventive messages. The efficient use of the grants as it will help in the prevention of fire cases, save lives and property and reduce fire cases within the municipality.

Recommendation

The Council Administration and the Fire Prevention Officer should design programmes for effective sensitisation; erection of billboards, awareness to the public on the importance of fire extinguishers in public buildings and dwelling homes and training of community warden during council activities and not only limited funds on devolved tied grants.

Management's Response

Based on your recommendations and findings on the utilisation of the fire prevention tied grant, below is the management response. The above recommendation is noted and going forward, management will ensure the above activities highlighted are carried out especially the erection of billboards, public awareness on the importance of fire extinguishers and training of community warden.

Auditor's Comments

We note your response. We would verify the progress in follow-up audit.

3.2 MONITORING, EVALUATION AND REPORTING OF DEVOLVED ACTIVITIES

3.2.1 Inefficient monitoring, evaluation and reporting of devolved sector activities by the local council

According to section 2(c) of the LGA of 2022, the local council is responsible for conducting oversight and monitoring the performance of the local council administration and all devolved sector agencies and delivery units. Therefore, the local council has set up a monitoring and evaluation unit to monitor all the activities of the devolved sectors.

From the review of the monitoring documents submitted by the M&E Officer at the Council, we noted that the activities implemented were not properly monitored, as there was no documentation or detailed monitoring reports on the devolved sector activities carried out by the monitoring and evaluation unit of the FCC. A matrix showing monitoring conducted and monitoring without reports was submitted. We observed that the M&E matrix was completed whenever tied grants were disbursed to fulfil the process. The remarks column of the M&E matrix shows the indication of activities that were implemented without the involvement of the M&E team. Specific amount was allocated from all the devolved sectors for monitoring purposes, with no evidence of efficient monitoring as the funds were fully utilised for monitoring and evaluation.

In an interview with an M&E Officer at the Council, she explained that the non-submission of detailed reports on the devolved sectors was due to the limited number of staff with only two officers within her unit. This has affected their outputs in the monitoring of all the devolved sectors, as their activities normally

take place simultaneously. She further explained that the Council has no system to formally inform the M&E unit about pending activities. Sometimes, they are not formally informed by the devolved officers. Efficient monitoring of all devolved sector activities could have helped in recognising the weak internal processes in the utilisation of the tied grants. Inefficient monitoring, evaluation and reporting are evident in all the activities for which the sampled devolved sector-tied grants were utilised. This has led to tied grants not being utilised for their intended purpose.

Recommendation

The CA should strengthen the M&E unit and ensure efficient monitoring, evaluation and reporting on devolved sector activities implemented. All devolved sectors should submit their activity plans and date of implementation to the M&E unit as this will enable them to schedule for monitoring of devolved sector activities.

Management's Response

M&E activities in council- Going forward, all activities undertaken by devolved sectors will be forwarded to the M&E and at the same time, the M&E Officer will recommend to management for future disbursement of funds to devolved sectors after satisfactory performance of activities carried out.

Auditor's Comments

The CA should ensure that the audit recommendation on M&E should be adhered to and will be follow-up on subsequent audits.

4. CONCLUSION

This chapter reflects our explanations and views based on analysis and findings supported by audit evidence as presented in the previous chapter. The Council has demonstrated weakness in the utilisation of the tied grants based on the evidence provided, which shows the inefficiency within the monitoring and evaluation of the activities of the devolved sectors' tied grants.

The following are specific conclusions on the identified problems that have derailed the utilisation, monitoring and evaluation of the tied grants:

Divergent of Funds

It came out clearly during the audit that activities were not implemented in line with the guidelines. The flaws in the disbursement of the start-up fees to youths made it difficult and not convincing that such activities were carried out, especially when the intended beneficiaries were not reached.

The non-updated database by the council's gender unit made it difficult for us to assess the work done on the street, and abandoned children by the devolved officer.

Training, seminars and competition activities' allowances for sampled devolved sectors were not convincing as attendees contacted could not affirm their attendance to these programmes.

Donations in cash and kind to orphanages, the aged, disabled persons, and persons with special needs appear to be fictitious because the said persons contacted could not ascertain receipt of these items for the period under review.

The auditors recognised government's efforts in supporting young people through youth capacity building, fostering their knowledge in production, an effective solution to the world's challenges, and providing support to the vulnerable and other key sectors. It came out clearly that the sampled sectors did not prioritise the purpose of the grant and have not been prudent in the implementation of activities, selection of beneficiaries and monitoring of these activities.

Activities were not implemented in line with the intergovernmental fiscal transfer and allocation of tied grants guidelines, which makes it clear that the grant should be used for the identified sector and not across sectors, irrespective of specific needs by local councils. Even though the tied grant should not be used for any purpose by the council, it is clear that the sectors did not adhere to this as a lot of money is being spent on administrative issues.

Inefficient Monitoring and Reporting

Monitoring and evaluation are important tools to get a better understanding of the status of the devolved sectors' activities, whether the activities were implemented as designed, the challenges and success stories, and whether the expenditures of the tied grant achieved their intended objectives.

Without proper monitoring and evaluation, organisations can lack the necessary information to properly assess their performance and progress. Poorly designed evaluations could lead to inaccurate data and misinterpretation of results.

A review of the FCC internal audit reports for the financial year 2021 highlighted issues of activities implemented with no form of retirement submitted. The report states that no receipts for various transactions, pictorial evidence on seminars, training, or acknowledgment by beneficiaries of donations were attached.

In our conclusion, the tied grants provided by the GoSL to the sampled sectors have been a waste of taxpayers' monies, as most of the beneficiaries do not exist, programmes not properly implemented and

monitored. More than half of the grants were spent on administration for youth, gender and children's affairs and social welfare.

APENDICES

Appendix I: Actual Grants Transfer to Local Councils

COUNCIL	ACTUAL TRANSFERS- 2021	ACTUAL TRANSFERS- 2022
Kailahun District	4,802,157.34	4,240,123.49
Kenema City	1,736,138.07	1,270,054.45
Kenema District	2,996,962.70	2,171,317.52
Koidu/New Sembehun City	2,682,573.01	2,527,959.74
Kono District	2,838,014.12	2,248,376.98

Makeni City	1,410,556.31	1,007,217.48
Bombali District	2,386,531.55	1,802,033.46
Kambia District	3,864,890.91	2,942,362.24
Koinadugu District	3,167,803.71	2,685,904.49
Port Loko District	4,616,326.55	3,722,329.51
Lungi Hospital	-	
Portloko Hospital	-	
Tonkolili District	4,595,767.66	3,773,362.76
Bo City	1,696,245.41	1,194,617.93
Bo District	3,140,113.08	2,164,866.24
Bonthe District	2,071,295.86	1,666,883.01
Bonthe Municipal	1,682,707.13	1,214,450.39
Moyamba District	4,011,828.05	2,955,573.00
Pujehun District	3,872,933.50	3,099,653.37
Western Area Rural District	3,060,537.12	2,413,855.92
Freetown City	8,344,821.89	5,979,349.26
<i>Lumley Hospital</i>	<i>2,283,351.81</i>	<i>927,348.61</i>
<i>Rent for Lumley Hospital</i>		<i>800,000.00</i>
<i>Macanley Street Hospital</i>	<i>1,348,681.73</i>	<i>720,260.43</i>
Port Loko City	1,106,013.15	764,816.85
Karene District	2,500,936.16	1,949,891.43
Falaba District	1,936,191.71	1,598,250.48
NATIONAL TOTAL	68,521,345.00	53,393,250.00

Appendix II: Documents Reviewed

No.	Document Reviewed	Reason(S) for Review
1	Budgeted and Actual Grant Transferred to Local Councils by the GoSL for the period 2018-2022	To ascertain the total actual grants transferred to local councils for the period under review and compared to own-source revenue generated by the local councils.
2	The Local Councils Final Opinions and Financial Statements for the period 2019-2021	To ascertain the projects completed by councils and challenges encountered during the period under review. Moreover, to

		ascertain the tax, non-tax and other revenue generated by local councils.
3	Gazetted Grant Distribution Formula for FY 2021 & 2022.	To determine the process of allocating the GoSL annual grant to local councils and whether it is on equitable basis.
4	Local Councils Developments Projects Undertaken from 2020 to date	To obtain an understanding of the status of projects implemented to date
5	Quarterly Mentoring and Coaching of Local Councils Carried out by the Ministry of Finance and Economic Development to Enhance the Efficient Collection and Reporting of Local Revenues	To assess challenges faced by local councils in the revenue mobilisation drive and whether recommendations are implemented
6	Monthly Reports to Decentralisation	To obtain an understanding of the interventions of the RTF activities within FCC
7	Sectoral Technical Report	To obtain an understanding of the status devolved sector activities
8	Auditor-General's Reports on the Accounts of Sierra Leone 2020,2021	To obtain an understanding of the past activities of local councils

Appendix III: Personnel Interviewed

Designation	Institution	Reasons for Interview
Chief Administration	Freetown City Council	To understand the roles and responsibilities of the Chief Administrator's Office and the council towards service delivery within the FCC
Monitoring and Evaluation Officer	Freetown City Council	To understand the roles and responsibilities of the Monitoring and Evaluation Unit in the

		implementation of projects and the delivery of services within the FCC.
Development Planning Officer	Freetown City Council	To understand the roles and responsibilities of the development planning on council activities and implementation of plan on projects and the delivery of services within the FCC
Devolved Officers of Sampled Sectors	Freetown City Council	To understand their roles and responsibilities in the implementation of projects within the Western Area Rural District.
Sampled Beneficiaries	Freetown City Council	To get information on support received from the sector

Appendix IV: Number not in Existence or not Reachable

Youth Sector

Community Dialogue Forum/Seminar on Teenage Pregnancy, Early, Marriage and Rape

Name	Contact
Jamillatu Jalloh	No contact
Kadiatu Fofanah	030504842
Ruth Kamara	No contact
Isha Kamara	034638809
Ruth Ballay Kargbo	033101995
Saidu Samura	No contact
Osman Kanu	No contact
Neneh Bah	No contact

Jariatu Cole	079401132
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Small Medium Enterprise Training and Financial Support to Youth –Led Business-May 2021

Name	Contact
Alpha Yayah Kamara	079718213
Alhaji Bangura	079568233
Samuella Conteh	024502118
Adama Sillah	021081010
Mannoh Dumbuya	077625676
Steven Brima	088528511
Daniella Kamara	033570661
Mohamed Kamara	030101320
Mariama Bangura	075095563
Fatu Songu	078702315
Hindolo Musa	077752210
Patrick Sandy	080089579
Hassan I. Conteh	077308942
Justice Koroma	030332189
Zainab Conteh	033342323
Mabinty Bangura	021004032
Kadiatu Fofanah	079970209
Mohamed Daboh	076722130
Peter Harding	099894030
Elizabeth Songu	030366543

Small Medium Enterprise Training and Financial Support to Youth –Led Business- October 2021

Name	Contact
Rebecca Mansaray	080751608
Mantenneh Turay	099502314
Samba Sesay	No contact
Fatmata Sillah	030348152
Memunatu Conteh	099238443
Janet Swarray	077151002
Gibrilla Koroma	073914965
Isatu Mansaray	030621510
Fofanah Lahai	030482312

Osman Kanu	088781256
Tamba Lebbie	076203658
Iye Sillah	030421805
Kumba Pessima	078440290
Foday Kanu	076601530
Alpha Abdul	079846155
Hajaratu Sesay	099631258
Rugiatu Bangura	033178482
Marian Koroma	075706310
Rebecca Paul	076285103
Hajaratu Sesay	033752998

Appendix V: Number not in Existence or not Reachable

Social Welfare

Social Protection and Welfare Packages to Foster Mothers/Parents Hosting Abandoned and Neglected/Vulnerable Children

Name	Contact
Georgina Andrews	088414053
Yeabu Isatu Kamara	077476972
Miatta Kamanda	076413421
Patrick S. Thomas	088287656

Mabinty Turay	079335615
Mariatu Kamara	077519620
Thoedora J. Sesay	079335615
Antoinette Freeman	034662451
Alpha Sesay	076764421

Social Welfare

Care and Support for the Needy and Other Vulnerable Persons; Donation to 50 Needy Persons in 4 Slum Communities within the Freetown Municipality

Name	Contact
Esther Alpha	030354335
Mohamed Bawoh	077477640
Samba Tolo	077416816
Sulrai Kamara	077547881

Appendix VI: Audit Design Matrix (Normally In All Work Plans)

Audit Objective: The objective of the audit was to assess the impact on the utilisation of tied grants with the principles of leaving no one behind.

Audit Question 1: To what extent has the FCC ensured efficiency in the identification and implementation of projects, and selection of beneficiaries?

Questions & sub-questions What we want to know	Audit criteria The standards we measure evidence against	Data collection and analysis				Risks to the execution What can go wrong?
		Audit evidence needed <i>The evidence that will answer the question</i>	Methods for data collection <i>How we are going to get the evidence</i>	Methods for analyses <i>What we will do with it once we get it</i>	Anticipated findings <i>The problems or shortcomings we expect to find</i>	
Are the activities planned to be implemented in the devolved sector work plan in line with the Government or stated Priorities?	The Budget Call Circular (Devolved Sectors' guidelines for preparing devolved sector work plans) and Intergovernmental Fiscal Transfer and Allocation (Annexure F)	Work Plan and Technical Progress Report on Devolved Sector	Review the work plan against the budget call circular and Intergovernmental Fiscal Transfer and allocation; Conduct interviews with key Devolved Sector Officers	Analysis of documents/ interview notes	Work plan might not be in line with the set guidelines or measurable output of the devolved sector	Devolved sector officers may not be available for interviews. Work plan may not be available for review.

Questions & sub-questions What we want to know	Audit criteria The standards we measure evidence against	Data collection and analysis				Risks to the execution What can go wrong?
		Audit evidence needed <i>The evidence that will answer the question</i>	Methods for data collection <i>How we are going to get the evidence</i>	Methods for analyses <i>What we will do with it once we get it</i>	Anticipated findings <i>The problems or shortcomings we expect to find</i>	
Are the intended beneficiaries selected in accordance to the Standard Operating Procedure (SOP)?	According to the SOP beneficiaries are selected based ministry's recommendation, council recommendation and the existing local structure of the devolved sector focus area.	List of Targeted beneficiaries, invitation letter, recommendation letters and approval for the list of beneficiaries	Review List of beneficiaries, invitation letter, recommendation letters and approval for the list of beneficiaries documents, Conduct interviews with devolved sector officers and the personnel approving the list of beneficiaries.	Analysis of documents / interview notes	The Standard operating procedure might not be followed in the section of the targeted beneficiaries No standard in the selection of target beneficiaries	Invitation letter, recommendation letters and approval for the list of beneficiaries documents might not be available. for interview.
Are the Beneficiaries responsive and tangible?	According to Public Financial Regulations 2018 section 177 (e) emphasis justification on default of payment, if there is any .	List of Beneficiaries and site of implementation	Review the list of beneficiaries, third party confirmation and physical visitation to site of implementation	Analysis of documents/ interview notes	Beneficiaries were not responsive Difficult to confirm the impact of the tied grant for the purpose it was intended for.	Beneficiaries might not be reachable.

Questions & sub-questions What we want to know	Audit criteria The standards we measure evidence against		Data collection and analysis				Risks to the execution What can go wrong?	
			Audit evidence needed <i>The evidence that will answer the question</i>	Methods for data collection <i>How we are going to get the evidence</i>	Methods for analyses <i>What we will do with it once we get it</i>	Anticipated findings <i>The problems or shortcomings we expect to find</i>		
Are Activities implemented for purpose which grants provided?	Questions & sub-questions What we want to know	Audit criteria The standards we measure evidence against	Data collection and analysis				Risks to the execution What can go wrong?	
			Audit evidence needed <i>The evidence that will answer the question</i>	Methods for data collection <i>How we are going to get the evidence</i>	Methods for analyses <i>What we will do with it once we get it</i>	Anticipated findings <i>The problems or shortcomings we expect to find</i>		
	(Annexure F-		beneficiaries		implemented			
What mechanisms are in place for effective monitoring?	Measurable sample selected grants) local Government Act, 2022 states that:	Section 105(1) of the Government of Punjab Act, 2022 states that:	The monitoring reports from the Ministry, Local Council and other supervisory agencies	Physically with key personnel and other relevant stakeholders implemented Review of documents Monitoring reports Internal audit reports	Review the monitoring reports from the various stakeholders on assessment of whether devolved effective monitoring is being carried out. Correspondences between the councils and various supervisory agencies will be reviewed to assess concerns raised	Regular monitoring may not be carried out by the Ministry progress and supervisory agencies	Unavailability of key personnel and other relevant stakeholders to be interviewed	
		“The Ministry shall inspect and monitor the activities of a local council to ensure that it	Monitoring plans		Monitoring reports might not be provided for review in cases where monitoring might have been carried out The challenges faced by devolved sectors might not		No monitoring plans	

Questions & sub-questions What we want to know	Audit criteria The standards we measure evidence against	Data collection and analysis				Risks to the execution What can go wrong?
		Audit evidence needed <i>The evidence that will answer the question</i>	Methods for data collection <i>How we are going to get the evidence</i>	Methods for analyses <i>What we will do with it once we get it</i>	Anticipated findings <i>The problems or shortcomings we expect to find</i>	
	acts within the scope of this Act or any other relevant enactment”	Correspondences between the Ministry, other supervisory agencies and the councils.		and recommendations made to resolve those concerns.	be highlighted due to ineffective monitoring.	

Audit Question 2: To what extent has the FCC ensured efficient monitoring, evaluation and reporting tied grant activities?