

Transmittal Letter



December, 2024

The Clerk  
Sierra Leone House of Parliament  
Tower Hill  
Freetown

Dear Sir,

In accordance with section 119 (4) of the 1991 Constitution of Sierra Leone, we have the pleasure and honour of submitting our report on the Accounts of Sierra Leone for the Financial Year ended 31st December, 2023.

Yours faithfully,

**Abdul Aziz**  
**ACTING AUDITOR-GENERAL**



## TABLE OF CONTENTS

### PAGE

LIST OF ABBREVIATION AND ACRONYMS .....	ii
STATEMENT FROM THE ACTING AUDITOR-GENERAL.....	iv
EXECUTIVE SUMMARY .....	vi
INTRODUCTION.....	xvi

### PART I

CHAPTER I – AUDITOR-GENERAL’S OPINION ON THE GENERAL-PURPOSE FINANCIAL STATEMENTS OF THE CONSOLIDATED FUND .....	1
CHAPTER II – PAYROLL AUDIT .....	71
CHAPTER III – INFORMATION SYSTEMS AUDIT .....	80

### PART II

CHAPTER IV - MINISTRIES, DEPARTMENTS AND DIPLOMATIC MISSIONS .....	89
CHAPTER V - LOCAL COUNCILS .....	215

### PART III

CHAPTER VI – DONOR-FUNDED PROJECTS, PUBLIC ENTERPRISES AND COMMISSIONS.....	237
CHAPTER VII - PERFORMANCE AUDIT .....	372
APPENDICES .....	378

## LIST OF ABBREVIATION AND ACRONYMS

ACC	-	Anti-Corruption Commission
AFROSAI-E	-	African Organisation of English-speaking Supreme Audit Institutions
AGD	-	Accountant-General's Department
ASSL	-	Audit Service Sierra Leone
BSL	-	Bank of Sierra Leone
CF	-	Consolidated Fund
DAO	-	District Agriculture Officer
DHMT	-	District Health Management Team
DMO	-	District Medical Officer
EDSA	-	Electricity Distribution and Supply Authority
EGTC	-	Electricity Generation and Transmission Company
GoSL	-	Government of Sierra Leone
GPFS	-	General-Purpose Financial Statements
GST	-	Goods and Services Tax
HRMO	-	Human Resources Management Office
ICB	-	International Competitive Bidding
IFMIS	-	Integrated Financial Management Information System
IFRS	-	International Financial Reporting Standards
INTOSAI	-	International Organisation of Supreme Audit Institutions
IPSAS	-	International Public Sector Accounting Standards
ISSAIs	-	International Standards of Supreme Audit Institutions
LPO	-	Local Purchase Orders
MoF	-	Ministry of Finance
MDAs	-	Ministries, Departments and Agencies
NCB	-	National Competitive Bidding
NPPA	-	National Public Procurement Authority
NRA	-	National Revenue Authority
PAYE	-	Pay-As-You-Earn
RCB	-	Rokel Commercial Bank
PFMA	-	Public Financial Management Act
PFMR	-	Public Financial Management Regulations

PPR	-	Public Procurement Regulations
RFQ	-	Request for Quotations
SAI	-	Supreme Audit Institution
SLCB	-	Sierra Leone Commercial Bank

## STATEMENT FROM THE ACTING AUDITOR-GENERAL



We are pleased to present the Auditor-General's Annual Report for the 2023 Financial Year. This report summarises the outcomes of audits for the period January to December, 2023.

This report has been prepared in accordance with section 119(2) of the 1991 Constitution of Sierra Leone. As the Supreme Audit Institution of the Republic of Sierra Leone, we are committed to promoting a culture of accountability and transparency in public entities, to ensure value-for-money in delivering services to citizens, and fostering the country's development.

As the guardian of Sierra Leone's economic security, the ASSL has a role to play in assessing interventions aimed at improving the quality of lives of Sierra Leoneans. In performing this role, we conduct Financial, Compliance, Performance, Information Systems, and other specialised audits in line with the Audit Service Act, 2014.

In this report, we reflect on similar matters as in past reports. We also undertook an in-depth review of performance outcomes of Ministries, Departments and Agencies (MDAs), and their impact on service delivery. In conducting performance audits, we paid special attention to programmes, projects and activities that are geared towards improving the lives and livelihood of the people of Sierra Leone such as education, agriculture, youth empowerment programmes, environment, and other issues of like nature. Further, this report highlights the progress made in implementing our mandate by reporting material findings, and the progress made by MDAs to resolve them.

This year, we noted gradual improvement in the implementation of audit recommendations by public institutions, but there is still room for improvement. We continue to enhance accountability and service delivery within the public sector by sharing our insights, proffering recommendations, and advocating for the implementation of audit recommendations by those charged with governance.

As an institution, we remain committed to improving the quality and excellence of our work. This commitment requires an independent and well-resourced audit office with guaranteed adequate funding. In achieving this objective, our budgetary and financial independence was recently enhanced through the enactment of the Audit Service (Amendment) Act, 2023. We are hoping that full implementation of this amended Act will enhance our operational effectiveness.

Further to the aforementioned, much work has been done to improve the professional capacity and motivation of our staff. With support from the African Organisation of English-speaking Supreme Audit Institutions (AFROSAI-E), the European Union and other donors, our staff have benefited from trainings in areas such as environmental audit, information systems audit, revenue audit, forensic audit, quality control and performance management, International Public Sector Accounting Standards (IPSAS), internal audit, and accountability and stakeholders' engagement strategy. We further provided training for clerks of the Parliamentary Public Accounts Committee (PAC). The World Bank also supported the ASSL to engage citizens in selected districts, with the principal objective of supporting the operations of those district and city/municipal councils.

In 2023, the ASSL heightened the visibility of its programmes by conducting several stakeholders' engagements across the country, together with breakfast meetings with various MDAs. These engagement sessions were held with the primary aim of revamping the audit process and enhancing the implementation of audit recommendations by these MDAs. During these meetings, contributions were made by participating MDAs on the mechanisms that would ensure the auditees obtain value from the audit process, leading to increased outcomes that are compliant with laid down laws and policies.

Our reports have allowed the Government at all levels to be well informed, in order to make informed decisions. A number of institutions have taken our recommendations into consideration when preparing their work plans and budgets. The Public Accounts Committee also continues to use our report when conducting hearings on the Auditor-General's Annual Report.

The leadership of the Audit Service Sierra Leone (ASSL) has ensured that our operations are performed in an economical and efficient manner. We continue to manage our organisation risks and maintain a system of effective internal controls. Looking forward, our assessment is that the ASSL is as strong as ever and our sustainability is assured for the foreseeable future.

On behalf of the ASSL Board and Management, I would like to take this opportunity to thank all staff for their selfless dedication and commitment in executing their duties. I urge you all to remain committed to upholding the strong tenets of integrity, professionalism and technical excellence which are the hallmarks of our profession.

Lastly, we thank the leadership of all ministries, departments, agencies and other key stakeholders for their diligent efforts in supporting the ASSL fulfil its constitutional mandate.

We encourage you all to read the insights in this report and hope that they will motivate you to be an active participant in the accountability space.

## EXECUTIVE SUMMARY

This report presents the findings, recommendations, and conclusions obtained during our audit of the Public Accounts of Sierra Leone for FY2023. We selected samples of transactions from the Integrated Financial Management Information System (IFMIS) on a risk-basis, and examined the underlying supporting documentation. We also verified the accuracy of the compilation process used to produce the Public Accounts, and reviewed the system of internal controls in place. These include but not limited to, segregation of duties, authorisation, and record keeping.

We undertook a total of 157 audits: 63 Ministries and Departments, 67 Public Enterprises and Commissions, 22 Local Councils, three Diplomatic Missions, and two Performance audits. The findings highlighted in this report were those not addressed or resolved by MDAs during the audit process, but considered significant to be brought to the attention of Parliament in accordance with section 119 (4) of the 1991 Constitution of Sierra Leone.

### Irregularities Found in this Report

In this report, irregularities are considered as commissions or omissions by MDAs, contrary to the Public Financial Management Act (PFMA) and Regulations, contract agreements, and other applicable statutory instruments that were in existence during the audit period. These are classified under the following categories:

- Statutory deductions not paid
- Assets and stores management
- Expenditure management
- Salaries and payroll management
- Procurement and contract management
- Revenue management

A summary of the overall irregularities with financial impact identified during the course of our audit is given in Table 1 below.

Details	Amount			
	NLe	US\$	€	£
<b>Ministries and Departments</b>	152,604,739.25	10,464,814.25	3,615.48	-
<b>Local Councils</b>	4,764,882.60	-	-	-
<b>Donor-funded Projects, Commissions and Public Enterprises</b>	76,407,663.58	-	7,590.00	28,464.36
<b>Total</b>	<b>233,777,285.43</b>	<b>10,464,814.25</b>	<b>11,205.48</b>	<b>28,464.36</b>



## **PUBLIC ACCOUNTS**

### **Audit of the General-Purpose Financial Statements of the Consolidated Fund**

The Accountant-General is required by section 87(1) of the Public Financial Management Act, 2016 to draw up and sign the Annual Financial Statements of the Consolidated Fund together with an explanatory note to the Auditor-General through the Minister of Finance within three months after the end of the financial year.

Section 16 of the Public Financial Management Act, 2016 also mandates the Auditor-General to audit the Annual Financial Statements of the Consolidated Fund on an annual basis to enable us give an opinion on the Accounts of Sierra Leone. We also ensured that the internal controls instituted by the Accountant-General and other key institutions operated effectively and efficiently.

This year, we have again issued an Unqualified Opinion on the General-Purpose Financial Statements of the Consolidated Fund Accounts of the Government of Sierra Leone as was the case last year. This signifies that the status quo has largely remained the same.

The opinion is based on our professional judgement after evaluating evidence gathered during the audit of the Public Accounts and indirectly, on the findings of many other audits undertaken on transactions carried out in 2023. A summary of these matters is given below:

#### **Revenue**

The Government of Sierra Leone's General-Purpose Financial Statements for FY2023 shows revenue growth which was driven by the automation of revenue streams. Despite positive measures put in place by the NRA, gaps in revenue assessment, collection, and reporting still persist.

Below is a summary of our findings:

#### ***Revenue not Traced to the Consolidated Fund***

Transit banks are supposed to transfer revenue to the Bank of Sierra Leone's (BSL) Consolidated Fund (CF) within 24 hours. However, an analysis of the GST and the Income Tax remittances and prepayment accounts of oil marketing companies and mining companies revealed that transactions amounting to NLe34,527,680.85 were not traced to the CF at the BSL.

#### ***Tax Liabilities Due***

We observed that taxpayers owe the Government of Sierra Leone the sum of NLe114,727,344 in tax liabilities, which was not included in the Financial Statements. The Accountant-General should recognise all domestic revenue arrears in the GPFS as required by Regulation 73(1) of the PFM Regulations, 2018.

#### ***Non-compliance with Clauses in Contract Agreements***

The non-compliance with clauses in contract agreements between companies and MDAs resulted in a revenue loss of US\$7,460,427 which is equivalent to NLe170,369,295.14 as evidenced below:

- i. Government did not receive royalty payment of US\$744,993 for e-passports produced by HID CID Limited at the Sierra Leone Immigration Department during the review period.
- ii. A contract agreement for the Ace Submarine Fibre Optic Cable Landing Station and Ancillary Infrastructure was signed between the Ministry of Information and Communications and Zoodlabs (SL) Ltd. but there was no evidence that the agreed annual fixed fee of US\$1,440,000 was paid by Zoodlabs (SL) Ltd.

- iii. The agreement between the Ministry of Mines and Kingho Railway and Port Company Ltd. was not ratified by Parliament, raising concerns over the legality and enforceability of tax exemptions granted to Kingho Railway totalling US\$5,275,434 through this agreement.

#### ***Duty Waivers and Concessions Granted to Individuals/Institutions without Documentation***

Duty waivers worth NLe3,197,986.1 were granted to 31 businesses without necessary documents, including registration certificates, line ministry approval, customers' valuation certificates, and packing lists.

Some entries for home use (IM4) declarations made by the Lungi Department of the NRA claimed waivers, but no documents were uploaded to the system to support same. The total tax waiver granted to the IM4 declarations amounted to NLe8,698,923.58.

### **RECURRENT EXPENDITURE**

#### ***Expenditure not Supported by Relevant Documentary Evidence***

A review of withdrawals from selected MDs imprest bank accounts revealed that transactions totaling NLe18,129,006.37, US\$3,004,387.25 and €3,615.48 were not supported by relevant documentary evidence. We therefore could not ascertain the purpose of the expenditures.

### **PUBLIC DEBT**

#### ***Outstanding Loans to State-owned Enterprises not Recovered***

We observed that government provided loans totalling NLe200,599,603 to state-owned enterprises (SOEs), with an expected repayment date of 31st December, 2023. Nonetheless, these loans remain outstanding.

### **CASH AND BANK**

#### ***Payment to Contractors Using Selling Rate Instead of Mid-rate***

Despite contracts clauses stipulating mid-rate conversion for payments, we observed that several payments were made using selling rate, resulting in variances totalling NLe3,166,907.88 for various cheque payments.

### **PAYROLL AUDIT**

The Government payroll is a crucial part of the General-Purpose Financial Statements. This chapter focuses on the payroll system centrally managed by the AGD and the HRMO. It highlights areas of concern, compliance, and makes recommendations for improvement.

We observed the following:

#### ***Amendments to the Payroll without Documentation***

The database revealed unsupported amendments to the payroll. These amendments include additions, deletions, and salary adjustments amounting to NLe3,931,942.12, NLe3,620,944.92, and NLe425,538.75 respectively. This violates Regulations 111&112 of the PFMR, 2018. We therefore recommended that the Director of Recruitment and Selection provide evidence for all additions and deletions to and from the payroll, and the Director of Payroll Administration should provide evidence for salary adjustments.

### ***Payment of Salary Arrears without Approval and Documentation***

A review of the Arrears Report revealed that government employees were paid arrears without approval and documentation. We observed that the arrears paid amounted to NLe1,006,129.37, indicating a weakness in the internal control system. We recommended that the Director of Payroll Administration should recover unjustifiable payments and enhance internal control mechanisms for proper verification and authorisation of arrear claims and other payroll transactions.

### ***Allowances Paid without Deducting PAYE Taxes***

We selected and reviewed six of the 15 payroll categories and observed that several allowances were paid without deducting PAYE taxes. This led to excess payments of allowances to personnel resulting in a financial loss of NLe198,383.86. We recommended that the Accountant-General should recover the excess payment of allowances to staff, and pay same into the CF.

### ***Study Leave Granted without Evidence of Approval and Bonding***

We observed that 60 personnel were granted study leave without evidence of approval and bonding. The total gross salaries paid to these staff amounted to NLe2,180,090.11. The risk is that these personnel could have been granted leave without meeting the eligibility requirements. We recommended that the Director of Training and Career Development should provide supporting evidence justifying the bases of granting these study leaves.

### ***Annual Leave Allowances Paid to Personnel on Study Leave***

The study leave schedule revealed that the annual total leave allowances paid to officers on study leave was NLe697,984.91, breaching Rule 6.20 of the Civil Service Code, thereby resulting in financial loss of government funds.

### ***Discrepancies in NASSIT Contributions and Payments***

We observed that there were discrepancies regarding the dates of birth of 108 staff in both the Civil Service Management (CSM) system and the NASSIT database. Some staff profiles had incorrect NASSIT numbers, leading to unreconciled payments in the NASSIT suspense account. NASSIT deductions and contributions were also not made for 148 government employees. Monthly payment vouchers were not provided for audit inspections, and the unpaid NASSIT contributions amounted to NLe134,927,621.91.

### ***Names of Government Employees above Retirement Age Still on the Payroll***

We observed that salaries were paid to government employees above the retirement age. The annual gross salaries paid to these personnel amounted to NLe56,424,942.07. Evidence such as extension letters was not provided to support the payment to overaged staff upon request. We also observed that some staff in the CSM were without National Identification Numbers (NIN), potentially leading to financial losses for the Government. We recommended that the HRMO should provide evidence of approved extension letters, reconcile the dates of birth of the 108 staff in both the CSM and the NASSIT database and take corrective action to rectify the NIN.

### ***Ineffective Compliance with Performance Appraisal Methods***

The HRMO's performance appraisal methods were found to be ineffective, with only 22.84% of Grades 1-10 staff completing target-setting metrics. Despite 160 confirmed and promoted staff, no evidence was submitted to confirm their performance assessments. This risk of non-assessment of staff performance hinders the identification of strengths and weaknesses of employees, and the Director of Performance Management should implement punitive measures.

## **INFORMATION SYSTEMS AUDIT**

Information system audit is a type of IT audit that examines and reviews IT systems to ensure they comply with legal and regulatory requirements, meet business goals, maintain data integrity, and be effective. It covers financial, compliance, and performance audits.

We conducted the audit of the Integrated Financial Management Information System (IFMIS) and the ASYCUDA system. We focused on operational, functional, and system-design deficiencies. The audits involved reviewing the general and application controls of both IFMIS and ASYCUDA, assessing upgrades, and the physical examination of infrastructural installations. We conducted interviews with key stakeholders and further substantially verified transaction details.

From our review, we highlighted areas of concern, and compliance, and made recommendations for improvement.

The system for triggering HRMO about retirement dates is insufficient, allowing salaries of retired personnel to be processed without detection. Other financial systems such as the ITAS are not interfacing with the IFMIS, limiting transparency and accountability.

Common issues like inadequate backup systems, untested backup files, inadequate IT policies, and non-functional key modules were identified. These problems have not been resolved although they have been raised in previous audit reports.

The Electronic Funds Transfer module in the system was not utilised to improve custom duties and tax payments.

ICT issues were also observed, but due to their sensitivity and security implications, they were limited to correspondence with management.

Several recommendations were made to improve on the system. Those charged with governance should establish a real-time automated backup system for the IFMIS, integrate IFMIS and ITAS, develop a classification policy, issue valuation certificates within the ASYCUDA, establish an offsite automated backup system for the ASYCUDA, and put into use the Electronic Funds Transfer module in order to simplify custom duties and tax payments.

## **MINISTRIES AND DEPARTMENTS**

Our audits of Ministries and Departments (MDs) are risk-based compliance audits, focusing on high-risk areas. We examined transactions and assessed compliance with laws, policies, and regulations. We inspected and analysed their books of accounts, financial record keeping, physical custody, and banking procedures. The audit objective is to determine compliance with laws, protect assets, and ensure financial records accurately reflect the financial position and operations.

Irregularities with financial impact across MDs amounted to NLe152,604,739.25, US\$10,464,814.25, and €3,615.48. This is due to lapses in contract management, inadequate payments, and weak revenue management. Withholding taxes were not deducted from payments to suppliers, imprest accounts not properly closed out, fixed assets are not adequately recorded, and salaries are made to non-existing staff. While some improvements have occurred, challenges persist in making requested documents available for auditors' review, and some entities also failed to respond adequately to audit queries. The 2023 audits suggest improvements in resource management, however more work is needed to ensure economy, efficiency and effectiveness.

The irregularities with financial impact across MDs are shown in the table below:

<b>Summary of Irregularities with Financial Impact Across Ministries and Departments</b>			
<b>Category of Irregularities</b>	<b>Amount</b>		
	<b>NLe</b>	<b>US\$</b>	<b>€</b>
Unsupported Payments	18,129,006.37	3,004,387.25	3,615.48
Taxes (Withholding, PAYE & GST)	7,248,824.13	-	-
Contract Management	48,840,181.00	-	-
Salary and payroll administration	22,618,252.25	-	-
Revenue Management	54,167,643.50	7,460,427.00	-
Assets & Stores Management	1,600,832.00	-	-
<b>Total</b>	<b>152,604,739.25</b>	<b>10,464,814.25</b>	<b>3,615.48</b>

## LOCAL COUNCILS

Section 88(3&4) of the Local Government Act, 2022 mandates the Auditor-General to submit a report of the audit to the local council concerned and the Minister, highlighting any irregularities in the accounts. The Minister must also present the Auditor-General's report and actions to Parliament.

The objective of the audit is to evaluate the 2023 Financial Statements of the 22 Local Councils (LCs) to ascertain their compliance with International Public Sector Accounting Standards and relevant legislation. It also assessed the reasonableness of financial documents and internal control procedures for sound financial management. The compliance audit is to obtain reasonable assurance that the transactions comply with the Public Procurement Act 2016, Public Procurement Regulations, 2020 and contract terms.

The audit findings in this report were discussed with the management of the 22 LCs. Their responses were considered when concluding on the issues raised.

The total value of irregularities in our 2023 audits of the 22 LCs amounted to NLe4,764,882.60. These irregularities were identified in areas such as revenue, procurement, expenditure management, contract management, payroll management, statutory deductions, and stores and inventory management. A summary of these issues is detailed in the Table below.

<b>Category of Irregularities</b>	<b>Amount</b>
	<b>NLe</b>
Unsupported Payments	688,624.80
Taxes (Withholding taxes and PAYE )	1,966,867.75
Contract Management	1,071,550.55
Salary and Payroll Administration	291,019.50
Revenue Management Control	105,000.00
Assets Management and Control	641,820.00
<b>Total</b>	<b>4,764,882.60</b>

## **FINANCIAL REPORTING**

### ***PETRA Accounting System not Effectively Utilised***

The PETRA accounting system in Local Councils is not fully functional and user-friendly. It is only the Accountant and Finance Officer that have direct access to the system. Government pays an annual license fee for at most 10 users, with eight not using the system. The system is not networked, and there is a risk of non-compliance with internal controls. The Director of PFMRD and Chief Administrators should ensure access for other users, or pay license fees for the only two users.

### ***Quality of Financial Statements Submitted***

All 22 Local Councils submitted draft Financial Statements with material misstatements in areas such as expenditure, cash balances, and total payments. Twenty-one councils received an 'unqualified opinion', while the only council that couldn't correct all misstatements received a modified opinion'. The poor quality of the Financial Statements could question the credibility of the financial reporting controls in councils.

## **CONTRACT MANAGEMENT**

Contract management in the 22 local councils faces a range of challenges, many of which stem from the complexity of public sector procurement, budget constraints, regulatory requirements, and the need for effective service delivery. Amongst the many challenges include, but are not limited to the following:

- Non-performance of contractor
- Inadequate Monitoring and Oversight
- Non-compliance with Legal and Regulatory Requirements
- Poor communication - miscommunication between the council, contractors, and stakeholders can lead to delays, misunderstandings, or unaddressed concerns, and

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

Section 118 of the Public Financial Management Act, 2016 mandates State-Owned Public Enterprises (SOEs) Commissions and Donor Funded Projects to prepare Financial Statements in accordance with International Accounting Standards. These audits involve a risk-based planning process, review of internal control systems, physical examination of assets, and substantive verification of transactions. The audit focuses on determining whether the Financial Statements present fairly in all material respect, the financial position and operations for the accounting period under review, examining the objectives and mandates of SOEs, and reviewing compliance with relevant legislation.

This year, the submission rate of Financial Statements by SOEs and Commissions improved considerably. From a total of 90 SOEs and Commissions, 52 submitted their accounts on the statutory deadline; which is 31st March, while 21 submitted in April, 10 in May, three in July and four in August. Therefore, a total of 38 of the 90 SOEs and Commissions submitted their accounts late. This indicates the success of the strategies used by the ASSL to ensure compliance with the Act.

The audit examinations identified significant issues across Public Enterprises, Donor-funded Projects, and Commissions. These include:

- Missing supporting documentation,
- Poor contract management,
- Mismanagement of assets,
- Cash and bank reconciliation,

- Unpaid taxes, and
- Inventory irregularities.

Furthermore, there were instances where the approved budget allocation did not align with the actual budget received. Insufficient budget allocation led to key deliverables not met. We also observed ICT issues. These issues were reported in the Final Management Letters. The audits suggest improved financial management, focusing on internal control principles and sound procedures.

The irregularities with financial impact observed, can be seen in the table below.

<b>Summary of irregularities Across Donor Projects, Commissions and Public Enterprises</b>				
<b>Category of Irregularities</b>	<b>Amount</b>			
	<b>NLe</b>	<b>USD(\$)</b>	<b>Euro(€)</b>	<b>GBP(£)</b>
Unsupported Payments	7,611,191.80		7,590.00	9,850.00
Statutory Deductions(Withholding taxes, PAYE taxes and GST) not paid to NRA	65,950,220.78	-	-	18,614.36
Salary and Payroll Administration	578,252.00	-	-	-
Revenue Management	802,358.00	-	-	-
Assets & Stores Management	1,465,641.00		-	-
<b>Total</b>	<b>76,407,663.58</b>	<b>-</b>	<b>7,590.00</b>	<b>28,464.36</b>

## **PERFORMANCE AUDIT**

Performance audit carried out by SAIs is an independent, objective, and reliable examination of whether government systems, operations, programmes, activities, or organizations are operating by the principles of economy, efficiency, and effectiveness, and whether there is room for improvement. Performance audits typically test if a government is making good use of resources to effectively deliver its policy goals and achieve its intended impact. Such audits often intend to examine the implementation of policies.

This report contains summaries of two performance audits: *the Distribution of Water Supply in the Western Area by the Guma Valley Water Company (2020 – 2022)*, and *the Management of Forest Harvesting by the Ministry of Environment and Climate Change (2020 – 2022)*.

### **1. DISTRIBUTION OF WATER SUPPLY IN THE WESTERN AREA**

Access to clean water is a basic human right and one of the United Nations Sustainable Development Goals. The Guma Valley Water Company (GVWC) relies principally on a single source - the Guma Dam. This Dam distributes 90% of the water supply to 1.5 million people in Freetown. Despite the efforts of government and development partners, access to water remains a challenge. A performance audit was conducted for the period 2020-2022, in order to assess the distribution of water supply in the Western Area.

The following is a summary of the key findings arising from the audit:

#### ***Encroachment on Water Catchment Areas***

A review of the National Water Resources Management Agency's Stakeholder Assessment Report and from interviews conducted revealed alarming deforestation and logging in the Western Area Water Catchments which stretches about 22km from Kainingo in the west to Thunder Hill in the east. This is due to rising population density and the demand for land and forest reserves.

### ***Leakages in the Distribution Network***

The GVWC distribution system faces significant leakage, causing water loss between production and end-user points. Limited metering systems prevent accurate water balance measurement and account for water losses, affecting operational areas.

## **2. MANAGEMENT OF FOREST HARVESTING**

Sierra Leone's forest cover has significantly decreased, with an annual rate of forest loss of 19,700 hectares by 2020. This is primarily due to increased settlements in the Western Area, leading to increased rainwater runoff and mudslides. Sierra Leone ranks 47<sup>th</sup> on the climate vulnerability index; and between 2020 and 2022, the GoSL allocated NLe62,181,400 to the Ministry of Environment and Climate Change to address climate change vulnerabilities.

The following is a summary of the key findings arising from the audit:

### ***Environmental Impact Assessment Reports not Submitted***

The audit team found no Environmental Impact Assessment (EIA) reports in place for the forestry sector, making it a challenge for the department to conduct environmental risk assessments and implement sustainable forest harvesting measures.

### ***Inefficiencies in the Registration of Power Saws and Timber Licenses***

The audit revealed 167 operational power saws, but only 85 were registered, and 17 timber harvest licenses issued. This resulted in a total revenue loss of NLe422,000.

### ***Ineffective Monitoring and Enforcement System***

- *Lack of Monitoring Guidelines*

The Forestry Department of the Ministry of Environment lacks standard monitoring guidelines for forest activities. There is no up-to-date inventory and national forest management plan. None of the 17 issued timber licenses are monitored due to the absence of monitoring guidelines.

- *Understaffing at the Forestry Department*

We observed that the Forestry Department staffing requirement was 785; however, only 23.04% of positions were filled, giving a gap of 76.96% for forest rangers and guards.

- *Variation in Levies on Forest Products*

The audit revealed four districts in Sierra Leone levying varying charges on forestry products, with some unpermitted charges being replaced. For example, Koinadugu District charges NLe600 for transport permits, an extra charge against the established fee of NLe400 in the 2014 User Guideline.

### ***Ineffective Coordination and Collaboration Among Stakeholders***

The Ministry of Environment and Climate Change (MECC) operates in isolation, with the Gola Rainforest National Park Management Project being the only successful project. District-level collaboration is lacking, with CSOs and Environmental and Social Officers (ESOs) only interacting at budget conferences. Headquarters coordination is lacking. There are settlements, agricultural and mining activities taking place in the forest reserves and protected areas, without any form of technical assessment and clearance. The region's environmental protection is lacking.



***Delayed Implementation of the National Tree Planting Project***

The National Tree Planting Project (NTPP) implementation was delayed due to unclear project targets, missed quotas, and a lack of district quota allocation criteria. Issues included delayed seedling procurement, poor tree maintenance, and unclear hectare targets. The government has spent NLe62,181,400 on the project.

## **INTRODUCTION**

We conducted the audit of the accounts of Ministries, Departments and Agencies (MDAs) for the Financial Year ended 31st December 2023, in accordance with Section 119(2) of the 1991 Constitution of the Republic of Sierra Leone. The audit was also conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs), and in line with existing laws, rules and regulations.

The findings highlighted in this report were those not addressed or resolved by MDAs during the audit process, but considered significant to be brought to the attention of Parliament in accordance with section 119 (4) of the 1991 Constitution of Sierra Leone.

Our report provides a critical representation of our mandate to promote accountability and effective governance in the public sector.

Throughout the period under review, we assessed the use and management of public funds and the efficiency and effectiveness of government programmes and projects. We provide insightful information that empowers decision-makers and cultivates citizen's trust, through our comprehensive inspection and analysis.

This report includes summaries of important audit findings and recommendations intended to foster public sector development and the improvement of the lives and livelihood of our citizens. We are dedicated to working collaboratively with government entities to ensure that value-for-money is obtained through the effective use and management of public funds.

### **Public Sector Auditing**

Public sector entities are provided with funds by the government and donor agencies, to finance their operations and undertake programmes and projects, aimed at improving the lives of Sierra Leoneans. It is therefore befitting that the use and management of funds appropriated by Parliament to public bodies are audited and accounted for in line with existing laws and regulations.

As indicated earlier, the ASSL has the constitutional mandate to undertake audits that provides an unbiased and objective assessments of the effective use of public resources to achieve intended results. Therefore, MDAs and all local councils were audited to report on their compliance with key legislations, insights were made into their financial and annual performance, and operations undertaken as stated in their respective operational plans. We also assessed the root cause of any error or non-compliance, and proffer recommendations to address or prevent reoccurrence.

As expected, we assessed the control environment of financial transactions that were processed by the Ministry of Finance and the Accountant-General's Department. In addition to the General-Purpose Financial Statements (GPFS), we audited the Integrated Financial Management Information System (IFMIS) with the aim of providing an independent assessment of the system and to establish operational, functional and design deficiencies. Inherent risks associated with significant transactions and events were also assessed with the aim of evaluating the adequacy of managements' responses to these risks. Based on the outcome of these reviews, we developed and executed audit procedures to enable us express an opinion on the GPFS.

Going forward, the ASSL will focus on several key areas aimed at enhancing its role as the Guardian of Sierra Leone's Economic Security. These areas include:

#### **1. Strengthening Audit Methodologies**

The ASSL is cognizant of the need of constantly improving on its audit procedures due to the intricacies of public sector operations. We recognise that the complexity of public sector operations requires us to

evolve our audit methodologies continuously. To this end, we are actively pursuing the enhancement of our audit processes by incorporating advanced data analytics and technology.

By leveraging sophisticated analytical tools, we can analyse large volumes of data more efficiently, identifying patterns and anomalies that may indicate potential risks in critical Information Communication Technologies of public institutions, such as the ASCUDA and IFMIS systems. This proactive approach allows us to focus our resources on high-risk areas, ensuring that our audits are both targeted and effective.

Furthermore, the integration of technology, such as an audit software and e-learning, will enable us to automate routine tasks, thereby freeing our auditors to concentrate on higher-value activities, such as in-depth analysis and stakeholder engagement. This does not only improve our operational efficiency, but also enhances the timeliness and quality of our findings and recommendations.

To do this, with the support of the World Bank the ASSL has been actively pursuing the procurement and installation of an African Organisation of English-speaking Supreme Audit Institutions (AFROSAI-E) SAI Enhancement Audit Tool (A-SEAT) which is an advanced audit automation solution specifically designed to streamline the annual planning, execution, and quality assurance of audit processes. Developed with input from users across the AFROSAI-E region, the A-SEAT is a role-based audit management system (open-source cloud-based platform) that tailors its functionalities to meet the diverse needs of auditors, enhancing their ability to conduct thorough and efficient audits.

In order to get the desired results, we are concurrently building the capacity of our staff on these advanced methodologies, ensuring they are well-equipped to utilise these tools effectively. By fostering a culture of continuous learning and adaptation, we aim to remain at the fore of best practice in auditing.

Ultimately, our goal is to provide deeper insights into government operations, offering stakeholders a clearer understanding of how public funds are being used and where improvements can be made. We strive to strengthen accountability and foster a more transparent and positive public sector through the use of these enhanced methodologies.

## **2. Expanding Stakeholder Engagements and Communication**

Stakeholders' engagement and communication is one of the fundamental pillars of a credible and professional Supreme Audit Institutions (SAI). As an institution, we believe that fostering strong partnerships with stakeholders and public sector bodies is essential to enhancing the effectiveness of our audits and driving meaningful improvements in government programmes and projects. We establish a collaborative approach that not only addresses our findings, but also facilitates the successful implementation of our recommendations.

To achieve this, we shall continuously involve stakeholders in the audit process. This includes early consultations with MDAs, local council authorities, civil society organisations and communities to better understand their operations, challenges, and priorities. By involving stakeholders from the pre-planning stage of the audit process, we can tailor our audit focus to align with their needs, thereby ensuring that our work is relevant and beneficial to the citizens.

Furthermore, we have established regular communication channels with these stakeholders, allowing for ongoing dialogue about our findings and recommendations. This collaborative engagement will create an environment where feedback is valued, and joint problem-solving is encouraged. We have adopted the approach of involving auditees during the drafting of audit recommendations, to ensure that agreed recommendations are easily implemented. By working together, we would identify practical solutions that enhance efficiency and accountability in government programmes.

We are of the view that, as an organisation we cannot do it alone. We believe that the total benefit as a team, far outweighs the sum of the individual benefit. In light of this, we will strengthen existing

relationships, and expand our network by engaging with a broader range of stakeholders, including community organisations, advocacy groups, and other oversight bodies. By incorporating diverse perspectives, we can gain a more comprehensive understanding of the impacts of government actions which foster greater public trust.

We will also facilitate workshops and training sessions to help public sector entities understand our audit processes and the rationale behind our recommendations. This will empower them to take ownership of their responses and drive the implementation of improvements more effectively.

Eventually, by fostering stronger partnerships and collaborative approach, we aim to create a culture of accountability and continuous improvement across the public sector. This does not only enhance the effectiveness of our audits, but also contributes to the betterment of government services for all citizens.

### **3. Enhancing Public Communication of Audit Reports**

We recognise that effective communication is vital for fostering transparency and accountability in the public sector. To this end, we will prioritise clear and accessible reporting of our audit findings to ensure that they are readily understood by the public.

Our approach will include simplifying complex audit reports through the use of plain language which eliminates jargon; making our findings accessible to a broader audience. We will also incorporate visual aids, such as infographics and charts with minimal words, to highlight key insights and trends allowing stakeholders to grasp critical information quickly.

In addition, we will diversify our communication channels to reach a wider audience. This includes leveraging social media platforms, webinars, and community forums to share our findings and engage in dialogue with citizens. By using various formats, such as conducting radio programmes in various local languages, we aim to cater for different preferences and ensure that our reports are accessible to all demographics, including those who may not have direct experience with government audits. Through our community engagements in the various local councils, we ensure that the common man and community stakeholders understand our report and make them capable of holding their parliamentarians or councillors to account.

We will also establish a feedback mechanism that invites public input on our reports and recommendations. By encouraging dialogue and addressing community concerns, we can enhance public understanding and build trust in our work. This two-way communication will also help us refine our future audits and reporting practices based on the needs and perspectives of the communities we serve.

To further our commitment to transparency, we will regularly publish summaries of our findings in easily comprehensible formats, highlighting not just our recommendations, but also the impact of implemented changes over time. This ongoing reporting will provide the public with insight into how their feedback and recommendations translate into tangible improvements in government services.

In the end by enhancing public communication, we aim to empower citizens with knowledge and foster a culture of accountability within government entities. Our goal is to ensure that our audit findings do not only inform decision-makers, but also resonate with the public, thereby reinforcing the importance of transparency in the stewardship of public resources.

### **4. Focusing on Sustainability**

In recognition of the current global challenges related to climate change and social equity, we will place an increased emphasis on sustainability as a core component of our performance audits. Future or sustainable audits is a combination of impact (performance) audits and information systems audits. As we evaluate

programmes and policies, we will assess both their immediate outcomes and long-term impacts on the economy and the environment.

In order to achieve this, we will integrate sustainability metrics into our audit frameworks, allowing us to systematically analyse how government actions align with broader sustainability goals. This includes evaluating gender-based budgeting and the environment implications of public spending, resource utilisation, and the social effects of policies on vulnerable populations.

We will collaborate with experts in environmental science, economics and social sciences to develop comprehensive criteria for assessing sustainability. This multidisciplinary approach will enable us to provide a more nuanced understanding of how government initiatives contribute to or detract from sustainable development.

Additionally, we will emphasise on the importance of measuring the resilience of programmes and policies in the face of changing economic and environmental conditions. This will involve examining how government actions can adapt to evolving challenges, while ensuring that resources are allocated in a way that supports long-term sustainability rather than short-term gains.

To further promote sustainability, we will encourage public sector entities to adopt best practices in sustainable governance, such as integrating sustainable development goals into strategic planning and decision-making processes. We will highlight successful case studies of government initiatives that have effectively balanced economic growth with environmental stewardship and social responsibility.

Moreover, we will prioritise transparency in our reporting on sustainability metrics, ensuring that stakeholders are informed about the government's progress towards achieving sustainable development goals. By making this information readily available, we aim to foster greater accountability and encourage public discourse around the importance of sustainability practices in government operations.

Ultimately, by focusing on sustainability, we aim to promote a holistic understanding of the impacts of government actions, encouraging policies that do not only drive economic growth but also protect our environment and enhance social well-being for current and future generations.

## REPORT STRUCTURE

This report is divided into three parts. **Part I** consists of Chapters I, II & III, **Part II** comprises Chapters IV and V, and **Part III** presents Chapters VI and VII.

**Chapter I (General Purpose):** This chapter provides a reflection on the overall summaries of significant findings on the General-Purpose Financial Statements of the Consolidation Fund of the Government of Sierra Leone for FY2023. It addresses key findings on financial management, revenue collection, records and reporting, and compliance with relevant laws and regulations. We conclude by giving an opinion on the 2023 General-Purpose Financial Statements of the Consolidation Fund of the Government of Sierra Leone.

**Chapter II (Payroll):** Payroll is a critical component of the General-Purpose Financial Statement of Government of Sierra Leone. This chapter focuses on the specific findings related to payroll systems, highlighting areas of concern, compliance issues and recommendations for improvement.

**Chapter III (Information Systems Audit):** In this chapter, we present the findings and recommendations of the audit of the Integrated Financial Management Information System (IFMIS) and the Automated System for Custom Data (ASYCUDA).

**Chapter IV (Ministries & Departments):** This chapter covers our audit findings on the implementation of core programmes and projects of ministries and departments, charged with providing general, economic, security and social services in various sectors. Our audit coverage entailed the assessment of their financial, performance and compliance with relevant legislation, with special attention on procurement management. We also assessed their capabilities of delivering key services in line with their mandate, and challenges preventing them from achieving same.

**Chapter V (Local Councils):** This chapter gives an overall view of the performance of the 22 LCs for FY2023. It focuses on significant issues observed in the audit of the local councils, both in their financial performance and their compliance with procurement laws and regulations and services delivered to localities.

**Chapter VI (Projects & Public Enterprises):** This chapter covers findings and recommendations proffered under our audit of donor-funded projects, public enterprises and commissions. Our audit uncovered key challenges that continue to affect their governance, oversight and financial performance. We were able to analyse the correlation between the challenges that plague these public enterprises and projects and its impact on services delivered.

**Chapter VII (Performance Audit):** This Chapter provides an overview of the performance audits conducted on the Distribution of Water Supply in the Western Area by the Guma Valley Water Company; and the Management of Forest Harvesting by the Ministry of Environment and Climate Change. We provide an insight on the manner in which these services and programs are executed with regard to the five Es (Economy, Effectiveness, Economy, Environment and Equity), as well as their compliance with laws, rules, regulations, policies, and procedures.

# PART I





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

**MAIN POINTS ..... 2**

**1.1. SIGNIFICANT FINDINGS ON THE AUDIT OF THE GENERAL-PURPOSE FINANCIAL STATEMENTS OF THE CONSOLIDATED FUND OF THE GOVERNMENT OF SIERRA LEONE ..... 7**

**1.2. AUDITOR-GENERAL’S OPINION ON THE GENERAL-PURPOSE FINANCIAL STATEMENTS OF THE CONSOLIDATED FUND ..... 11**

**1.3. GENERAL PURPOSE FINANCIAL STATEMENTS..... 14**

**1.4. NOTES OF EXPLANATIONS AND ELABORATION TO THE PUBLIC ACCOUNTS ..... 20**

**1.5. ADDITIONAL NOTES TO THE ACCOUNTS..... 43**

**1.6. SUPPLEMENTARY DISCLOSURES IN APPENDICES ..... 45**

## MAIN POINTS

### INTRODUCTION

The audit of the General-Purpose Financial Statements (GPFS) of the Consolidation Fund of the Government of Sierra Leone is a fundamental process aimed at ensuring the accountability, transparency and reliability of public financial reporting. In a context where effective governance and prudent financial management are essential for national development, this audit plays a crucial role in boosting public confidence in how government resources are allocated and utilised.

This Chapter presents the mandate, scope, objectives, key reforms and significant findings associated with the audit of the GPFS, which are prepared in accordance with the cash basis International Public Sector Accounting Standards (IPSAS cash). The audit of the GPFS of the Government of Sierra Leone is a critical step towards achieving greater financial integrity and accountability, fostering trust among the public, and supporting the sustainable development goals (SDGs).

### Mandates

#### **Mandate of the Accountant-General**

The Accountant-General is mandated under section 87(1) of the Public Financial Management Act, 2016 to prepare and submit the Annual Financial Statements of the Consolidated Fund and explanatory notes to the Auditor-General through the Minister of Finance within three months after the end of the financial year. The Annual Financial Statements of the Consolidated Fund are prepared in accordance with cash basis International Public Sector Accounting Standard (IPSAS cash) and the Public Financial Management Act, 2016. The General Purpose Financial Statements (GPFS) comprise the statement of cash receipts and payments, statement of comparison of budget and actual revenue and expenditure, statement of cash position and notes of the Consolidated Fund of the Government of Sierra Leone for the year ended 31st December, 2023.

#### **Mandate of the Auditor-General**

Section 88 of the PFM Act 2016, states that the Annual Financial Statements of the Consolidated Fund published under subsection (4) of section 87 shall contain a note that such annual financial statement are presented before audit examination has been completed and are issued subject to any observations contained in the report of the Auditor-General for that financial year. Within twelve months after the end of a financial year, the Auditor-General shall submit to the minister and parliament and published in the gazette and on the Auditor-General's website the audit report on the annual financial statement of the Consolidation Fund the financial year.

### **Objective of the Audit**

The primary objective is to express an opinion on the General-Purpose Financial Statements, thereby providing stakeholders – including citizens, policymakers, and donor partners with accurate information to facilitate informed decision-making.

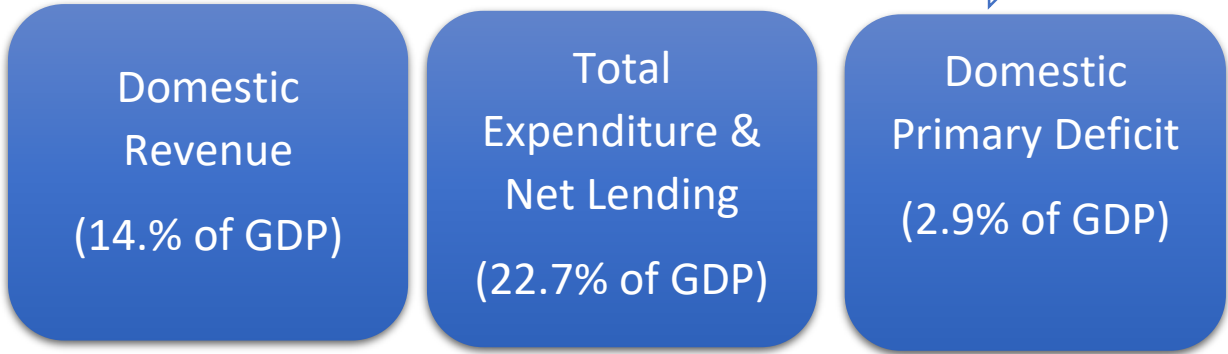
**FISCAL HIGHLIGHTS – FY2023**

**Key fiscal objective in the medium-term**

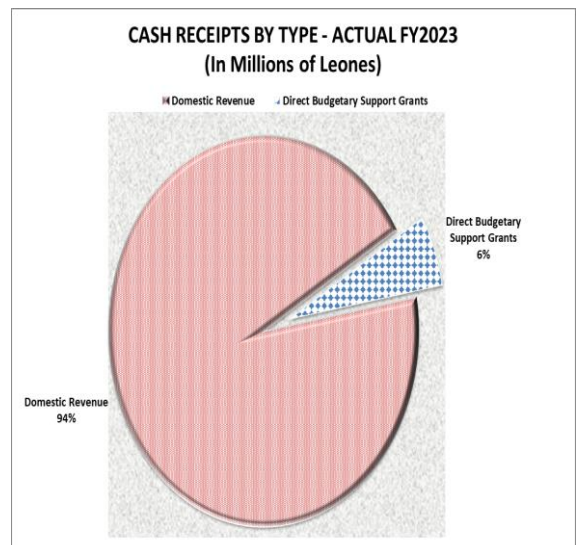
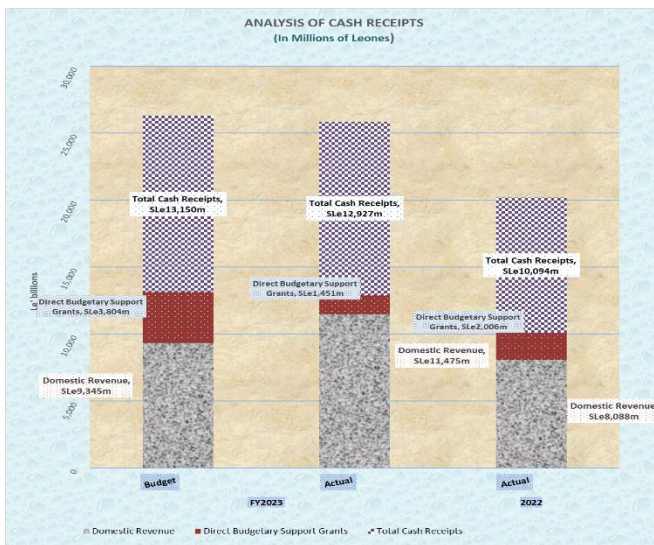
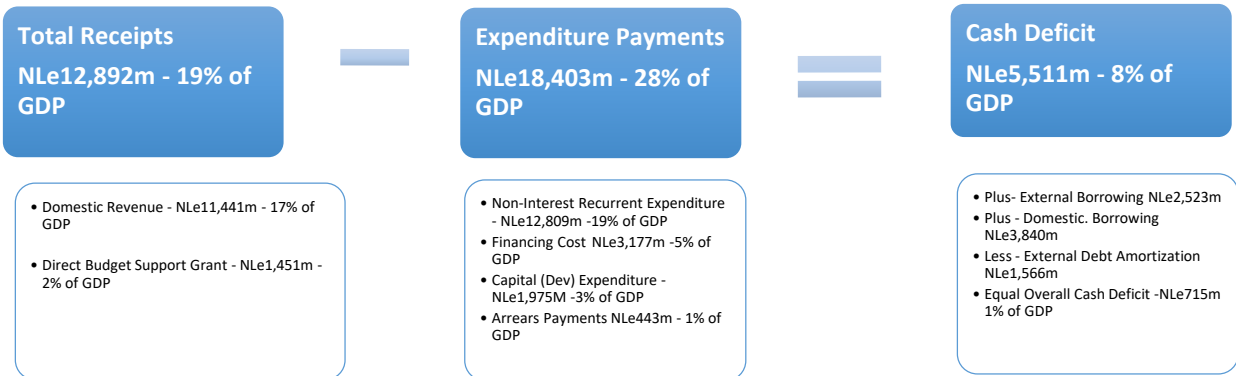
To achieve fiscal sustainability by improving domestic revenue mobilization and rationalising public expenditure

Original Budget FY2023

**FY2023 Government Fiscal Operations –**



**Consolidated Fund**



## Recent Economic Developments

The following are highlights of recent economic developments that occurred in 2023:

- **Economic Growth:** Provisional figures produced by the Statistics Sierra Leone indicate that the economy grew by 3.4% in 2023, compared to 3.5% in 2022. This reflects an unexpected slump in services, including tourism and travel, following strong gains in recent years.
- **Inflation:** Inflation eased to 54.2% in November and further to 52.2% in December 2023, after peaking at 54.6% in October. This was due to moderating food price inflation, the relative stability of the exchange rate since July 2023, and the reduction in price of international commodities.
- **Gross Foreign Reserves:** The BSL's Gross International Reserves declined to US\$468.35 million (equivalent to 3.0 months of imports) as at December 2023, from nearly US\$600 million in January 2023. The decline was mainly driven by government's effort to support the importation of essential commodities, including rice and fuel, payment of external debt service, and the importation of new currency.
- **Exchange Rate:** The Leone depreciated by 16.8% between January and December 2023, compared to a depreciation rate of 64.3% between January to December, 2022.

*Table 1: Selected Macroeconomic Indicators*

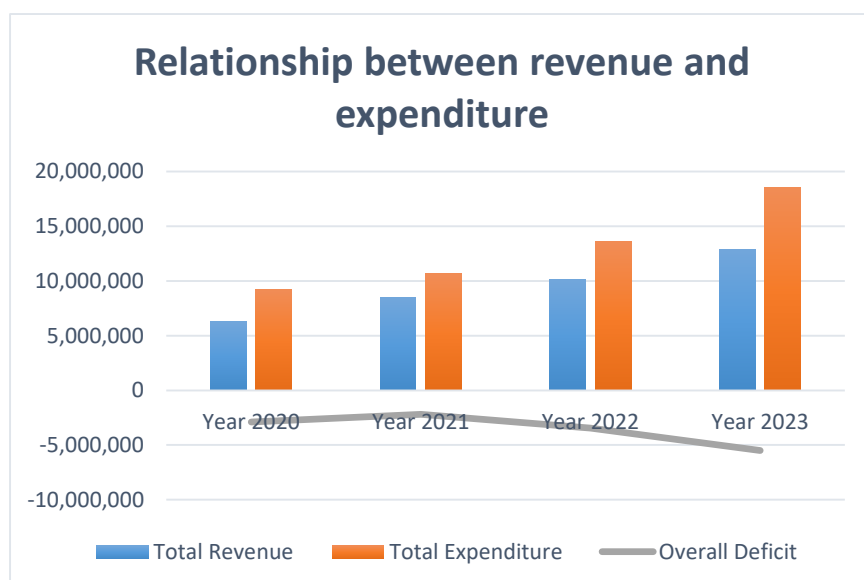
National Accounts and Prices						
	Annual Percentage change, unless otherwise indicated					
<b>Growth</b>	2018	2019	2020	2021	2022 (Pre)	2023 (Proj)
GDP at Constant prices	3.5	5.3	-2.0	4.1	3.5	2.7
GDP excluding Iron ore	5.5	5.0	-1.8	3.6	2.7	2.6
GDP excluding Iron mining	3.8	4.7	-1.4	2.9	3.0	2.7
Nominal GDP (Le bn)	32,402	36,731	39,938	44,360	57,519	80,993
Nominal GDP (Exc. Iron ore) (Le bn)	32,402	36,635	39,938	44,069	56,677	78,693
<b>Inflation</b>						
Consumer Prices (end of period)	14.2	13.9	10.4	17.9	37.1	44.3
Consumer Prices (Average)	16.0	14.8	13.4	11.9	27.2	45.6
Exchange Rate (e.o.p)	8,396	9,716	10,133	11,256	18,839	
Exchange Rate (Average)	7,932	9,016	9,840	10,695	14,047	
Gross International reserves (excludi	481	507	677	932	610	535
Gross International reserves (excludi	3.2	4.3	4.6	5.5	3.8	3.4
<b>Financing and Debt</b>						
Public debt	69.1	72.6	76.3	79.8	94.6	90.5
Domestic	27.9	27.9	26.6	28.7	29.9	24.5
External public (inc. IMF)	42.1	44.7	44.9	51.1	64.8	66
<b>Central Government Budget</b>						
Overall Balance (% GDP)	-5.6	-3.1	-5.8	-7.4	-10.5	-5.8
Overall balance (excluding grants)	-7.7	-6.5	-11.1	-12.0	-16.7	-10.5
Revenue (excluding grants)	13.7	14.8	13.8	15.7	12.4	13.1
Grants	2.1	3.4	5.3	4.6	6.2	4.7
<b>Total Expenditure and net lending</b>	21.4	21.3	25.7	28.4	29.5	23.6

## Revenue and Expenditure

The revenue collected increased by 27.7% from NLe10 billion in 2022 to NLe12.8 billion in 2023. It comprised Domestic Revenue (NLe11.4 billion) and Direct Budgetary Support Grants (NLe1.45 billion). Meanwhile, government expenditure also saw an increase of 36.9%, from NLe13.5 billion in 2021 to NLe18.5 billion, which comprised Wages, Salaries and Employees Benefits (NLe5.4 billion), Goods and Services (NLe6.6 billion), Transfers and Grants (NLe622.7 million), Other Recurrent payments (NLe54.8 million), Interest Payment (NLe3.2 billion), Domestic Capital/Development Expenditure (NLe1.5 billion), and Arrears Payment (NLe442.7 million). See the table below.

*Amounts in thousands of Leones*

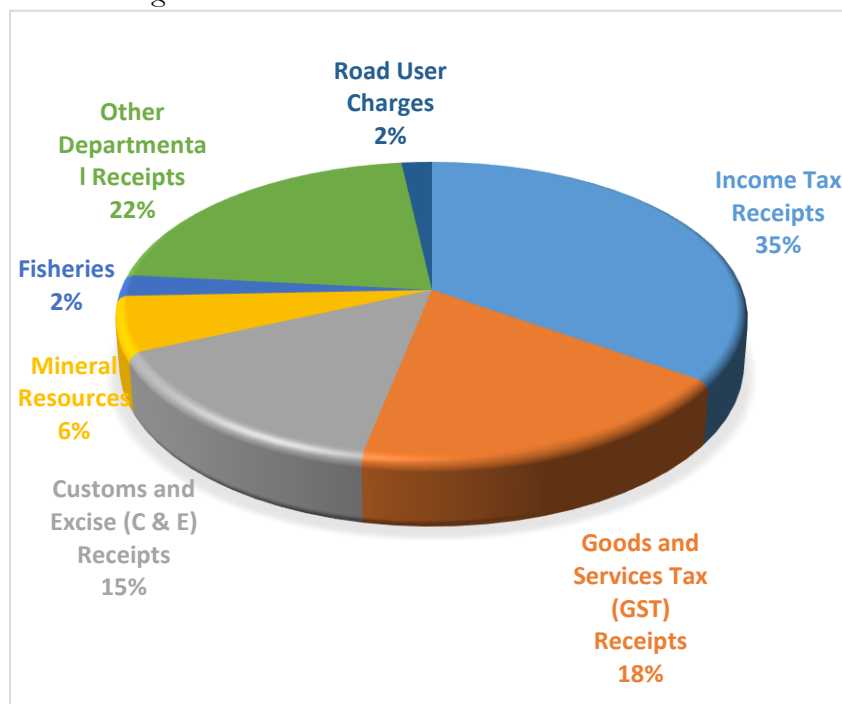
Details	2020	2021	2022	2023
<b>Total Revenue</b>	6,275,998	8,432,339	10,094,053	12,892,488
<b>Total Expenditure</b>	9,182,424	10,622,083	13,549,786	18,549,786
<b>Overall Deficit</b>	(2,906,426)	(2,189,744)	(3,455,733)	(5,511,214)



*The relationship between revenue and expenditure revealed that despite the consistent rise in revenue over the years, there has also been a significant increase in expenditure over the same period.*

The government revenue in FY2023 was NLe11,441 million. It was increased by 41% of NLe8,088 million collected in FY2022. This compares favourably against the budget target of NLe9,345 million, with a positive variance of about NLe2,096 million.

Chart showing domestic revenue collected in 2023



The chart illustrates the composition of domestic revenues for FY2023. Income tax revenue contributed NLe3,986 million or 35% of the total domestic revenue for the financial year; whereas Goods and Services Tax (GST) revenue amounted to NLe2,093 million or 18% of total domestic revenue. Customs and Excise (C & E) Receipts NLe1,733 million or 15%, and Mineral Revenues NLe692 million or 6% of total domestic revenue, respectively. Fisheries revenue also accounted for NLe262 million, which is 2% of total domestic revenue.

### Public Debt

The total outstanding public debt increased by 19% from NLe47.6 million in 2022, to NLe56.7 million in 2023, which was 46% of the GDP. The amount comprises domestic debts of NLe13.7 million (NLe11.9 million – FY2022) and external debts of NLe42.9 million (NLe35.6 million – end of FY2021).

The total domestic debt consists of Short-Term Securities (with less than one-year maturity) in the form of treasury bills (NLe13.76 million) and Ways and Means Advances (NLe9,614 million) and Long-Term Securities of NLe3,866 million, mainly in the form of treasury bonds. The total external debt consists of multilateral creditors (NLe34,433 million), bilateral creditors (NLe5,024 million) and commercial creditors (NLe3,493 million).

### Cash and Bank

The total cash and bank balances at the end of FY2023 stood at a negative balance of NLe1,680 million (end of FY2022 – negative NLe965 million). An overall cash deficit of NLe715,672 million was recorded in FY2023, resulting in the movement in cash balances from negative NLe965 million at the end of FY2022 to negative NLe1,680,504 million at the end of FY2023. See table below:

*Amounts in thousands of Leones*

As at	31-Dec.-23	31-Dec.-22	Change
Cash at Bank	2,514,930	1,628,100	886,831
Overdraft with Bank	(4,195,434)	(2,592,931)	(1,602,503)
<b>Net Cash and Bank Balance</b>	<b>(1,680,504)</b>	<b>(964,831)</b>	<b>(715,672)</b>

## 1.1. SIGNIFICANT FINDINGS ON THE AUDIT OF THE GENERAL-PURPOSE FINANCIAL STATEMENTS OF THE CONSOLIDATED FUND OF THE GOVERNMENT OF SIERRA LEONE

### REVENUE

Revenue is a critical element in the financial management of the Government of Sierra Leone, serving as the primary source of funding for public service, infrastructural development, and social programmes. In the 2023 General-Purpose Financial Statements, revenue figures reflect not only government's fiscal capacity, but also its commitment to economic growth and stability.

Revenue continued to rise in 2023, driven by the automation of various revenue streams. Despite the positive measures taken by the NRA to enhance revenue generation performance, we identified some gaps in revenue assessment, collection, and reporting.

Below are highlights of the irregularities observed.

#### *Tax Liabilities Due*

During the review and recalculation of taxpayers' liabilities, we observed that tax liabilities of NLe114,727,344 were owed to the Government of Sierra Leone. The outstanding balance is not part of the revenue arrears disclosed in the Financial Statements.

Tax Type	Non-payment of Taxes (NLe)	Underpayment of Taxes (NLe)	Total Tax Liability (NLe)
Goods and Service Tax	-	76,907,466	76,907,466
Personal Income Tax	6,302,582	-	6,302,582
Domestic Excise Tax	138,279	-	138,279
Withholding Tax	516,914	-	516,914
Corporate Income Tax	5,518,089	3,385,605	8,903,694
Payroll Tax	1,162,000	403,500	1,565,500
Pay as You Earn Tax	14,032,147.46	6,360,762	20,392,909
<b>Total</b>	<b>27,670,012</b>	<b>87,057,333</b>	<b>114,727,344</b>

We recommended that the management of the NRA improve on the collection of these tax liabilities and that all domestic revenue arrears are included in the Financial Statements as required by Regulation 73(1) of the PFM Regulations, 2018.

#### *Revenue not Traced to the Consolidated Fund*

Transit banks should transfer the revenue collected into the Consolidated Fund account at the Bank of Sierra Leone (BSL) within 24 hours upon receipt.

- An analysis of GST and Income Tax remittances made by various transit banks to the BSL revealed that amounts totalling NLe494,059.87 and NLe1,033,094.07 respectively, could not be traced to the BSL account.
- A review of the prepayment accounts maintained by the Oil Marketing Companies (OMCs) and some mining companies within the ASYCUDA World revealed that transactions amounting to NLe33,000,526.91 could not be traced to the Consolidated Fund Account at the BSL. Copies of Swift for the stated payments were requested, but not submitted to the ASSL.

### ***Non-compliance with Clauses in Contract Agreements***

The non-compliance with clauses in contract agreements between some companies and various MDAs led to a revenue loss totalling NLe170,460,640.74. It is important to highlight that these unpaid revenues are not part of the domestic arrears disclosed in the Financial Statements.

<b>No.</b>	<b>Detail</b>	<b>Amount Due (US\$)</b>	<b>MDAs</b>
<b>1</b>	Approved royalty payment of 9% per sale of each e-passport.	744,993	Immigration Department
<b>2</b>	Annual fixed fee between Ministry of Information and Communications and Zoodlabs (SL) Ltd.	1,440,000	Ministry of Information and Communication
<b>3</b>	A lease agreement between the Ministry of Mines and the Kingho Railway and Port Company Limited	5,275,434	Sierra Leone Maritime Administration
	<b>Total</b>	<b>7,460,427</b>	
	<b>Converted amount in Leones</b>	<b>NLe170,369,295.14</b>	

\*Note: Dollar value converted to Leone (US\$1=NLe22.8364)

1. According to section 1 (1.4) of the Contract Change Note, HID CID Ltd. is required to pay the Government of Sierra Leone a royalty of 9% from the sale of each e-passport. During the period under review, the Government did not receive the royalty payment of US\$744,993 for 82,777 e-passports produced.
2. A contract was signed between the Ministry of Information and Communications and the Zoodlabs (SL) Ltd. for the operation, maintenance and commercial management services of the Ace Submarine Fibre Optic Cable Landing Station and the Ancillary Infrastructure of Sierra Leone. The contract requires an annual fixed fee of US\$1.44 million or its equivalent in Leones to be paid into the Consolidated Fund. There was however no evidence that the amount was paid into the Consolidated Fund for the period under review.
3. A lease agreement was signed between the Ministry of Mines and Kingho Railway and Port Company Ltd. There was no evidence that this agreement was ratified by Parliament, which contravened section 118(2) of the Constitution, and section 15 of the Public Debt Management Act, 2011. The absence of a parliamentary ratification raises concern over the legality and enforceability of tax exemptions totalling US\$5,275,434 granted through this agreement.

### ***Duty Waivers and Concessions Given to Individuals/Institutions without Documentation***

We observed the following:

- Thirty-one duty waivers, valued at NLe3,197,986.1 were granted to various businesses (excluding petroleum products) without the required supporting documents such as registration certificates, approvals from the relevant ministries, customers' valuation certificates and packing lists.
- Some entry for home use (IM4) declarations made by the NRA's Department at Lungi (import for home consumption or ex-warehousing) were given duty waivers. Documents to enable us determine the purpose of these waivers were however not uploaded in the system. The total estimated tax waived amounted to NLe8,698,923.58.



## RECURRENT EXPENDITURE

### *Expenditure not Supported by Relevant Documentary Evidence*

We reviewed withdrawals from imprest bank accounts from selected Ministries and Departments. to assess whether they were spent for the intended purpose and in accordance with the PFMA, 2016. We however observed that transactions totalling NLe18,129,006.37, US\$3,004,387.25 and €3,615.48 were not supported by relevant documentary evidence such as payment vouchers, receipts, delivery notes, and expenditure returns. Without the original records and documentation, the purpose for which the expenditure was incurred could not be ascertained. See details in the table below.

NAME OF MDA	DETAILS	AMOUNT (LE)	US\$	Euro
<b>Ministry of Agriculture and Food Security (SLeCAD)</b>	Absence of reliable records justifying the utilisation of funds	188,095.00	-	-
Seed Multiplication Project	Funds remitted but not brought to account	900,000.00		
<b>Ministry of Foreign Affairs and International Cooperation</b>	Boat Hiring Services: duplicated payment and payment without an agreement (NLe50,000+NLe287,161.88)	337,161.88	-	-
	Special imprest not retired	768,285.10	-	-
	Child allowances paid for children over the age of 18years		3,900.00	-
	Child allowances paid without evidence of child's birth certificate		11,700.00	3,615.48
<b>Ministry of Health-HQ</b>	Expenditure returns not submitted	933,901.00	-	-
<b>Ministry of Basic and Senior Secondary Education-HQ</b>	Payment for WASSCE fees without supporting documents	7,246,102.00	-	-
<b>Ministry of Defence</b>	Bank withdrawals without supporting documents	4,183,156.00	5,819.00	-
	Imprest not retired	66,915.00	-	-
	Overpayment of DSAs	49,130.78	-	-
<b>Ministry of Development and Economic Planning</b>	Unsupported payments	67,893.00	-	-
<b>Ministry of Technical and Higher Education</b>	Expenditure returns not submitted (NLe681,718.85 + NLe560,000 + NLe800,000)	2,041,718.85	-	-
<b>Ministry of Works and Public Assets</b>	Excess cost included in rental payment (NLe414,725 + NLe148,903.76)	563,626.76		
<b>Ministry of Tourism and Cultural Affairs</b>	Bank withdrawals without supporting documents(NLe222,034 +NLe40,987 +NLe400,000 +NLe120,000 )	783,021.00	-	-
<b>Ministry of Social Welfare</b>	Bank withdrawals without supporting documents		2,982,968.25	-
<b>Total</b>		<b>18,129,006.37</b>	<b>3,004,387.25</b>	<b>3,615.48</b>

## **PUBLIC DEBT**

### ***Long Outstanding Loans to State-owned Enterprises not Recovered***

Loans (Stimulus and Debt Settlement) amounting to NLe200,599,603 given to state-owned enterprises (SOEs) by the Government of Sierra Leone with an expected repayment date of 31st December 2023, were still outstanding.

## **CASH AND BANK**

### ***Payment to Contractors Using Selling Rate Instead of Mid-rate***

Despite contracts clauses stipulating mid-rate conversion for payments, we observed that several payments were made using selling rate, resulting in variances totalling NLe3,166,907.88 for various cheque payments.

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

### **OPINION**

We have audited the General-Purpose Financial Statements of the Consolidated Fund for the year ended 31st December, 2023. These Financial Statements comprise the Statement of Cash Receipts and Payments of the Consolidated Fund, the Statement of Comparison of Budget and Actual Revenue and Expenditure, the Statement of Cash Position for the year ended and notes of explanations and elaboration to the Annual Financial Statements of the Consolidated Fund as set out on pages 10 to 69.

In our opinion, the accompanying Financial Statements presents fairly, in all material respects, the cash position of the Government of Sierra Leone as at the 31st December, 2023 and its cash performance for the year then ended in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS cash), the Public Financial Management Act 2016, and other applicable laws and regulations.

### **EMPHASIS OF MATTER**

#### ***Statutory Deduction not Paid to NASSIT***

We draw attention to Note 34 of the GPFS, which provides details of the Government of Sierra Leone's NASSIT Liability. Section 25 of the NASSIT Act, 2001 requires the payment of contributions to NASSIT within 15 days after the end of each month. An agreement has been signed between the Ministry of Finance and NASSIT. Based on the agreement, contributions owed to NASSIT amounted to NLe692,134,100.75.

#### ***Contingent Liabilities***

We draw attention to Note 35 of the GPFS, which provides details of the Government of Sierra Leone's contingent liabilities, amounting to NLe975,867,800. These substantial amounts represent potential obligations due to damages for termination of contracts and human right violations that could result in significant cash flow challenges for the Government of Sierra Leone if they were to materialise. Their existence could have a material impact on the Government's cash position in future. Our opinion is not modified in respect of this matter.

### **KEY AUDIT MATTERS**

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the Financial Statements of the current period. These matters were addressed in the context of the audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There were no key audit matters for the period under review.

### **OTHER MATTERS**

We draw attention to the undermentioned matters that are ancillary to our responsibilities in the audit of the General-Purpose Financial Statements of the Consolidated Fund.

#### ***Recurrent Expenditure without Supporting Documents***

Withdrawals amounting to NLe84,344,133.11 were made from the accounts of various MDs without relevant documentary evidence like payment vouchers and other supporting documents. Without supporting documents, the purpose for which the withdrawals were incurred could not be ascertained.

### ***Lack of Reconciliation between Prepayment Account and Consolidate Fund Accounts***

Reconciliations between the prepayment account in the ASYCUDA World, maintained by the Customs Department of the NRA, and the Consolidated Fund regarding petroleum transactions were not performed. In this regard, we observed that petroleum transactions by Oil Marketing Companies (OMCs) and some mining companies, totalling NLe33,000,526.91 in the prepayment accounts could not be traced back to the Consolidated Fund Account at the BSL. This constitutes a significant internal control deficiency, as it raises the possibility of inconsistencies between the data maintained by the NRA and the records held by the Accountant-General's Department.

### ***Non-compliance with Clauses in Contract Agreements***

From our review of contracts signed between the Government of Sierra Leone and HID CID Ltd. And Zoodlabs (SL) Ltd. we observed that certain clauses were not complied with, resulting in the loss of much-needed government's revenue. Typical among them are as follows:

1. According to the contract change note, HID CID Ltd. was required to pay the Government of Sierra Leone a royalty of 9% from the sale of each e-passport. We however observed that a total royalty of US\$744,993 for all e-passports produced in 2023 remains unpaid.
2. Zoodlabs (SL) Ltd. owed the Government of Sierra Leone a total of US\$1,440,000 in respect of annual fixed fee for the operations, Maintenance and Commercial Management of the Ace Submarine Fibre Optic Cable Landing Station and the Ancillary Infrastructure of Sierra Leone Cable Ltd.
3. We observed that the Minister of Mines signed the lease agreement between the Ministry of Mines and the Kingho Railway and Port Company Limited, instead of the Minister of Finance, in contravention of the Public Financial Management Act, 2016. In addition, there is no evidence that the agreement was ratified by Parliament. The absence of parliamentary ratification and signature of the Minister of Mines raises concerns about the legality and enforceability of tax exemptions totalling US\$5,275,434 granted through this agreement.

### **Responsibilities of the Accountant-General and the Minister of Finance for the General-Purpose Financial Statements**

The Accountant-General is responsible for the preparation and fair presentation of these Financial Statements in accordance with requirements of the Public Financial Management Act, 2016. He is to ensure that the Financial Statements comply with the International Public Sector Accounting Standard – Financial Reporting under the Cash-Basis of Accounting (Cash-Basis IPSAS) and relevant legislations; and for such internal control he determines necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Accountant-General issues appropriate instructions applicable to accounting practices and financial reporting of budgeted agencies and other entities included in the general government. In addition, he ensures the development of efficient and effective information technology platforms for the accounting and management of public finance.

The Minister of Finance has the ultimate responsibility for monitoring and exercising control over the financial management of all bodies included in the Financial Statements.

### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards for Supreme Audit Institutions will always detect

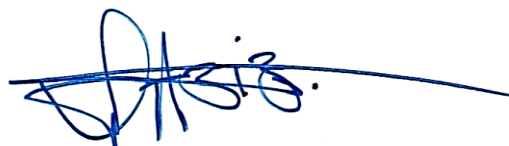
a material misstatement when it exists. Misstatements can arise from fraud or error, and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with International Standards for Supreme Audit Institutions, we exercise professional scepticism throughout the audit.

We also do the following:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies, uses and the reasonability of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw your attention to our auditor's report, in relation to disclosures made in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with the Minister of Finance and the Accountant-General regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.



**ABDUL AZIZ**  
**ACTING AUDITOR-GENERAL**

### 1.3. GENERAL PURPOSE FINANCIAL STATEMENTS

#### STATEMENT A STATEMENT OF CASH RECEIPTS AND PAYMENTS OF THE CONSOLIDATED FUND FOR THE YEAR ENDED 31ST DECEMBER 2023

Amounts in Thousands of Leones

	Note	FY2023	FY2022
<b>REVENUE AND GRANT RECEIPTS</b>			
<b>Domestic Revenue</b>			
<i>Income Tax Receipts</i>	6	3,986,209	3,028,107
<i>Goods and Services Tax (GST) Receipts</i>	7	2,093,342	1,213,941
<i>Customs and Excise (C &amp; E) Receipts</i>	8	1,733,501	1,184,692
<i>Mineral Resources</i>	9	692,123	400,102
<i>Fisheries</i>	10	262,608	196,588
<i>Other Departmental Receipts</i>	11	2,467,460	1,888,512
<i>Road-user Charges</i>	12	205,965	176,434
<b>Total Domestic Revenue Receipts</b>		<b>11,441,207</b>	<b>8,088,376</b>
<b>Receipts from Foreign Grants (Direct Budgetary Support - Grants)</b>			
<i>HIPC Debt Relief Assistance</i>	13	21,708	58,777
<i>Other Grants and Aid</i>	14	1,429,572	1,946,901
<b>Total Direct Budgetary Support Grants</b>		<b>1,451,280</b>	<b>2,005,677</b>
<b>TOTAL REVENUE AND GRANTS RECEIPTS</b>		<b>12,892,488</b>	<b>10,094,053</b>
<b>EXPENDITURE PAYMENTS</b>			
<b>Recurrent Operations</b>			
<i>Wages, Salaries and Employee Benefits</i>	15	5,457,412	4,240,716
<i>Use of goods and services</i>	16	6,673,779	4,666,413
<b>Transfers and Grants</b>			
<i>Grants to Tertiary Educational Institutions</i>	17	40,128	59,261
<i>Transfers to the Road Fund</i>	18	203,341	163,587
<i>Transfers to Local Councils</i>	19	175,665	268,121
<i>Other Grants</i>	20	203,632	306,942
<b>Other Recurrent Payments</b>	21	54,844	160,080
<b>Interest Payments</b>			
<i>Financing Costs – Domestic Interest Payments</i>	22	2,918,060	1,647,684
<i>Financing Costs – External Interest Payments</i>	23	258,703	243,971
<b>Total Interest Payments</b>		<b>3,176,763</b>	<b>1,891,654</b>
<b>Total Recurrent Expenditure Payments</b>		<b>15,985,565</b>	<b>11,756,775</b>
<b>Domestic Capital/Development Expenditure</b>	24	1,975,418	1,554,717
<b>Arrears Payments</b>	26	442,719	238,294
<b>TOTAL EXPENDITURE PAYMENTS</b>		<b>18,403,702</b>	<b>13,549,786</b>

**STATEMENT A**  
**STATEMENT OF CASH RECEIPTS AND PAYMENTS OF THE CONSOLIDATED FUND FOR**  
**THE YEAR ENDED 31ST DECEMBER 2023**

Amounts in Thousands of Leones

	Note	FY2023	FY2022
<b>CASH SURPLUS/(DEFICIT), INCLUDING GRANTS</b>		<b>(5,511,214)</b>	<b>(3,455,732)</b>
<b>FINANCING ITEMS</b>			
<i>External Borrowing (Loans)</i>	27	2,523,028	475,670
<i>External Debt Amortization</i>	28	(1,566,253)	(881,605)
<i>Domestic Borrowing (Net)</i>	29	3,840,506	3,239,882
<i>Staff Loans and Advances (Net)</i>	31	4	4
<b>Other Items (Net)</b>			
<i>Returned Payments</i>		(1,743)	-
<b>Total Other Items (Net)</b>		<b>(1,743)</b>	<b>-</b>
<b>OVERALL CASH SURPLUS/(DEFICIT)</b>		<b>(715,672)</b>	<b>(621,782)</b>
<b>Cash Balance at 1st January 2023</b>	32	(964,831)	(343,050)
<b>Cash Balance at 31st December 2023</b>	32	<b>(1,680,504)</b>	<b>(964,831)</b>

The accounting policies and explanatory notes to these Financial Statements form an integral part of these Financial Statements.

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Richard S. Williams *MBA, FCCA (UK), FCA (SL)*  
Accountant General  
Government of Sierra Leone

Date 31st March 2024

**STATEMENT B**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL REVENUE AND EXPENDITURE FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023**

Amounts in Thousands of Leones

			<b>2023</b>		<b>2022</b>
	<b>Original Budget Estimates</b>	<b>Revised Budget Estimates</b>	<b>Actual</b>	<b>Surplus/ (Shortfall)</b>	<b>Actual</b>
<b>Domestic Revenue</b>					
Income Tax Receipts	3,690,035	3,949,458	3,986,209	296,174	3,028,107
Goods and Services Tax (GST) Receipts	1,839,047	2,142,435	2,093,342	254,295	1,213,941
Customs and Excise (C & E) Receipts	1,667,458	1,827,655	1,733,501	66,042	1,184,692
Mineral Resources	576,805	699,111	692,123	115,318	400,102
Fisheries	178,837	113,060	262,608	83,771	196,588
Other Departmental Receipts	1,195,247	1,437,878	2,467,460	1,272,213	1,888,512
Road User Charges	197,938	107,200	205,965	8,027	176,434
<b>Total Domestic Revenue</b>	<b>9,345,367</b>	<b>10,276,797</b>	<b>11,441,207</b>	<b>2,095,841</b>	<b>8,088,376</b>
<b>Total Direct Budgetary Support Grants</b>	3,804,319	3,727,166	1,451,280	(2,353,039)	2,005,677
<b>Total Revenue and Grant Receipts</b>	<b>13,149,686</b>	<b>14,003,963</b>	<b>12,892,488</b>	<b>(257,198)</b>	<b>10,094,053</b>
<b>EXPENDITURE PAYMENTS</b>					
Wages, Salaries and Employees Benefits	4,827,080	5,261,239	5,457,412	(630,332)	4,240,716
Non-Salary, Non-Interest Recurrent Expenditure	3,214,926	4,039,829	6,673,779	(3,458,853)	4,666,413
				0	
<b>Transfers and Grants</b>				0	
Grants to Tertiary Educational Institutions	100,000	100,000	40,128	59,872	59,261
Transfers to the Road Fund	197,938	197,938	203,341	(5,403)	163,587
Transfers to Local Councils	115,252	127,212	175,665	(60,413)	268,121
Other Grants			203,632	(203,632)	306,942
<b>Other payments</b>			54,844	(54,844)	160,080
<b>Total Non-Interest Recurrent Expenditure Payments</b>	<b>8,455,196</b>	<b>9,726,217</b>	<b>12,808,802</b>	<b>(4,353,606)</b>	<b>9,865,120</b>
Capital/Development Expenditure	3,173,969	4,386,062	1,975,418	1,198,551	1,554,717
Financing Costs – Domestic Interest Payments	2,228,000	2,926,129	2,918,060	(690,060)	1,647,684
Financing Costs – External Interest Payments	220,900	250,404	258,703	(37,803)	243,971
				0	
<b>Arrears Payments</b>			442,719	(442,719)	238,294
<b>Total Expenditure Payments</b>	<b>14,078,065</b>	<b>17,288,812</b>	<b>18,403,702</b>	<b>(4,325,637)</b>	<b>13,549,786</b>
<b>Cash Surplus/(Deficit) from operations</b>	<b>(928,379)</b>	<b>(3,284,849)</b>	<b>(5,511,214)</b>	<b>4,068,439</b>	<b>(3,455,732)</b>
External Borrowing (Loans)	1,016,403	1,016,403	2,523,028		475,670
External Debt Amortization	(1,431,111)	(1,604,656)	(1,566,253)		(881,605)
Domestic Borrowing (Net)	1,698,490	3,277,580	3,840,506		3,239,882
Staff Loans and Advances (Net)			4		4
Other Items (Net)			(1,743)		0
<b>Net Financing Flows</b>	<b>1,283,783</b>	<b>2,689,327</b>	<b>4,795,542</b>		<b>2,833,951</b>



**STATEMENT B**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL REVENUE AND EXPENDITURE FOR THE YEAR**  
**ENDED 31<sup>ST</sup> DECEMBER 2023**

Amounts in Thousands of Leones

			<b>2023</b>		<b>2022</b>
	<b>Original Budget Estimates</b>	<b>Revised Budget Estimates</b>	<b>Actual</b>	<b>Surplus/ (Shortfall)</b>	<b>Actual</b>
<b>Overall Cash Surplus/(Deficit)</b>	<b>355,403</b>	<b>(595,522)</b>	<b>(715,672)</b>		<b>(621,782)</b>
	<b>15,094,468</b>	<b>18,305,215</b>			
<b>Reconciliation to Fiscal Profile</b>					
Cash Surplus/(Deficit) from operations	(928,379)	(3,284,849)			
External Borrowing (Loans)	(1,016,403)	(1,016,403)			
Contingency	(19,000)	(68,467)			
Unaccounted		699,111			
<b>Overall Deficit/Surplus (Fiscal Profile)</b>	<b>(1,963,782)</b>	<b>(3,670,608)</b>			

**STATEMENT C**  
**STATEMENT OF CASH POSITION AS AT 31ST DECEMBER 2023**

Amounts in Thousands of Leones

	As At 31st December 2023	As At 31st December 2022	Change in Balances
<b>CONSOLIDATED FUND</b>			
<b>CASH AND CASH EQUIVALENTS</b>			
Treasury Ways & Means Advances Account	286,021	117,989	168,031
Strategic Petroleum Fund Account	2,017	2,017	0
Fish Protection Stats Res	6,751	4,194	2,557
Donation To Free Health Care	9,775	9,581	195
GST-Refund	63,212	59,486	3,726
COI Special Recovery	3,624	3,009	615
Civil Aviation Authority Escrow	48,432	23,603	24,829
Petroleum Regulatory Agency	3,831	3,292	539
Petroleum Directorate Account	12,054	3,740	8,314
Environmental Protect Agency	6,132	6,870	(737)
National Tel. Commission A/c	41,282	49,705	(8,423)
SL Maritime Administration A/c	18,457	17,284	1,173
SL Roads Safety Authority	141	1,223	(1,082)
Public Auction Committee	674	-	674
Presidential Escrow	222	-	222
Int. On 91/182/364 Days T'bills	3	-	3
Infrastructure Dev and Inv Fund	80,045	-	80,045
34 Military Hospital Fees	90	-	90
Infrastructure Bond A/c	130,553	-	130,553
Duty Waiver Joint Monitoring Fund	9,025	-	9,025
Revenue General Account	89	-	89
Special Tax and Duties	2,530	-	2,530
Petroleum Dir Revenue	134	-	134
USL Teaching Hospital Complex	884	736	148
Multi Donor Free Quality Education SL	502	502	0
Local Council Development Project	3,041	3,052	(11)
SL Content Development Fund	1	1	0
ISS SLPA GOSL Cargo Tracking	8,844	4,103	4,742
NATCOM Bradcorp. Gateway Revenue	3,206	2,066	1,140
CTN Fees Forex	4,877	2,087	2,791
National Water Resources Management Agent	158	152	7
NACOVERC Lab Fees US\$	2,252	2,252	0
Vehicle Loan Scheme AC	2,136	1,493	644
NACOVERC Lab Fees- & Fines	3,327	1,713	1,614
Debt Management Treasury	397,176	217,359	179,817
Timber Export Levy	382,260	366,267	15,994
Goods and Services Tax	0	2	(2)
Revenue Income Tax Account	7,952	1,103	6,850
Standards Bureau	2,007	1,714	293
State Lands Sales	33,130	8	33,122
Revenue Immigration Account	0	1	(1)
Audit Service	258	30	228
Departmental Bank A/c	898,691	682,338	216,353
COVID-19 Emergency Response	39,131	39,131	0
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>2,514,930</b>	<b>1,628,100</b>	<b>886,831</b>

**STATEMENT C**  
**STATEMENT OF CASH POSITION AS AT 31ST DECEMBER 2023**

Amounts in Thousands of Leones

	As At 31st December 2023	As At 31st December 2022	Change in Balances
<b><u>OVERDRAFTS HELD AT BANK</u></b>			
Treasury Main Account	(389,745)	144,542	(534,288)
Other Charges Account	(2,671,745)	(1,899,202)	(772,543)
Salaries Account	(642,354)	(461,382)	(180,972)
Pensions Accounts	(129,841)	(47,594)	(82,247)
Road Maintenance Fund (RMFA)	(774)	-	(774)
Daily Subsistence Medical	(1,491)		(1,491)
External Debt Service Payment A/c	(196,699)	(225,014)	28,314
Departmental Bank O/D A/c	(163,345)	(102,979)	(60,366)
Afforestation and City Levy	1,833	(31)	1,864
Other Ministries /Department Unclaimed	(1,272)	(1,272)	0
<b>TOTAL BANK OVERDRAFT HELD</b>	<b>(4,195,434)</b>	<b>(2,592,931)</b>	<b>(1,602,503)</b>
<hr/>			
<b>NET CASH AND BANK BALANCES - CONSOLIDATED FUND</b>	<b>(1,680,504)</b>	<b>(964,831)</b>	<b>(715,672)</b>

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

#### 1.4. NOTES OF EXPLANATIONS AND ELABORATION TO THE PUBLIC ACCOUNTS

The numbered notes that follow relate directly to the content of the Financial Statements above and are numbered accordingly.

##### 1. General Information

The Financial Statements are for the Consolidated Fund of the Government of Sierra Leone, as specified in section 111 of the 1991 Constitution of Sierra Leone and the Public Financial Management Act, 2016.

The audited Financial Statements presented above reflect the Cash Receipts and Payments of the Consolidated Fund of the Government of Sierra Leone for the financial year ended 31st December 2023 predominantly on the basis of monies received by, held in, or paid out by the Accountant General during the year under review. Government through the Accountant General's Department (known as the Treasury), operates a centralised treasury function that accounts for monies either received directly by the treasury, or collected by the National Revenue Authority (NRA) and administers cash expenditure incurred by all Ministries, Departments And Agencies (MDAs) during the financial year. The amounts appropriated to the MDAs are not controlled by the MDAs, but are deployed on their behalf by the Treasury on the presentation of appropriate documentation and authorisation. Thus, the amounts reported as allocations/appropriations in the STATEMENT OF COMPARISON OF BUDGET AND ACTUAL REVENUE AND EXPENDITURE FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2023 are those the Treasury has expended for the benefit of the MDAs. These also include adjustments for expenditure payments and cash balances for four self-accounting entities within the FreeBalance Accountability Suite used by government. These self-accounting entities are the Accountant General's Department (AGD), the Ministry of Defence (MOD), the Sierra Leone Police (SLP), the Sierra Leone Correctional Service (SLCS), the Ministry of Finance (MOF), and the Office of The Ombudsman. The list of entities included in the accounts is provided in **Appendix 1**

In effect, the Annual Financial Statements of the Consolidated Fund of the Government of Sierra Leone include the results of transactions and financial operations of all its Ministries, Departments and Agencies that were processed through the National Treasury and the Self-accounting entities. As far as subvented agencies are concerned, these Financial Statements only capture transfers coming out of the Consolidated Fund. The subvented and other public sector entities that are outside of the consolidated fund will separately produce their own financial statements for audit. These audited Financial Statements will thereafter be combined by the Accountant General with those of the Consolidated Fund in producing the annual financial statements of the central government, as required by section 89 of the PFM Act, 2016 covering all entities included in the central government.

The use of public resources by the government is primarily governed by the 1991 Constitution (as amended), the Public Financial Management (PFM) Act, 2016 (and its attendant regulations), and the National Public Procurement Act, 2016 (and its attendant regulations).

The principal address of the Accountant General's Department of the Ministry of Finance, is Ministerial Building, George Street, Freetown, Sierra Leone. Website: [www.mof.gov.sl](http://www.mof.gov.sl); email: [agd@mof.gov.sl](mailto:agd@mof.gov.sl) and [info@mof.gov.sl](mailto:info@mof.gov.sl).

## **2. Summary of Significant Accounting Policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Statement of Public Accounts.

### **a. Statement of Compliance and Basis of Preparation**

The Financial Statements have been prepared in accordance with the requirements of the Public Financial Management (PFM) Act, 2016 and comply with the International Public Sector Accounting Standard - Financial Reporting under the Cash Basis of Accounting (Cash Basis IPSAS). The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below.

The financial statements were prepared on a cash basis using the government's standard chart of accounts.

The accounting policies adopted have been consistently applied to all the years presented.

### **b. Reporting Currency**

The Financial Statements are presented in the New Leones (NLe), which is the functional and reporting currency of the Government of Sierra Leone.

### **c. Reporting Period**

The reporting period for these Financial Statements is a period of twelve months, starting on 1st January to 31st December 2023, as specified in section 1 of the PFM Act, 2016.

### **d. Receipts**

Receipts are cash inflows within the financial year, comprising of receipts from statutory/authorized allocations, taxes, external assistance (bilateral and multilateral agencies), other aid and grants, other borrowings, capital receipts (sale of assets etc.), receipts from trading activities, fines, levies and other receipts.

These items shall be disclosed in summary on the face of the Statement of Cash Receipts and Payments for the year, in accordance with the standardised GPFS. Notes shall be provided with a detailed Statement of Revenues collected during the year by source of revenue and by line item accounts code. A Statement of Arrears of Revenues as at the end of the financial year shall be provided by source of revenue and by line item accounts code.

Disposal proceeds from the sale of assets are recognised as receipts at the time of disposal.

### **e. Interest Received**

Interest actually received during the financial year shall be treated as a receipt under item 'Other Receipts'.

### **f. Government Business Activities**

Cash receipts from trading activities shall be recorded net in the GPFS (after deducting direct expenses) unless otherwise provided for by law or policy in force. Total net receipts from all trading activities shall be disclosed in the Statement of cash receipts and payments under 'trading activities' item.

Wherein gross revenue is recorded, corresponding payments shall be charged under a corresponding payment item head 'Government Business activities' in the Statement of Cash Receipts and Payments.

**g. Payments**

Payments are recurrent and capital cash outflows made during the financial year and shall be categorized either by major economic categories/programme (activities) and/or by function in the statement of cash receipts and payment.

Payments for the purchase of items of capital nature shall be expensed in the year in which the item has been purchased. It shall be disclosed under capital payments. Investments shall also be treated in the same way as capital purchases.

Prepaid expenses are amounts paid in advance of receipt of goods/services or work done (under contractual arrangements) and are charged directly to the respective expenditure item in the period of payment.

**h. Interest on Loans**

Actual interest on loans and other bank commissions charged on bank accounts during the year shall be treated as payments and disclosed under interest payment in the Statement of Cash Receipts and Payments.

**i. Foreign Currency Translation**

Cash flows arising from foreign currency transactions are translated into Leone using the spot exchange rates prevailing at the date of payment/receipt.

Foreign currency balances, as at the year end, shall be translated at the exchange rates prevailing on that date (closing spot rate or year-end exchange rate).

Foreign exchange gains and losses resulting from the settlement of foreign transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Cash Receipts and Payments accordingly either as receipts/payments.

**j. Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. These comprise mainly Bank account balances; include amounts held at the Bank of Sierra Leone and at various commercial banks, cash imprests and other short term highly liquid investments held at the end of the financial year.

**k. Imprests and Advances**

Government policy specifically states that all imprests and advances shall be retired before the end of the financial year. However, should circumstances occur (including an emergency) where either an imprest/advance is given out close to the financial year end or an imprest/advance already given could not be accounted for, such an imprest/advance (or balance outstanding) shall be treated as cash equivalent since there shall be no proof that such funds have been utilised.

## **1. Budget**

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the Financial Statements.

The Budget Figures are the amounts approved by the legislature in accordance with the Appropriation Act (annual budget and supplementary budget) and as detailed in the Government of Sierra Leone Budget Printed Estimates.

An assessment of the actual budgetary performance, at the level of legislative approval, against the comparable budget for the financial year under review has been included as Statement B of these Financial Statements.

## **m. Contingencies**

In addition to those items recognised/accounted for in the Annual Financial Statements, there are a number of liabilities or assets that may arise in the future but are not recognised /accounted for. This is because they are dependent on uncertain future events occurring or the liability/asset cannot be measured reliably. Where these contingencies are to crystallize, there will be an associated impact on cash transactions that will be reflected on cash basis of accounting being used.

In that regard, contingent liabilities (including guarantees) are recorded in the Statement of Contingent Liabilities (on memorandum basis) when the contingency becomes evident and under the cash accounting method they are recognised only when the contingent event occurs and payment is made. Contingent assets are not recognised and where not probable neither disclosed.

## **n. Unpaid (Outstanding) Commitments**

Unpaid (outstanding) commitments including operating and capital commitments arising from non-cancellable contractual or statutory obligations are in the Statement of Unpaid (outstanding) Commitments (shown on memorandum basis – as additional disclosure).

## **3. Authorisation Date**

The Audited Financial Statements were authorised for issue on 25th March 2024 by the Minister of Finance, of the Government of Sierra Leone.

## **4. The Approved National Budget**

The approved national budget is developed on the same accounting basis (cash basis), same classification basis, and for the same period (1st January to 31st December 2023) as for the Financial Statements. The Appropriation Act, 2023 was adopted and passed into law by Parliament in December 2022. Following that, the Appropriation Act, 2023 was signed into law by the President in December 2022. This Government Budget and Statement of Economic and Financial Policies for the Financial Year 2023 with the theme “*Economic Recovery for Job Creation and Human Capital Development*”. The key objectives of the 2023 Government Budget include the pursuit of fiscal consolidation to ensure fiscal and debt sustainability and acceleration of investments in human capital to improve the well-being of current and future generations. It also focuses on the expansion of social protection programmes to mitigate the impact of the liberalization of fuel prices to ensure inclusive growth and poverty reduction.

The total amount of the Approved Appropriation from the Legislature for FY2023 was NLe15,094 million (revised budget NLe18,305 million) of which the Recurrent Expenditure amounted to NLe10,904 million (revised budget NLe12,902 million) representing wages, salaries and employees benefits (NLe4,827 million), (revised budget NLe5,261 million) Non-Salary

Non-Interest Recurrent Expenditure (NLe3,628 million) (Revised Budget NLE 4,464 million) and Public Debts Charges (NLE2,448 million), (revised budget NLe3,176 million). Devolved Functions (NLe115 million), Development Expenditure (NLe4,190 million), (revised budget NLe5,402 million) and Contingency Fund (NLe19 million), (revised budget NLe68 million).

### **Reasons for Significant Variance Between the Original and Revised Budget**

The FY2023 Budget was revised due to the following reasons spelt out in the supplementary budget of 31st July 2023 submitted to parliament for approval.

The macroeconomic assumptions on which the original revenue and expenditure projections were based no longer hold. Therefore, the macroeconomic framework was revised in May 2023 which formed the basis of the revised revenue and expenditure projections in the supplementary budget.

Due to the limited fiscal space, some activities implemented by Ministries, Departments and Agencies (MDAs) were insufficiently budgeted for.

- a) The emergence of new expenditure pressures driven by policy pronouncements as well as the global rise in prices of goods and services and the depreciation of the Leone.
- b) The need to align the budget to the new big five priorities of government.
- c) To accommodate the needs of the new MDAs in the governance architecture.
- d) To consolidate public finance to stabilise the economy.

### **Reasons for Significant Variance Between the Revised Budget and Actual Expenditure**

- a) Variance in Wages, Salaries and Employees Benefits is mainly caused by:
  - i. Depreciation of the Leone in respect of the salaries and other emoluments to foreign missions and embassies workers.
  - ii. The creation of new MDAs to support the governance architecture require in most cases additional recruitment of professional staff to effectively run these newly created MDAs
- b) Variance in Non-Salary, Non-Interest Recurrent Expenditure: This on the other hand is caused by:
  - i. The effect of the depreciation of the Leone in relation to foreign currency denominated contracts.
  - ii. The huge hike in prices as depicted by the higher than projected inflation which in part is caused by significant disruption in the global supply chain due to the persistent Ukraine – Russia war
  - iii. Government’s funds provided to National Election Commission and other Election Management Bodies such as PPRC, Police, ONS, Military, etc. to conduct and manage the elections.
  - iv. The need to prevent and respond to pre and post-elections security related challenges
  - v. Higher than projected disbursement to Independent Power Producers (IPPs)
  - vi. Higher than projected spending on mandatory participation in International Sporting Competition in order to avoid penalties or fines for non-participation.



## 5. Comparative Information

Certain comparative figures have been reclassified to conform to the current year's presentation. In particular, the provisions of the recently enacted PFM Act, 2016 require that the annual Financial Statements of the Consolidated Fund be prepared and submitted within three months of the end of a financial year, separate from those of budgetary and sub-vented agencies, and other entities of the Central Government. However, section 89 of the PFM Act 2016 further required that the Accountant General prepare and submit to the Auditor General the Annual Financial Statements of the Central Government, which cover all entities included in the Central Government, not later than ten months after the end of a financial year.

## 6. Income Tax Receipts

The total amount of Income Tax Receipts collected during the fiscal year 2023 amounted to NLE3,986,209 Thousand (NLE3,028,102 Thousand - FY2022). The summary details of the income tax receipts are presented in the table below: \*

<b>Income Tax Receipts (In Thousands of New Leones )</b>				
	<b>Budget Estimates</b>	<b>Actual</b>	<b>Surplus/ (Shortfall)</b>	<b>Actual</b>
	<b>FY 2023</b>	<b>FY 2023</b>	<b>FY 2023</b>	<b>FY 2022</b>
Corporate and Personal Income Tax	<b>3,690,035</b>	<b>3,255,673</b>	(434,362)	<b>2,426,796</b>
PAYE- Government Employees	-	644,686	644,686	528,588
Withholding Tax-Govt. Contractors	-	78,507	78,507	64,443
Withholding Tax-Free Health Care	-	7,344	7,344	8,281
<b>Total Income Tax Receipts</b>	<b>3,690,035</b>	<b>3,986,209</b>	<b>296,174</b>	<b>3,028,107</b>

The total amount of Domestic Revenue (Tax) Arrears as at 31st December 2023 amounted to NLe730.0 million (NLe825.3 million- FY 2022). Further details are presented in Appendix 2 - Statement of Domestic Revenue Arrears

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

The total amount of Goods and Services Tax (GST) Receipts collected during the fiscal year 2023 amounted to NLe2,093,342 thousand (NLe1,213,941 thousand - FY2022). The summary details of the Goods and Services Tax receipts are presented in the table below:

<b>Goods and Services Tax (GST) Receipts (In Thousands of Leones)</b>				
	<b>Budget Estimates</b>	<b>Actual</b>	<b>Surplus/ (Shortfall)</b>	<b>Actual</b>
	<b>FY 2023</b>	<b>FY 2023</b>	<b>FY 2023</b>	<b>FY 2022</b>
Import GST	1,091,634	1,964,215	872,581	675,899
Domestic GST	747,413		(747,413)	517,517
GST Refund	-	129,126	129,126	20,525
<b>Total GST Receipts</b>	<b>1,839,047</b>	<b>2,093,342</b>	<b>254,295</b>	<b>1,213,941</b>

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

The total amount of Customs and Excise (C & E) Receipts collected during the fiscal year 2023 amounted to NLe1,733,501 thousand (NLe1,184,692 thousand - FY2022), with further details shown below:

### Custom and Excise (C & E) Receipts (In Thousands of Leones)

	Budget Estimates FY 2023	Actual FY 2023	Surplus/ (Shortfall) FY 2023	Actual FY 2022
Import Duties	1,092,238	1,367,946	275,708	833,631
Petroleum Fuel Oil Excise Duty	470,112	354,000	(116,112)	262,815
Other Excise Duties	105,109		(105,109)	86,218
Duty Waiver Income	-	11,555	11,555	2,028
<b>Total C &amp; E Receipts</b>	<b>1,667,458</b>	<b>1,733,501</b>	<b>66,042</b>	<b>1,184,692</b>

## 9. Mineral Resources

The total receipts from mineral resources for FY2023 amounted to NLe692,123 thousand (NLe400,102 Thousand - FY2022), with further details shown below:

### Mineral Receipts (In Thousands of Leones)

	Budget Estimates FY 2023	Actual FY 2023	Surplus/ (Shortfall) FY 2023	Actual FY 2022
Royalty on Rutile	14,726		(14,726)	10,977
Royalty on Bauxite	27,323		(27,323)	25,834
Royalty on Diamond and Gold	208,847	2,682	(206,164)	4,439
Royalty on Iron Ore	147,633		(147,633)	119,268
Licences	178,277		(178,277)	118,440
Miscellaneous	-	689,441	689,441	121,144
<b>Total Mineral Receipts</b>	<b>576,805</b>	<b>692,123</b>	<b>115,318</b>	<b>400,102</b>

## 10. Fisheries

The total receipts from fisheries for FY2023 amounted to NLe263,210Thousand (NLe196, 558 Thousand - FY2022), with further details shown below:

### Fisheries Receipts (In Thousands of Leones)

	Budget Estimates FY 2023	Actual FY 2023	Surplus/ (Shortfall) FY 2023	Actual FY 2022
Reg'n Artisanal Fish Vessels	178,837	118,152	(60,685)	2,433
Freight Levy Maritime	-	141,899	141,899	93,392
Fish Health Certificates	-	2,557	2,557	100,762
<b>Total Fisheries Receipts</b>	<b>178,837</b>	<b>262,608</b>	<b>83,771</b>	<b>196,588</b>

## 11. Other Departmental Receipts

The total amount of Other Departmental Receipts collected during the fiscal year 2023 amounted to NLe2,467,460 thousand (NLe1,888,512 thousand - FY2022), with further details shown below:

<b>Other Departmental Receipts (In Thousands of Leone)</b>				
	<b>Budget Estimates FY 2023</b>	<b>Actual FY 2023</b>	<b>Surplus/ (Shortfall) FY 2023</b>	<b>Actual FY 2022</b>
Issuance of National ID Cards	-		-	-
Passports	-	8,339	8,339	18,699
Pharmacy Board Licence	-	8,811	8,811	7,351
Rent Received from Gov't Qtrs.	-		0	-
Strategic Petroleum Income	-	67,344	67,344	36,094
Petroleum Directorate	-	39,037	39,037	12,481
Forest Produce Licences	-	1,864	1,864	9,078
Export Licences	-	15,994	15,994	366,267
EPA Monitoring Fees	-	88,943	88,943	75,325
Standards Bureau Import Inspection Fees	-	1,252	1,252	1,468
NATCOM Bradcorp Gateway Revenue	-	46,622	46,622	225,459
SLRSA Vehicle Licences	-	74,279	74,279	86,098
SLCAA Aircrafts Certificates	-	157,349	157,349	98,154
Penalties	-	615	615	-
Auctioneer Licence	-	674	674	10
Donation to Free Health Care	-	176	176	9,581
Hospital Fees	-	4,211	4,211	3,689
Produce Licence	-	21,022	21,022	6,629
NPPA Sale of Bidding	-	930	930	682
ASSL Audit Fees	-	3,360	3,360	704
National Water Resources Fees	-	2,775	2,775	1,101
NACOVERC Lab Fees and Fines	-	1,614	1,614	15,599
NACOVERC Lab Fees US\$	-		0	1,679
CTN Fees	-	2,791	2,791	2,087
Privatisation Receipt	196,032	169,579	(26,453)	75,678
Land Sales	-	33,122	33,122	8,663
Local Content Development Fund	-		0	-
Receipt Development Grant (CAPITAL)	-		0	-
Miscellaneous Receipts	999,215	1,716,757	717,542	825,937
<b>Total Other Departmental Receipts</b>	<b>1,195,247</b>	<b>2,467,460</b>	<b>1,272,213</b>	<b>1,888,512</b>

The total amount of miscellaneous receipts of NLe1,716,757 thousand for fiscal year 2023, (NLe825, 937 thousand – FY2022) comprise, as follows:

### MISC RECEIPTS - FY2023

MDA Code	Description	FY2023 NLe' m	FY2022 NLe' m
105	Ministry of Political and Public Affairs	15	305
106	Office of the Chief of Staff	20	-
107	Ministry of Local Govt. and Rural Development	13	2,553
110	Secretary to the President	5,087	63,544
112	Office of the Vice President	-	97,539
116	Parliamentary Service Commission	1,320	-
117	Cabinet Secretariat	-	859
118	The Judiciary	-	27,020
122	Human Resource Management Office	-	583
124	Law Officers' Department	5,711	9,097
127	Ministry of Planning and Economic Development	37	11,614
128	Ministry of Foreign Affairs and International Coop.	-	7,444
129	Ministry of Finance	187	18,456
130	National Revenue Authority (NRA)	110,995	151,386
131	Revenue Appellate Board	1	-
132	Accountant General's Department	-	3,549
133	Ministry of Information and Communication	153	1,472
134	National Electoral Commission of Sierra Leone	395	-
137	National Commission for Democracy	1,602	-
138	Statistics Sierra Leone	3	-
139	National Commission for Privatisation	1,293,414	-
141	Government Printing Department	13	4,577
145	Rights to Access Information Commission	9	-
201	Ministry of Defence	33,645	183,318
205	Ministry of Internal Affairs	15	1,219
206	Sierra Leone Police	726	94,569
207	Sierra Leone Correctional Services	0	55,944
208	National Fire Authority	27	119
210	Office of National Security	85	-
211	Immigration Department	-	3,428
212	National Drugs Law Enforcement Agency	34	-
300	Ministry of Technical and Higher Education	1,698	-
301	Ministry of Education Science and Technology	335	8,883
302	Ministry of Sports	-	580
303	Ministry of Tourism and Cultural Affairs	5	4,159
304	Ministry of Health and Sanitation	17,722	35,755
305	Ministry of Social Welfare Gender and Children Affairs	3	809
306	Ministry of Lands Country Planning and Environment	22	129
308	National Commission for Social Action	5,236	-
310	Ministry of Youth Affairs	113	1,066
311	Health Service Commission	585	-
312	Teaching Service Commission	27,641	-
316	Civil Service Training College	9	-
319	Ministry of Gender & Children's Affairs	1,596	-

**MISC RECEIPTS - FY2023**

<b>MDA Code</b>	<b>Description</b>	<b>FY2023 NLe' m</b>	<b>FY2022 NLe' m</b>
320	National Sports Authority	9	-
401	Ministry of Agriculture, Forestry and Food Security	365	17,692
402	Ministry of Fisheries and Marine Resources	21	14,201
404	Ministry of Transport and Aviation	57	678
405	Ministry of Tourism and Cultural Affairs (National Tourist Board and Relics Commission)	337	-
406	Ministry of Energy	260	375
407	Ministry of Labour and Social Security	-	891
408	Ministry of Works Housing and Infrastructure	8	1,150
409	Ministry of Trade and Industry	20	71
411	Road Maintenance Fund Administration (SLRA Staff)	27	-
412	National Telecommunications Commission	205,838	-
413	Sierra Leone Electricity and Water Regulatory Commission	71	-
414	Ministry of Water Resources	42	901
415	Sierra Leone Maritime Administration	345	-
416	Civil Aviation Authority	19	-
418	Sierra Leone Agricultural Research Institute	-	-
419	Sierra Leone Local Content Agency	69	-
420	Sierra Leone Environmental Protection Agency	61	-
421	Small and Medium Enterprises Development Agency	182	-
422	Sierra Leone Meteorological Agency	353	-
424	Sierra Leone Petroleum Directorate	86	-
427	National Fertilizer Regulatory Agency	115	-
614	NERCOVERC)	4	-
<b>Total</b>		<b>1,716,757</b>	<b>825,937</b>

**12. Road-user Charges**

Receipts collected from Road-user Charges totalled NLe205,965 thousand (NLe176, 434 thousand – FY2022).

**Road User Charge Receipts (In Thousands of New Leones)**

	<b>Budget Estimates</b>	<b>Actual</b>	<b>Surplus/ (Shortfall)</b>	<b>Actual</b>
	<b>FY 2023</b>	<b>FY 2023</b>	<b>FY 2023</b>	<b>FY 2022</b>
<b>Road-user Charges</b>	197,938	205,965	8,027	176,434
<b>Total Road-user Charge Receipts</b>	<b>197,938</b>	<b>205,965</b>	<b>8,027</b>	<b>176,434</b>

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

**13. HIPC Debt Relief**

The total amount of debt relief granted in FY2023 under the Highly-Indebted Poor Countries (HIPC) programme was NLE21,708 Thousand (NLE58,777 Thousand – FY2022), with details as shown below:

**HIPC Debt Relief Assistance (In Thousands of Leones)**

	Budget Estimates FY 2023	Actual FY 2023	Surplus/ (Shortfall) FY 2023	Actual FY 2022
International Fund for Agric Development (IFAD)	-	14,785	14,785	42,549
European Economic Community (EEC)	1,788,870	6,923	(1,781,947)	4,733
International Monetary Fund (IMF)	-	-	-	11,495
<b>Total HIPC Debt Relief Assistance</b>	<b>1,788,870</b>	<b>21,708</b>	<b>(1,767,162)</b>	<b>58,777</b>

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

The total amount of foreign (external) grants received during FY2023 was NLe3,258,612 Thousand (NLe1,946,901 thousand – FY2022)

**Other Grants and Aid (In Thousands of Leones)**

	Budget Estimates FY 2023	Actual FY 2023	Surplus/ (Shortfall) FY 2023	Actual FY 2022
World Bank -IDA	-	1,429,572	1,429,572	1,946,901
International Monetary Fund (IMF)	-	-	0	-
Other Grant and Aid	2,015,449	-	(2,015,449)	-
<b>Total Other Grants and Aid</b>	<b>2,015,449</b>	<b>1,429,572</b>	<b>(585,877)</b>	<b>1,946,901</b>

**15. Wages, Salaries and Employee Benefits**

The actual total amount of wages, salaries and employee benefits paid during FY2023 was NLe5,457,512 thousand (NLe4,240,716 thousand – FY2022), excluding wages and salaries arrears payments of NLe13,126 thousand (NLe12,510 thousand – FY2022) made during the year.

Details of wages, salaries and employees' benefits expended during the financial year being analysed by Object Code are presented below:

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

			Actual FY 2023	Actual FY 2022
2111	210101	Basic Salaries	2,647,203	2,258,506
2112	210201	Salary Grants	1,099,343	810,440
2119	210301	Daily Wage	-	410
2114	210601	Travelling Claim To Retirement	-	-
2121	210403	Transport Allowance	92,829	92,967
2122	210404	Medical Allowance	326	352
2123	210405	Rent Allowance	119,444	99,325
2126	210408	Domestic Servant Allowance	124	79
2127	210409	Fuel Allowance	429	694
2128	210410	Risk Allowance	5,196	4,391
2130	210412	Clothing Allowance	475	491
2131	210413	Responsibility Allowance	316	404
2132	210414	Remote Allowance	68,256	60,263
2133	210415	Acting Allowance	14,860	11,185
	210417	Incentive Allowance	5,862	-
2136	210418	Travel Bonus	168	178
2139	210421	Other Allowances	95,560	100,172

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

			<b>Actual FY 2023</b>	<b>Actual FY 2022</b>
2140	210422	Late Allowance	7	7
2145	210427	Entertainment Allowance	1,203	1,209
2147	210429	Security Allowance	747	498
2149	210431	Leave Allowance	238,418	216,546
	210432	Uniform Allowance	2,230	
2152	210434	Special Acting Allowance	435	562
2153	210435	Representation Allowance	50	61
2155	210437	Children Allowance	928	993
2156	210438	Education Allowance	158	160
2158	210440	On-call Medical Allowance	86,216	75,364
2159	210441	COVID-19 Risk Allowance	-	24,222
2160	210442	Maintenance Allow. Vehicle Loan	-	-
2196	210443	Rice Allowance	-	41,421
NA	210444	COVID-19 Allowance	50,282	43,756
NA	210445	Non-Accountable Allowance (judges)	5,476	4,073
	210446	Health Workers Allowance	74,626	
2181	210801	Emp. Contrib. To Social Security Pen.	292,710	91,930
2182	210901	Gratuities	-	-
2183	210802	Pensions	9,843	37,185
2184	210803	Death Gratuities	18,003	23,162
2185	210804	2% NASSIT for Army Early Retire	1,061	1,769
2186	210805	2.5 % Initial Cost NASSIT Scheme	46,627	24,472
2182	210806	Living Gartuity	478,000	213,469
<b>Total Wages, Salaries and Employee Benefits</b>			<b>5,457,412</b>	<b>4,240,716</b>

Further details on wages, salaries and employee benefits paid by government during FY2021 are available in Appendix 3 below, analysed by Ministry, Department and Agency (MDA).

**16. Use of Goods and Services**

Use of Goods and Services expended during the financial year totalled NLe6,673,779 thousand (NLe4,666,413 thousand – FY2022) and these include such items as stationery, communications, water and sewage, fuel and lubricants for vehicles, fuel for generators, Specialised Medical Equipment etc.

Details of Use of Goods and Services expended during the financial year being analysed by Object Code are presented below:

**Use of goods and services (In Thousands of Leones)**

			<b>Actual FY 2023</b>	<b>Actual FY 2022</b>
2211	220101	Local Travelling	9,154	25,494
2212	220102	Overseas Travelling	191,781	87,435
2221	220201	Electricity	9,443	10,323
2222	220202	Water	2,154	4,054
2223	220203	Telephone & Other Comm.	17,499	5,237
2241	220302	Office & General	2,092,501	1,021,975
2242	220303	Stationery	13,698	12,121
2243	220501	Official Recpt, Ent & Hosp.	2,178	1,272

**Use of goods and services (In Thousands of Leones)**

			<b>Actual FY 2023</b>	<b>Actual FY 2022</b>
2244	220401	Office Cleaning	4,115	4,269
2245	220304	Office Stores/Supplies	13,443	19,948
2246	220402	Computer Running Costs	3,481	3,127
2247	220403	Cleaning - Others	1,298	133
2251	220502	Advertisements	97	94
2252	220503	Publications	228	614
2253	220504	Printing (General)	3,164	1,635
2255	220506	Public Relations Expenses	-	-
2261	220404	Building Maintenance	16,135	15,130
2263	220406	Road Maintenance	98	378
2262	220405	Machinery & Equip. Maintenance	3,629	2,152
2264	220407	Vehicle Maintenance	12,344	13,156
2265	220408	Generator Running Cost	86	192
2267	220410	Insurance-Motor Vehicles/Cycle	357	512
2268	220411	Insurance-Machine & Equipment	-	-
2270	220305	Rice For Officers & Other Rank	350,810	143,173
2272	220306	Medical Consumables	498	27,525
2277	220310	Imprest	37,892	13,087
2291	220511	Bank Charges	3,693	15,279
2292	220512	Misc. Operat'L Expenses	6,699	596
2293	220513	Honoraria & Other All'Ces	2,500	2,599
2294	220514	'Freight/Port Charges	8,138	3,322
2311	220103	Recruitment	-	92
2312	220104	Training Local	10,446	4,308
2313	220105	Training Overseas	26,765	12,236
2314	220106	Local Conferences	9,597	9,242
2315	220107	Professional Fees/Consultancy	28,916	32,340
2317	220109	Legal Expenses	-	400
2318	220110	Medical Expenses	97,404	55,466
2321	220113	Uniforms/Protective Clothing	66,262	6,323
2322	220114	Text Books	-	25,520
2323	220115	Teaching & Learning Materials	34,082	49,845
2324	220116	Diets & Feeding	209,358	116,571
2343	220119	Hotel Accommodation	-	207
2231	220124	Hire Of Transport	11	153
2227	220301	Sports Equipment	-	6,900
	220309	Chlorine & Water Treatment Drugs	198	
2325	220315	Drugs & Medical Supplies	14,304	19,600
2326	220316	Tools & Laboratory Items	-	-
2281	220412	Fuel & Oil-Boats & Other Sea Vessels	700	670
2284	220413	Fuel & Oil-Generator	3,781	1,559
2338	220414	Other Fire Prevention Expenses	1,350	1,368
2328	220415	Fuel & Oil (Vehicles)	251,658	173,093
2366	220416	Fuel & Oil-Motorbikes and Tricycles	159	271
2332	220319	Essential Drugs	-	273
2333	220320	Medical Supplies	1,745	2,194
2334	220321	Other Consumables	4,313	34
2352	220324	Other Drugs & Medical Supplies	-	23,250
	220507	Compensation	528	



**Use of goods and services (In Thousands of Leones)**

			<b>Actual FY 2023</b>	<b>Actual FY 2022</b>
	220508	Licence-Motor Vehicles/Cycles	502	
	220515	Subscriptions & Membership Dues-Local	80	
2339	220519	OTHER FUNERAL EXPENSES	-	3,950
2341	220520	Rent For Office Accommodation	57,386	23,238
2344	220522	Rates	1,454	7,704
2346	220524	State House & Pres. Lodge Exp.	-	3,376
2351	220526	Research Expenses	-	593
2364	220528	Sports Competitions	36,790	80,360
2365	220529	Fuel For Emergency Power	-	18,756
2383	220533	Official Receptions/Hosp	2,348	8,462
2385	220534	Diplomatic Corp Activities	1,728	1,115
	220536	Expenditure on Misc. Committees	720	
2389	220538	Other Service Activity Exp.	1,058	100
2392	220541	State Security Expenses	207,355	31,904
2393	220542	Agricultural Expenses	35,809	139,429
2394	220543	Agricultural Input	4,169	60,509
2411	230101	Current Grants Gen Gov'n Bodies	2,499,900	2,109,854
2415	230105	Grant-In-Aid	500	577
2418	220549	Donations	3,892	-
2419	220550	Other Contributions	350	-
2423	230111	Youth Development Prog.	-	1,793
2446	220314	Ration For Officers	6,278	7,054
2611	240101	Ac quisition of Land	-	150
2613	240103	Furn, Office Equip, Safes	8,840	12,306
2614	240104	Computers And Ancillary Equip	1,629	9,258
2615	240105	Vehicles	126,630	107,091
2616	240106	Intangible Assets	-	-
2621	240111	Feasibility Study, Proj. Design	-	-
2623	240113	Motor Vehicles	-	-
2624	240114	Bicycles And Tricycles	113	100
2631	240116	Plant, Equip & Machinery	1,500	3,726
2632	240117	Const'n/Reconst'n of Buildings	40,820	33,101
2633	240118	Rehabilitation of Buildings	65,236	25,165
<b>Total Use of Goods and Services</b>			<b>6,673,779</b>	<b>4,666,413</b>

Further details are available in Appendix 4, comparing the Budget Estimates and Actual Expenditure Payments at the MDA Level and providing Spending Analysis by Object Code.

**17. Grants to Tertiary Educational Institutions**

The total amount expended during the financial year on Grants to Tertiary Educational Institutions was NLe40,128 thousand (NLe59,261-thousand – FY2022).

**18. Transfers to the Road Maintenance Fund**

The total amount accounted for as Road-user Charges and transferred to the Road Maintenance Fund under the control of the Road Maintenance Fund Administration (RMFA) was NLe203,341 thousand (NLe163,587 thousand – FY2022).

## 19. Transfers to Local Councils

The total amounts paid in respect of Transfers to Local Councils and School Fee Subsidies for FY2022 was NLe175,665 thousand (NLe268,121 thousand – FY2022).

### Transfers to Local Councils (In Thousands of Leones)

Local Councils	Particulars	Actual FY 2023	Actual FY 2022
70101	<b>Direct Transfers to Local Councils</b>	35,572	24,431
70102	Kailahun District	1,600	3,454
70103	Kenema City Council	478	783
70104	Kenema District Council	847	1,535
70105	Koidu New Sembenhun City Council	990	2,179
70106	Kono District Council	805	1,675
70107	Makeni City Council	385	649
70108	Bombali District Council	666	1,217
70109	Kambia District Council	1,441	2,353
70110	Koinadugu District Council	1,105	2,240
70111	Port Loko District Council	1,765	2,948
70112	Tonkolili District Council	1,510	2,972
70113	Bo City Council	221	729
70114	Bo District Council	808	1,541
70115	Bonthe Municipal Council	347	1,039
70116	Bonthe District Council	684	1,233
70117	Moyamba District Council	1,235	2,389
70118	Pujehun District Council	1,264	2,566
70119	Western Area Rural District Council	839	1,396
70120	Freetown City Council	2,782	4,335
70121	Port Loko City Council	266	546
70122	Karene City Council	843	1,470
70123	Falaba City Council	380	1,207
		<b>56,833</b>	<b>64,886</b>
	<b>Indirect Transfers to Local Councils</b>		
	School Fees Subsidy	118,832	203,234
	Local Government Development Grant		-
		<b>175,665</b>	<b>268,121</b>

## 20. Other Grants (Payments)

The Other Grants (Payments) made in FY2022 totalled NLe203,632 Thousand (NLe306,942 thousand - FY2022), as outlined below:

### Other Grants (In Thousands of Leones)

	Actual FY 2023	Actual FY 2022
Grants to Educational Units	14,363	27,175
Exams Subsidy to WAEC	103,895	84,072
Exam Fees- BECE	24,008	
Exams Subsidy To NCTVA/NVQ	-	465
Election Expenses	60,736	192,519
Beds & Mattresses for Boarding Homes	630	2,711
<b>Total Other Grants</b>	<b>203,632</b>	<b>306,942</b>

## 21. Other Recurrent Payments

The Other Recurrent payments made in FY2023 totalled NLe54,844 thousand (NLe160,080 thousand- FY2022), as outlined below:

<b>Other Recurrent Payments (In Thousands of Leones)</b>		
	<b>Actual FY 2023</b>	<b>Actual FY 2022</b>
Social Benefits	921	605
Subscription to International Orgs.	44,186	22,445
Consolidated Act Based Expense	9,737	136,030
Peace Education		1,000
<b>Total Other Recurrent Payments</b>	<b>54,844</b>	<b>160,080</b>

## 22. Financing Costs – Domestic Interest Payments

The Financing Costs for Domestic Borrowing held in FY2023 (Domestic Interest Payments) amounted to NLe2,918,060 thousand (NLe1,647,684 thousand - FY2022) representing interest payments actually made during the period on various domestic debts of government, as outlined below:

<b>Financing Costs - Domestic Interest Payments (Amounts In Thousands of Leones)</b>				
	<b>Budget Estimates FY 2023</b>	<b>Actual FY 2023</b>	<b>Surplus/ (Shortfall) FY 2023</b>	<b>Actual FY 2022</b>
Interest on Treasury Bills	1,625,730	2,399,032	(773,302)	1,421,846
Interest on Treasury Bonds	355,920	509,757	(153,837)	199,881
Ways and Means Interest	11,420	9,272	2,148	25,957
<b>Total Domestic Interest Payments</b>	<b>1,993,070</b>	<b>2,918,060</b>	<b>(924,990)</b>	<b>1,647,684</b>

Further details available in Note 28 and Appendices 6-8

## 23. Financing Costs – External Interest Payments

The Financing Costs for External Borrowing held in FY2023 (External Interest Payments) amounted to NLe258,703 thousand (NLe243,971 thousand - FY2022) representing interest payments actually made during the period to external creditors, as outlined below:

<b>Financing Costs - External Interest Payments (Amounts In Thousands of Leones)</b>				
	<b>Budget Estimates FY 2023</b>	<b>Actual FY 2023</b>	<b>Surplus/ (Shortfall) FY 2023</b>	<b>Actual FY 2022</b>
Multilateral Debts	220,900	193,930	26,970	190,880
Bilateral Debts	-	64,773	(64,773)	44,766
Commercial Debts	-	-	0	8,325
<b>Total External Interest Payments</b>	<b>220,900</b>	<b>258,703</b>	<b>(37,803)</b>	<b>243,971</b>

Further details available in Note 27 and Appendix 9

#### 24. Capital/Development Expenditure

The total amount of NLe1,975,418 thousand (NLe1,554,717 thousand – FY2022) for Domestic Development Expenditure represents the Government's contribution to various Development Projects.

Further details are available in Appendix 5, with Actual Expenditure Payments at the MDA Level.

#### Development Project Operations

The total receipts recorded for Donor Funded Projects for the year under review amounted to NLe238,262 thousand (NLe474,038 thousand – FY2022) while total payments made by these projects stood at NLe1,704,306 thousand (NLe555,686 Thousand – FY2022), resulting in a deficit of NLe1,466,044 thousand (surplus NLe81,648 thousand – FY2022). Summary details are provided in the analysis below:

<b>Development Project Operations</b>		
Amounts in Thousands of Leones		
	<b>FY2023</b>	<b>FY2022</b>
Project Receipts	238,262	474,038
Project Payments	(1,704,306)	(555,686)
Loss/Gains on Exchange	247,309	(8,575)
<b>Development Project Operations (Net Flows)</b>	<b>(1,218,735)</b>	<b>(90,223)</b>

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

#### 25. In-kind Contributions/Third-Party Payments

During the fiscal year under review, government received from various sources in-kind contributions as donations made in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment, or personnel services. We cannot currently identify the various sources and physical presence of these items, and thus could not reliably ascertain the financial value received for such contributions.

#### 26. Arrears Payments

The Arrears Payments made in FY2023 totalled NLe442,719 million (NLe238, 294 thousand – FY 2022), as outlined below:

<b>Arrears Payments (In Thousands of Leones)</b>		
	<b>Actual FY 2023</b>	<b>Actual FY 2022</b>
Wages and Salaries Arrears	13,126	12,510
Domestic Arrears	429,593	225,784
<b>Total Arrears Payments</b>	<b>442,719</b>	<b>238,294</b>

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

The total amount of foreign (external) loans disbursed during FY2023 as direct budgetary support was NLe693,988 thousand (NLe475,670 thousand – FY2022), with details as shown below:

<b>External Borrowing (Loans) (In Thousands of Leones)</b>				
	<b>Budget Estimates FY 2023</b>	<b>Actual FY 2023</b>	<b>Surplus/ (Shortfall) FY 2023</b>	<b>Actual FY 2022</b>
International Monetary Fund (IMF)	1,016,403	2,523,028	1,506,625	475,670
<b>Total External Borrowing (Loans)</b>	<b>1,016,403</b>	<b>2,523,028</b>	<b>1,506,625</b>	<b>475,670</b>

The total amount of direct budgetary support loan disbursements during FY2023 was NLe2,523.0 million (NLe475.6 million–FY2022). This consists of two tranches of amounts received from the International Monetary Fund (IMF). Firstly, in August and December of 2023 which is the equivalent of SDR31 million.

The IMF in 2023 provided its credit facilities to government through the Bank of Sierra Leone totalling NLe693.9 million. This amount comprises a form of the on-lending budget finance from the IMF under its Extended Credit Facility (ECF) programme and the PRGT Loan.

Furthermore, the IMF also under its Balance of Payment program to the Consolidated Fund through the Grant Assistance Relief for Catastrophic Containment Relief Trust disbursed an amount of SDR198.8 million equivalents to NLe1.80 billion. These were received in various tranches during the first, second and third quarters; mainly to address the fiscal needs associated with the challenges posed by the COVID-19 pandemic and the Russia-Ukraine war.

## 28. External Public Debt Amortization - Repayment of Principal on Foreign Loans

The total amount of External Debt Payments made during the financial year was NLe1,824,956 thousand (NLe1,125,576 thousand – FY2022), comprising Principal Loan Repayments of NLe1,566,253 thousand (NLe881,605 thousand – FY2022) and Interest Payments of NLe258,703 thousand (NLe243,971 thousand – FY2022).

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

	FY2023			FY2022		
	<b>Loan Repay- ment During the Year</b>	<b>Interest Payments</b>	<b>Total Payments</b>	<b>Loan Repay- ment During the Year</b>	<b>Interest Payments</b>	<b>Total Payments</b>
<b>MULTILATERAL DEBTS</b>						
International Development Association	166,231	81,930	248,161	129,231	53,545	182,776
African Development Fund (ADF)	47,998	21,597	69,594	19,686	17,837	37,522
OPEC Fund For International Development	142,186	20,768	162,954	99,234	29,974	129,208
International Fund For Agricultural Development (IFAD)	41,913	16,670	58,582	61,596	11,741	73,337
Islamic Development Bank	197,596	11,516	209,112	75,036	41,766	116,802

**External Public Debt Amortization - Repayment of principal on Foreign Loans with External Interest Payments (In Thousands of Leones)**

	FY2023			FY2022		
	Loan Repayment During the Year	Interest Payments	Total Payments	Loan Repayment During the Year	Interest Payments	Total Payments
Arab Bank For Economic Development Bank	58,301	3,563	61,864	35,060	2,208	37,268
European Investment Bank	107,656	25,635	133,291	27,468	16,191	43,660
ECOWAS Regional Development Fund	0	0	0	10,133	5,694	15,827
ECOWAS Bank For Investment Development	48,162	12,252	60,414	53,094	11,924	65,018
<b>Total Multilateral Debts (A)</b>	<b>810,043</b>	<b>193,930</b>	<b>1,003,973</b>	<b>510,538</b>	<b>190,880</b>	<b>701,418</b>
<b>BILATERAL DEBTS</b>						
Saudi Fund For Development	27,482	12,957	40,440	15,801	7,493	23,294
Kuwait Fund	100,998	24,570	125,568	68,884	16,477	85,361
China	71,322	16,001	87,323	69,164	14,281	83,446
Exim Bank of India	96,131	8,947	105,078	105,712	3,927	109,639
Exim Bank of Korea	35	109	143	20	114	134
Abu Dhabi Fund	19,263	2,190	21,453	13,417	2,474	15,891
<b>Total Bilateral Debts (B)</b>	<b>315,232</b>	<b>64,773</b>	<b>380,005</b>	<b>272,999</b>	<b>44,766</b>	<b>317,765</b>
<b>COMMERCIAL DEBTS (C)</b>						
Commercial & Suppliers Credit	440,978		440,978	98,068	8,325	106,393
<b>TOTAL EXTERNAL PUBLIC DEBTS PAYMENTS</b>	<b>1,566,253</b>	<b>258,703</b>	<b>1,824,956</b>	<b>881,605</b>	<b>243,971</b>	<b>1,125,576</b>

Further details are available in Appendix 9.

**29. Domestic Borrowing (Net)**

Domestic Borrowing issued during FY2023 totalled NLe19,593,767 Thousand (NLe17,119,544 thousand – FY2022) and this comprises:

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

	Issues FY 2023	Repayments FY 2023	Net Flows FY 2023	Issues FY 2022	Repayments FY 2022	Net Flows FY 2022
<b>Short term Securities (Less than one year)</b>						
Treasury Bills	9,617,169	9,146,808	470,361	9,349,872	7,191,994	2,157,878
Bridging Loan				-	-	0
Ways and Means	8,287,345	8,119,314	168,031	6,025,955	6,110,898	-84,942
<b>Total Short term Securities</b>	<b>17,904,514</b>	<b>17,266,122</b>	<b>638,393</b>	<b>15,375,827</b>	<b>13,302,892</b>	<b>2,072,936</b>
<b>Long term Securities</b>	1,689,253	454,014	1,235,238	1,743,717	450,675	1,293,042
<b>Total Domestic Borrowing Payments</b>	<b>19,593,767</b>	<b>17,720,136</b>	<b>1,873,631</b>	<b>17,119,544</b>	<b>13,753,567</b>	<b>3,365,978</b>

**Treasury Bills** – The amount of NLe9,617,169 thousand (NLe9,349,872 thousand – FY2022) represents total amount of treasury bills issued during the year as 91-Day, 182-Day and 364-Day Treasury Bills. The total worth of treasury bills redeemed during the year amounted to NLe9,146,808 thousand (NLe7,191,994 thousand – FY2022). The total outstanding amount of treasury bills at the end of FY2023 is NLe9,614,398 thousand (NLe9,145,934 thousand – end FY2021). Further details are available in the table below (**Summary Schedule of Domestic Public Debts**) and in **Appendix 6** for 91-Day Treasury Bills, **Appendix 7** for 182-Day Treasury Bills and **Appendix 8** for 364-Day Treasury Bills.

**One-year Treasury Bonds** – There was a new issue of one-year bond during the period.

**Bridging Loan** - Bridging Loans obtained from the Bank of Sierra Leone during FY2022 were repaid during the course of the year, leaving no outstanding balances as at the end of the financial year.

**Ways and Means Advances** – The net increase in Ways and Means given by the Bank of Sierra Leone to finance Government's operations was NLe168,021 thousand, thus arriving at a closing bank balance of NLe286,021 thousand, repayable in the ensuing year.

**Long Term Securities (with more than one-year maturity)** - A total of NLe1,689,253 thousand (NLe1,743,717 thousand– FY2022) represents long-term securities issued in the form of treasury bonds during the year ended FY2023. The total worth of long-term securities redeemed during the year amounted to NLe454,014 thousand (NLe450,675 thousand – FY2022).

The total outstanding amount of long-term securities held as 1-Year, 2-Year, 5-Year and 10-Year Treasury Bonds at the end of FY2023 was NLe3,866,257 thousand (NLe2,713,146 thousand – end FY2022) held by the Bank of Sierra Leone (NLe3,719,688 thousand) and NASSIT (NLe146,569 thousand). The Special Marketable Securities held by the Bank of Sierra Leone totalling NLe2,438,537 thousand as at 31st December 2023, comprises: 3-Year Treasury Bonds NLe1,601,972 thousand, 5-Year Treasury Bonds NLe367,990 thousand and 10-Year Treasury Bond NLe468,575 thousand. The treasury bonds are held by the Bank of Sierra Leone following a Memorandum of Understanding with the Government dated 14th October 2006 converting Non-Marketable, Non-Interest-Bearing Securities to Special Marketable Securities for capitalisation of the Bank and for monetary purposes. The interest cost of financing the operations and the total amount payable at redemption will be borne by the Government.

Further details are available in the Table below (Summary Schedule of Domestic Public Debts).

### Summary Schedule of Domestic Public Debts – Domestic Borrowing, Redemption and Financing Costs

	Outstanding Balance 01-Jan-23	Issued During the PRD	Matured During the PRD	Outstanding Balance 31-Dec-23	Interest Payments FY2023	Interest Payments FY2022	Issue Date	Maturity Date	Interest Due Period
	Le' m	Le' m	Le' m	Le' m	Le' m	Le' m			
<b>Short term Securities (with one year or less maturity)</b>									
		196	2,360	0	62				
91-Day Treasury Bills	2,164					2,039	See Schedule on 91 Days		On various maturity dates
182-Day Treasury Bills	920	49,927	3,495	47,352	225	399	See Schedule on 182 Days		
364-Day Treasury Bills	9,140,953	9,567,046	9,140,953	9,567,046	2,399,203	1,180,405	See Schedule on 364 Days		
<b>Total Treasury Bills</b>	<b>9,144,037</b>	<b>9,617,169</b>	<b>9,146,808</b>	<b>9,614,398</b>	<b>2,399,490</b>	<b>1,182,843</b>			
NB-Treasury Bills are recorded at Issued Values, excluding outstanding interests									
Bridging Loans - Bank of Sierra Leone (BSL)	0	0	0	0					
Ways and Means Advances	117,989	8,287,345	8,119,314	286,021	9,272	25,957			
<b>Total Short Term Securities</b>	<b>9,262,026</b>	<b>17,904,514</b>	<b>17,266,122</b>	<b>9,900,419</b>	<b>2,408,762</b>	<b>1,208,800</b>			
<b>1-Year Treasury Bonds</b>									
		33,659		33,659			24-Nov-23	22-Nov-24	29.0% Semi-annually (May & Nov.)
<b>Total 1-Year Treasury Bonds</b>	<b>0</b>	<b>33,659</b>	<b>0</b>	<b>33,659</b>					
<b>2-Year Treasury Bonds</b>									
2-Year Treasury Bond (NASSIT)	40,487		40,487	0	3,239	6,478	11-Jun-21	09-Jun-23	16.0%
2-yr Bond (Le28.00 bn issued in Sept, 2019)	28,000		28,000	0	5,320	5,320	24-Sep-21	22-Sep-23	19.0% Semi-annually (Mar & Sept)
2-yr Bond (Le13.38 bn issued in Sept, 2020)						1,004	10-Mar-20	08-Mar-22	15.0% Semi-annually (Mar & Sept)
2-yr Bond (Le4.5 bn issued in Dec, 2020)						495	10-Dec-20	08-Dec-22	11.0% Semi-annually (June & Dec.)
2-Year Treasury Bond	10,000	10,000	10,000	10,000	2,400	2,000	20-Mar-23	17-Mar-25	28.0% Semi-annually (Mar. & Sept.)
2-Year Treasury Bond (NASSIT)	20,000	20,000	20,000	20,000	3,200	3,200	03-Aug-23	31-Jul-25	29.0% Semi-annually (Jan. & July)
2-Year Treasury Bond (SLCB)	27,000	27,000	27,000	27,000	4,860	4,860	24-Aug-23	21-Aug-25	29.0% Semi-annually (Feb. & Aug.)
2-Year Treasury Bond (UBA)	31,388		31,388	0	5,650	5,650	30-Aug-21	28-Aug-23	26.0% Semi-annually (Feb. & Aug.)
2-Year Treasury Bond (UBA)	32,057		32,057	0	5,770	5,770	29-Sep-21	27-Sep-23	18.0% Semi-annually (Mar. & Sept.)
2-Year Treasury Bond (ECOBANK)	16,029		16,029	0	3,206	3,206	29-Sep-21	27-Sep-23	20.0% Semi-annually (Mar. & Sept.)
2-Year Treasury Bond (UBA)	21,514		21,514	0	3,873	3,873	07-Oct-21	05-Oct-23	18.0% Semi-annually (Apr & Oct.)
2-Year Treasury Bond (UBA)	73,239		73,239	0	13,183	13,183	01-Sep-21	30-Aug-23	18.0% Semi-annually (Feb. & Aug.)
2-Year Treasury Bond NASSIT	10,000			10,000	800	800	20-Jan-22	18-Jan-24	23.0% Semi-annually (June & Dec.)
2-Year Treasury Bond (RCB)	73,808			73,808	17,345	8,672	17-Feb-22	15-Feb-24	23.5% Semi-annually (July & Dec.)
2-Year Treasury Bond (UBA)	10,000			10,000	2,400	1,200	03-Mar-22	29-Feb-24	24.0% Semi-annually (Sept. & Mar.)
2-Year Treasury Bond (RCB)	36,904			36,904	8,857	4,244	03-Mar-22	29-Feb-24	24.0% Semi-annually (Sept. & Mar.)
2-Year Treasury Bond (RCB)	36,904			36,904	8,488	4,244	24-Mar-22	21-Mar-24	23.0% Semi-annually (Sept. & Mar.)
2-Year Treasury Bond NASSIT	15,000			15,000	3,666	1,833	10-Jun-22	07-Jun-24	24.4% Semi-annually (July & June)
2-Year Treasury Bond (RCB)	40,000			40,000	10,000	5,000	01-Jul-22	28-Jun-24	25.0% Semi-annually (Jan. & July)



	Outstandin g Balance 01-Jan-23	Issued During the PRD	Matured During the PRD	Outstanding Balance 31-Dec-23	Interest Payments FY2023	Interest Payments FY2022	Issue Date	Maturity Date		Interest Due Period
	Le' m	Le' m	Le' m	Le' m	Le' m	Le' m				
2-Year Treasury Bond NASSIT	10,000			10,000	2,687		22-Jul-22	19-Jul-24	26.9%	Semi-annually (Jan. & July)
2-Year Treasury Bond (UBA)	10,000			10,000	2,700		28-Jul-22	25-Jul-24	27.0%	Semi-annually (Jan. & July)
2-Year Treasury Bond (ECOBANK)	25,000			25,000	7,000		12-Aug-22	09-Aug-24	28.0%	Semi-annually (Feb. & Aug.)
2-Year Treasury Bond (SLCB)	33,666			33,666	9,426		02-Sep-22	30-Aug-24	28.0%	Semi-annually (Mar. & Sept.)
2-Year Treasury Bond (RCB)	30,000			30,000	8,400		13-Sep-22	10-Sep-24	28.0%	Semi-annually (Mar. & Sept.)
2-Year Treasury Bond (ECOBANK)	25,000			25,000	7,000		13-Sep-22	10-Sep-24	28.0%	Semi-annually (Mar. & Sept.)
2-Year Treasury Bond (RCB)	34,984			34,984	9,796		18-Nov-22	15-Nov-24	28.0%	
2-Year Treasury Bond (UBA)	27,360			27,360	7,661		18-Nov-22	15-Nov-24	28.0%	Semi-annually (May. & Nov.)
2-Year Treasury Bond (Zenith)	60,000			60,000	16,800		23-Dec-22	20-Dec-24	28.0%	Semi-annually (June & Dec.)
2-Year Treasury Bond (UBA)		204,541		204,541	22,500		21-Mar-23	18-Mar-25	22.0%	Semi-annually (Sept. & Mar.)
2-Year Treasury Bond (RCB)		86,000		86,000	12,040		24-Mar-23	21-Mar-25	28.0%	Semi-annually (Sept. & Mar.)
2-Year Treasury Bond (SLCB)		150,000		150,000			21-Jul-23	18-Jul-25	29.0%	Semi-annually(Jan. & July)
2-Year Treasury Bond (RCB)		50,000		50,000			21-Jul-23	18-Jul-25	29.0%	Semi-annually(Jan. & July)
2-Year Treasury Bond (UBA)		65,825		65,825			30-Aug-23	27-Aug-25	26.0%	Semi-annually (Feb. & Aug.)
2-Year Treasury Bond (UBA)		153,593		153,593			30-Aug-23	27-Aug-25	26.0%	Semi-annually (Feb. & Aug.)
2-Year Treasury Bond (UBA)		25,000		25,000			11-Sep-23	08-Sep-25	31.0%	Semi-annually (Mar. & Sept.)
2-Year Treasury Bond (VISTA)		15,000		15,000			19-Sep-23	16-Sep-25	29.0%	Semi-annually (Mar. & Sept.)
2-Year Treasury Bond (SKYE)		25,000		25,000			19-Sep-23	16-Sep-25	29.0%	Semi-annually (Mar. & Sept.)
2-Year Treasury Bond (ECOBANK)		30,000		30,000			29-Sep-23	26-Sep-25	31.0%	Semi-annually (Mar. & Sept)
2-Year Treasury Bond (UBA)		113,416		113,416			29-Dec-23	26-Dec-25	31.0%	Semi-annually (June & Dec.)
<b>Total 2-Year Tresury Bonds</b>	<b>718,399</b>	<b>975,375</b>	<b>299,713</b>	<b>1,394,061</b>	<b>208,265</b>	<b>81,031</b>				
<b>Bank of Sierra Leone (BSL) 3-Year Capitalisation Bonds</b>										
3-Year BSL Capitalisation Bond (NNIB Converted 2014)	81,801	81,801	81,801	81,801	6,135	4,908	23-Mar-23	19-Mar-26	9.0%	
3-Year BSL Recap Bond (2010 W & M)	62,013			62,013	6,821	6,821	10-Sep-21	06-Sep-24	11.0%	Semi-annually (Mar. & Sept.)
3-Year Treasury Bond (Fimet Benton Villa)						1,294	25-Jul-19	21-Jul-22	20.0%	Quarterly(Oct)
3-Year Treasury Bond	30,197		0	30,197	4,529	4,529	21-Jan-21	18-Jan-24	15.0%	Semi-annually (Jan. & July)
3-Year Treasury Bond	37,500		0	37,500	5,625	5,625	28-Jan-21	25-Jan-24	15.0%	Semi-annually (Jan. & July)
3-Year Treasury Bond	25,850		0	25,850	4,136	4,136	04-Feb-21	01-Feb-24	16.0%	Semi-annually(Feb. & Aug.)
3-Year Treasury Bond	83,569		0	83,569	16,714	16,714	31-Mar-21	27-Mar-24	20.0%	Semi-annually (Mar. & Sept.)
3-Year Treasury Bond Eco Bank	39,431			39,431	9,069	4,535	13-Jan-22	09-Jan-25	23.0%	Semi-annually (June & Dec.)
3-Year Treasury Bond Eco Bank	39,431			39,431	9,266	4,633	20-Jan-22	16-Jan-25	23.5%	Semi-annually (Jun&Dec)
3-Year Treasury Bond (SLCB)	39,500			39,500	9,875	4,938	07-Apr-22	03-Apr-25	25.0%	Semi-annually (Oct&Apr)
3-Year Treasury Bond (SLCB)	39,500			39,500	9,875	4,938	14-Apr-22	10-Apr-25	25.0%	Semi-annually (Oct&Apr)
3-Year BSL Bond (2021 W & M)	198,175			198,175	27,745	13,872	13-May-22	09-May-25	14.0%	Semi-annually (Nov&Mar)
3-Year Treasury Bond Eco Bank	25,000			25,000	7,000		21-Jul-22	17-Jul-25	28.0%	Semi-annually (Jan&Jul)
3-Year Treasury Bond Eco Bank	15,000			15,000	4,200		28-Jul-22	24-Jul-25	28.0%	Semi-annually (Jan&Jul)
3-Year Treasury Bond (VISTA)	40,000			40,000	11,200		05-Aug-22	01-Aug-25	28.0%	Semi-annually (Feb&Aug)
3-Year Treasury Bond (NASSIT)	35,000			35,000	4,900		12-Aug-22	08-Aug-25	28.0%	Semi-annually (Feb&Aug)
3-Year Treasury Bond (VISTA)	50,000			50,000	14,000		22-Aug-22	18-Aug-25	28.0%	Semi-annually (Feb&Aug)
3-Year Treasury Bond (RCB)	37,046			37,046	10,373		02-Sep-22	30-Aug-24	28.0%	Semi-annually (Mar&Sept)

	Outstandin g Balance 01-Jan-23	Issued During the PRD	Matured During the PRD	Outstanding Balance 31-Dec-23	Interest Payments FY2023	Interest Payments FY2022	Issue Date	Maturity Date		Interest Due Period
	Le' m	Le' m	Le' m	Le' m	Le' m	Le' m				
3-Year Treasury Bond (Zenith)	50,000			50,000	14,000		21-Sep-22	17-Sep-25	28.0%	Semi-annually (Mar&Sept)
3-Year Treasury Bond (GTB)	70,000			70,000	19,600		23-Sep-22	19-Sep-25	28.0%	Semi-annually (Mar&Sept)
3-Year Treasury Bond (Access)	11,000			11,000	3,080		14-Oct-22	10-Oct-25	28.0%	Semi-annually (Apr&Oct)
3-Year Treasury Bond (RCB)	45,000			45,000	13,500		09-Dec-22	05-Dec-25	30.0%	Semi-annually (Jun&Dec)
3-Year Treasury Bond (RCB)	13,542			13,542	4,062		16-Dec-22	12-Dec-25	30.0%	Semi-annually (Jun&Dec)
3-Year Treasury Bond (SLCB)		38,448		38,448	5,767		06-Jan-23	02-Jan-26	30.0%	Semi-annually (Jun&Dec)
3-Year Treasury Bond (SLCB)		89,159		89,159	12,482		06-Apr-23	02-Apr-26	28.0%	Semi-annually (Oct&Apr)
3-Year Treasury Bond (RCB)		136,748		136,748	19,145		05-May-23	01-May-26	28.0%	Semi-annually (Nov&Mar)
3-Year Treasury Bond (Zenith Bank)		30,000		30,000	4,950		08-Jun-23	04-Jun-26	33.0%	Semi-annually (Dec&Jun)
3-Year Treasury Bond (NASSIT)		40,487		40,487			14-Jul-23	10-Jul-26	33.0%	Semi-annually (Jan. & July)
3-Year Treasury Bond Eco Bank		25,000		25,000			18-Jul-23	14-Jul-26	33.0%	Semi-annually (Jan. & July)
3-Year Treasury Bond (SKYE)		20,032		20,032			18-Jul-23	14-Jul-26	33.0%	Semi-annually (Jan. & July)
3-Year Treasury Bond (SKYE)		21,179		21,179			04-Aug-23	31-Jul-26	33.0%	Semi-annually (Feb. & Aug.)
3-Year Treasury Bond (GTB)		30,000		30,000			09-Oct-23	05-Oct-26	33.0%	Semi-annually (Apr. & Oct.)
3-Year Treasury Bond (Zenith Bank)		102,364		102,364			15-Dec-23	11-Dec-26	33.0%	Semi-annually (June & Dec.)
<b>Total 3-Year BSL Capitalisation Bonds</b>	<b>1,068,555</b>	<b>615,218</b>	<b>81,801</b>	<b>1,601,972</b>	<b>258,050</b>	<b>76,943</b>				
<b>5-Year Treasury Bonds</b>										
	50,000			50,000	4,500	4,500	12-Dec-22	06-Dec-27	9.0%	
	65,000	65,000	65,000	65,000	5,850	5,850	14-Dec-23	07-Dec-28	13.0%	
5-Year BSL (Converted from NNIB) Bonds	65,000	0	0	65,000	5,850	5,850	20-Jun-19	13-Jun-24	9.0%	Semi-annually (June & Dec.)
	50,000	0	0	50,000	4,500	4,500	20-Dec-19	13-Dec-24	9.0%	
	50,000			50,000	4,500	4,500	19-Jun-20	16-Jun-25	9.0%	
5-Year NASSIT Bond	41,072			41,072	6,161	6,161	04-Oct-21	28-Sep-26	15.0%	Semi-annually (Apr. & Oct.)
5-Year BSL (Ways and Means) Bond	46,918			46,918	5,630	5,630	04-May-22	28-Apr-27	12%	Semi-annually (May & Nov.)
<b>Total 5-Year Treasury Bonds</b>	<b>367,990</b>	<b>65,000</b>	<b>65,000</b>	<b>367,990</b>	<b>36,991</b>	<b>36,991</b>				
CSE Bond	534,008	0	0	464,825	0	0	31-Oct-17	18-Nov-24		Zero Coupon Bond
10-Year BSL Capitalisation Bond	11,250	0	7,500	3,750	750	1,350	01-May-14	18-Apr-24	8.0%	Semi-annually (Apr. & Oct.)
<b>Total Long Term Securities</b>	<b>2,700,202</b>	<b>1,689,253</b>	<b>454,014</b>	<b>3,866,257</b>	<b>504,057</b>	<b>196,316</b>				
<b>TOTAL OUTSTANDING DOMESTIC PUBLIC DEBTS</b>	<b>11,962,228</b>	<b>19,593,767</b>	<b>17,720,136</b>	<b>13,766,676</b>	<b>2,912,818</b>	<b>1,405,116</b>				

The treasury bills are marketable securities of the Government on the basis of a 91-day period, 182-day period and 364-day period. The Treasury Bonds on the other hand are Marketable Securities on one-year, two-year, five-year and ten-year basis.

Further details on Treasury Bills and the Treasury Bonds can be obtained from Appendices 6-8.

### 30. Privatisation Receipts

Privatisation Receipts during the fiscal year 2023 arising as a result of government's share of concession fees have been recorded as part of other departments' revenue.

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

The net position staff loans and advances during FY 2023 stood at NLe4 thousand (NLe 4 Thousand – FY2022).

### 32. Cash and Cash Equivalents

The total cash and bank balances at the end of the fiscal year 2023 stood at a negative balance of NLe1,680.5 million (end FY2022 – negative NLe964.8 million). An overall cash deficit of NLe715.6 million was recorded in FY2023, resulting in the movement in cash balances from negative NLe964.8 million at the end of FY2022 to negative NLe1,680.5 million at the end of FY2023.

#### Cash and Bank Balances

As at	31-Dec-2023 NLe' Thousand	31-Dec-2022 NLe' Thousand	Change NLe' Thousand
Cash held at Bank	2,514,930	1,628,100	886,831
Overdraft with Bank	(4,195,434)	(2,592,931)	(1,602,503)
<b>Net Cash and Bank Balance</b>	<b>(1,680,504)</b>	<b>(964,831)</b>	<b>(715,672)</b>

## 1.5. ADDITIONAL NOTES TO THE ACCOUNTS

### 33. Investments – Public Enterprises

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

### 34. NASSIT Liability

Government's arrears in respect of NASSIT Payment stands at NLe692.1 million as at the end of FY2023.

### 35. Contingent Liabilities and Contingent Assets

Contingent liabilities are:

- costs that government will have to face if a particular event occurs, or;
- present liabilities that are unable to be measured with sufficient reliability to be captured in the financial statements (unquantifiable liabilities).

The contingent liabilities typically consist of guarantees and indemnities, and through legal disputes and claims (particularly through financial litigations).

Contingent assets are possible assets that have arisen from past events but the amount of the asset, or whether it will eventuate, will not be confirmed until a particular event occurs.

#### Pending financial litigations:

Contingent liabilities as at year-end, relating to pending financial litigations against the Government of Sierra Leone, amounted to NLe975 million, as presented below:

<b>SUMMARY OF PENDING FINANCIAL RELATED LITIGATIONS 2023</b>		
<b>NATURE</b>	<b>AMOUNT (NLe)</b>	<b>AMOUNT (US\$)</b>
Damages for termination of contract		8,000,000
Violation of Human Rights		14,500,000
Damages for termination of contract		1,000,000
Violation of Human Rights		1,000,000
Violation of Human Rights		500,000
Violation of Human Rights		20,000
Damages for termination of contract		6,800,000
Violation of Human Rights		1,000,000
Violation of Human Rights		10,000,000
<b>Amounts in (NLe) &amp; (US\$)</b>	<b>975,867,800</b>	<b>42,820,000</b>
<b>Total Amount in (NLe)</b>	-	
Note: The exchange rate s at 31st December 2023 is US\$ 1 = NLe22.79		

### Guarantees and Indemnities:

Guarantees are legally binding promises made by the Government to assume responsibility for a debt, or performance of an obligation of another party, should that party default. Indemnities are legally binding promises where the Government undertakes to accept the risk of loss or damage that another party may suffer and to hold the other party harmless against loss caused by a specific stated event.

The Government provides guarantees against bank loans contracted by state-owned or public enterprises and local councils. Total guarantees amount to NLe193.1 million as at December 2023. In the event of public enterprises or local councils' fail to pay the loan on time, the guarantees would be invoked and the liabilities for payment will be passed on to Government. Consequently, the guarantees would eventually become debt to Government. An examination of the stock of current guarantees indicates that risks emanating from guarantees are minimal at the moment. Should they materialize, the impact on public debt would be small.

The List of Guarantees provided by the Government as of 31<sup>st</sup> December 2023 is as follows:

### SCHEDULE OF GUARANTEES ISSUED BY GOVERNMENT OF SIERRA LEONE

<b>Name of Institution</b>	<b>Amount Outstanding as at end 2023 (NLe Thousand)</b>	<b>Remarks</b>
Sierra Leone State Lottery	0.0	Joint Venture
Guma Valley Water Company	2,164	Loan
National Hajj Committee	15,872	Loan
National Telecommunication Commission	50,000	Loan
Electricity Distribution and Supply Authority (EDSA)	46,130	Loan
Electricity Distribution and Supply Authority (EDSA)	70,000	Letter of Credit
Sierra Leone Ports Authority	9,000	Loan
<b>Total</b>	<b>193,166</b>	

### Contingent Assets:

There are no Contingent Assets recorded.

## 1.6. SUPPLEMENTARY DISCLOSURES IN APPENDICES

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

MDA Name	Bank Name	Accounts Name
Consolidated Revenue Fund	Bank of Sierra Leone	Consists of (91) Treasury Accounts
Ministry of Local Government & Community Development	Bank of Sierra Leone	Ministry of Local Government Head Office Imprest
Ministry of Foreign Affairs & International Co-operation	Bank of Sierra Leone	Ministry of Foreign Affairs Imprest Account.
Ministry of Finance	Bank of Sierra Leone	Local Government Finance Department (Imprest)
	Bank of Sierra Leone	Ministry of Finance Imprest Account
	Bank of Sierra Leone	ECOWAS National Coordinating Committee Account
	Bank of Sierra Leone	ECOWAS National Unit Account
	Bank of Sierra Leone	Duty Waiver Joint Monitoring Fund
	Bank of Sierra Leone	Duty Waiver Joint Monitoring Fund
Ministry of Information and Broadcasting	Bank of Sierra Leone	Ministry of information and Communication
Ministry of Internal Affairs	Bank of Sierra Leone	Ministry of Internal Affairs Imprest Account
Ministry of Education, Science & Technology	Bank of Sierra Leone	Imprest
	Bank of Sierra Leone	Education Management Information System
Ministry of Tourism and Culture (Culture Division)	Bank of Sierra Leone	Imprest
Ministry of Social Welfare, Gender & Children's Affairs	Bank of Sierra Leone	Ministry of Social Welfare Gender a/c
Ministry of Mines and Mineral Resources	Bank of Sierra Leone	Mines and Mineral Resources Imprest Account
Ministry of Transport and Aviation	Bank of Sierra Leone	Imprest Account
Ministry of Works , Housing and Infrastructure	Bank of Sierra Leone	Imprest and General Administration
	Bank of Sierra Leone	Miatta Conference Centre
Ministry of Trade and Industry	Bank of Sierra Leone	Imprest
	Bank of Sierra Leone	Registrar for Cooperative Account
Immigration Department	Bank of Sierra Leone	Immigration Dept. Imprest Account
Cabinet Secretariat	Bank of Sierra Leone	Cabinet Secretariat
Human Resource Management Office	Bank of Sierra Leone	Human Resources Management Office Imprest Account
SL Correctional Services	Bank of Sierra Leone	SL Correctional Service Quarterly
Ministry of Defence	Bank of Sierra Leone	Min of Defence Quarterly Allocation
	Bank of Sierra Leone	RSLAF Personnel
	Bank of Sierra Leone	RSLAF Other Charges
SL Police	Bank of Sierra Leone	SL Police Other Charges
	Bank of Sierra Leone	Sierra Leone Police Imprest Account
	Bank of Sierra Leone	Sierra Leone Police Salaries Account
	Bank of Sierra Leone	Sierra Leone Police General
Accountant General's Department	Bank of Sierra Leone	Accountant General's Department Imprest

<b>MDA Name</b>	<b>Bank Name</b>	<b>Accounts Name</b>
Ministry of Parliamentary and Political Affairs	Bank of Sierra Leone	Political and Public Affairs Account
Office of the President	Bank of Sierra Leone	OVERSEAS AND LOCAL TRAVELLING
		Secretary to President Imprest A/c
		Office of the First Lady
Office of the Vice President	Bank of Sierra Leone	Office of the Vice President Account
High Court	Bank of Sierra Leone	Judiciary Imprest Account
		Master & Registrar High Court A/C
Law Officers' Department	Bank of Sierra Leone	Solicitor-General (Imprest )
Administrator and Registrar General	Bank of Sierra Leone	Administrator and Registrar General Imp
Ministry of Planning and Economic Development	Bank of Sierra Leone	Ministry of Planning and Economic Development Imprest
	Bank of Sierra Leone	National Monitoring and Evaluation Department
Government Printing Department	Bank of Sierra Leone	Government Printing Department Imprest
National Fire Authority	Bank of Sierra Leone	National Fire Authority
Ministry of Sports	Bank of Sierra Leone	Ministry of Sport Imprest Account
Ministry of Health and Sanitation	Bank of Sierra Leone	Ministry of Health and Sanitation Imprest
Ministry of Lands, Country Planning and the Environment	Bank of Sierra Leone	Ministry of Lands Imprest Account
Ministry of Youth Affairs	Bank of Sierra Leone	Ministry of Youth Affairs Account
Ministry of Agriculture, Forestry and Food Security	Bank of Sierra Leone	Ministry of Agriculture Imprest Account
Ministry of Fisheries and Marine Resources	Bank of Sierra Leone	Ministry of Fisheries Imprest
Ministry of Energy and Power	Bank of Sierra Leone	Ministry of Energy Imprest
Ministry of Labour, Industrial Relations and Social Security	Bank of Sierra Leone	Office of the Permanent Secretary
Ministry of Water Resources	Bank of Sierra Leone	Ministry of Water Resources imprest

**APPENDIX 2 REVENUE ARREARS as at 31st December 2023**

**Amounts in Thousands of Leones**

	Revenue Arrears 31st Dec. 2023	Revenue Arrears 31st Dec. 2022
<b>Arrears as per Domestic Tax Department</b>		
State-owned Enterprises	478,696	426,549
Large Tax Office (LTO)	28,153	4,594
Small and Medium Tax Office (Company)	1,334	2,250
Small and Medium Tax Office (Trade)	1,357	2,399
Extractive Industry Revenue Unit	6,849	583
<b>Total for Domestic Taxes Department</b>	<b>516,389</b>	<b>436,375</b>
<b>Arrears as per Custom and Excise Department</b>		
Debt Management Unit	108,798	89,481
<b>Total for Customs and Excise Department</b>	<b>108,798</b>	<b>89,481</b>
<b>Arrears as per Non-Tax Revenue</b>		
Non Tax Revenue Collection	104,837	65,469
<b>Total for Non-Tax Revenue</b>	<b>104,837</b>	<b>65,469</b>
<b>Total Revenue Arrears</b>	<b>730,025</b>	<b>591,325</b>

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

**For the Financial Year Ended 31st December 2023**

**Amounts in Thousands of Leones**

MDA Code	Description	Budget Estimates	Actual	Surplus/ (Shortfall)	Actual
		FY 2023	FY 2023	FY 2023	FY 2022
101	Charged Emoluments	148,414	122,660	25,754	134,948
105	Ministry of Political and Public Affairs	2,957	3,125	(169)	2,838
106	Office of the Chief of Staff	22,243	30,247	(8,004)	16,957
107	Ministry of Local Government & Rural Development	45,397	45,560	(163)	42,356
108	Sierra Leone Small Arms Commission	3,583	6,149	(2,566)	3,549
109	Independent Commission for Peace and National Cohesion	3,220	10,301	(7,081)	5,312
110	Office of the Secretary to the President	111,378	159,519	(48,141)	128,041
112	Office of the Secretary to the Vice President	24,936	37,357	(12,421)	33,072
116	Parliamentary Service Commission	35,064	43,803	(8,739)	41,515
117	Cabinet Secretariat	7,004	8,194	(1,190)	7,531
118	Supreme Court	117,956	91,154	26,802	92,086
121	Audit Service Sierra Leone	48,083	47,164	919	45,374
122	Human Resource Management Office	17,034	17,979	(944)	16,585

**APPENDIX 3 – COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS FOR WAGES,  
SALARIES AND EMPLOYEES BENEFITS BY MDA  
For the Financial Year Ended 31st December 2023  
Amounts in Thousands of Leones**

MDA Code	Description	Budget Estimates	Actual	Surplus/ (Shortfall)	Actual
		FY 2023	FY 2023	FY 2023	FY 2022
123	Public Service Commission	6,023	6,468	(445)	5,768
124	Law Officers' Department	36,812	37,148	(336)	35,954
125	Local Court's Administration	0	3,712	(3,712)	3,315
126	Independent Police Complaints Board	2,124	2,465	(341)	2,134
127	Ministry of Planning and Economic Development	11,380	30,800	(19,420)	32,395
128	Ministry of Foreign Affairs & International Co-operation	361,382	653,036	(291,655)	402,667
129	Ministry of Finance	131,142	156,091	(24,949)	142,387
131	Revenue Appellate Board	2,430	2,190	240	2,215
132	Accountant General's Department	27,057	36,551	(9,494)	33,972
133	Ministry of Information and Communications	27,702	28,528	(826)	27,626
134	National Electoral Commission of Sierra Leone	36,163	27,770	8,393	22,895
137	National Commission for Democracy	5,037	4,084	953	4,259
138	Statistics Sierra Leone	24,394	21,018	3,376	21,974
139	National Commission for Privatisation	8,007	7,737	270	7,498
140	Mass Media Services (SLBC Staff)	13,168	9,039	4,129	8,963
141	Government Printing Department	854	1,430	(577)	664
142	National Public Procurement Authority	12,001	11,048	953	11,773
144	National Commission for Human Rights	18,015	45,200	(27,186)	32,853
145	Rights to Access Information Commission	4,098	4,069	29	4,230
146	Ministry of Western Region	3,096	-	3,096	-
201	Ministry of Defence:	264,828	297,146	(32,318)	207,587
203	National Civil Registration Authority	41,917	44,327	(2,410)	37,866
205	Ministry of Internal Affairs	537	4,054	(3,517)	1,764
206	Sierra Leone Police	440,207	447,211	(7,004)	313,383
207	Sierra Leone Correctional Services	62,293	64,283	(1,990)	44,593
208	National Fire Authority	11,127	14,725	(3,598)	8,416
209	Central Intelligence and Security Unit	14,819	15,071	(252)	11,411
210	Office of National Security	21,067	20,867	200	13,708
211	Immigration Department	8,204	6,882	1,322	6,008
212	National Drugs Law Enforcement Agency	1,880	1,148	733	1,288
213	National Disaster Management Agency	11,383	12,286	(902)	12,153
214	National Cybersecurity Coordination Center	4,000	909	3,091	
300	Ministry of Technical and Higher Education	364,741	343,499	21,242	346,714
301	Ministry of Basic and Senior Secondary Education	924,882	913,046	11,836	747,020
302	Ministry of Sports	7,999	6,760	1,239	6,075



**APPENDIX 3 – COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS FOR WAGES,  
SALARIES AND EMPLOYEES BENEFITS BY MDA  
For the Financial Year Ended 31st December 2023  
Amounts in Thousands of Leones**

MDA Code	Description	Budget Estimates	Actual	Surplus/ (Shortfall)	Actual
		FY 2023	FY 2023	FY 2023	FY 2022
303	Ministry of Tourism and Cultural Affairs	891	714	177	742
304	Ministry of Health and Sanitation	603,482	668,995	(65,513)	537,086
305	Ministry of Social Welfare, Gender & Children's Affairs	10,993	16,563	(5,569)	9,437
306	Ministry of Lands, Country Planning and the Environment	6,697	7,691	(994)	7,110
307	National Pharmaceutical Procurement Unit	7,468	5,554	1,915	5,316
308	National Commission for Social Action	18,016	16,271	1,744	15,091
310	Ministry of Youth Affairs	6,709	7,046	(338)	5,611
311	Health Service Commission	4,007	6,044	(2,037)	2,531
312	Teaching Service Commission	12,464	12,972	(508)	13,329
313	National Youth Service	5,062	5,607	(546)	5,761
314	National HIV and AIDS Commission	3,571	3,440	131	3,731
315	Teaching Hospital Complex Administration	2,478	-	2,478	-
317	SL Council for Post Grad Colleges Health Specialist	569	956	(387)	743
318	Ministry of Environment	2,597	3,331	(734)	3,632
319	Ministry of Gender & Children's Affairs	4,843	5,167	(324)	5,714
320	National Sports Authority	3,535	4,304	(769)	4,234
321	Student Loan Scheme Secretariat	2,500	2,788	(288)	
322	National Land Commission of Sierra Leone	1,000	1,024	(24)	
341	Pensions, Gratuities and Retirement Benefits	348,276	505,780	(157,504)	217,876
345	Pharmacy Board Services	3,247	2,222	1,025	2,313
401	Ministry of Agriculture, Forestry and Food Security	18,715	17,382	1,333	17,952
402	Ministry of Fisheries and Marine Resources	2,831	4,862	(2,031)	3,846
403	Ministry of Mines and Mineral Resources	36,002	38,204	(2,202)	35,706
404	Ministry of Transport and Aviation	5,659	6,170	(510)	4,457
405	Ministry of Tourism and Cultural Affairs (National Tourist Board and Relics Commission)	9,989	9,939	50	9,698
406	Ministry of Energy	6,335	6,910	(575)	6,830
407	Ministry of Employment Labour and Social Security	4,533	7,139	(2,606)	5,154
408	Ministry of Works, Housing and Infrastructure	4,326	4,804	(478)	4,317
409	Ministry of Trade and Industry	26,114	27,878	(1,764)	28,126
410	National Protected Area Authority	21,082	20,897	185	20,507

**APPENDIX 3 – COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS FOR WAGES,  
SALARIES AND EMPLOYEES BENEFITS BY MDA**  
For the Financial Year Ended 31st December 2023  
Amounts in Thousands of Leones

MDA Code	Description	Budget Estimates	Actual	Surplus/ (Shortfall)	Actual
		FY 2023	FY 2023	FY 2023	FY 2022
411	Road Maintenance Fund Administration (SLRA Staff)	29,637	29,950	(314)	30,383
413	Sierra Leone Electricity and Water Regulatory Commission	5,237	3,921	1,316	4,622
414	Ministry of Water Resources Nuclear Safety and Radiation	20,927	22,346	(1,419)	21,836
417	Protection Authority Sierra Leone Agricultural Research	6,038	3,897	2,141	3,523
418	Institute	17,047	13,697	3,350	15,084
419	Sierra Leone Local Content Agency Small and Medium Enterprises	4,035	3,391	644	3,200
421	Development Agency	7,017	9,233	(2,216)	9,539
422	Sierra Leone Meteorological Agency Sierra Leone Seed Certification	6,072	4,550	1,523	4,692
426	Agency	1,401	4,727	(3,326)	4,686
427	National Fertilizer Regulatory Agency	584	4,086	(3,503)	3,196
428	National Investment Board	14,402	7,960	6,442	-
612	Unallocated Head Exp.	0	747	(747)	498
701	Transfers to Local Councils	32,658	24,446	8,212	30,922
<b>Grand Total</b>		<b>4,827,080</b>	<b>5,457,412</b>	<b>(630,332)</b>	<b>4,240,716</b>

**APPENDIX 4 - COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS FOR USE OF  
GOODS AND SERVICES BY MDA**  
for the financial year ended 31st December 2023

Amounts in Thousands of Leones

MDA Code	Description	Budget Estimates	Actual	Surplus/ (Shortfall)	Actual
		FY 2023	FY 2023	FY 2023	FY 2022
105	Ministry of Political and Public Affairs	3,400	5,839	(2,439)	4,399
106	Office of the Chief of Staff Ministry of Local Government & Rural	26,050	48,063	(22,013)	36,428
107	Development	20,155	31,334	(11,179)	22,013
108	Sierra Leone Small Arms Commission Independent Commission for Peace	2,000	2,448	(448)	1,260
109	and National Cohesion	3,500	2,745	755	-
110	Office of the President	76,129	358,174	(282,045)	232,672
112	Office of the Vice President	22,040	43,806	(21,766)	143,971
116	Parliament	38,000	54,319	(16,319)	44,617
117	Cabinet Secretariat	3,700	5,800	(2,100)	5,301
118	Supreme Court	18,000	22,102	(4,102)	33,337
121	Audit Service Sierra Leone	12,500	16,374	(3,874)	13,599
122	Human Resource Management Office	4,500	5,658	(1,158)	5,299
123	Public Service Commission	3,500	4,928	(1,428)	6,692

**APPENDIX 4 - COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS FOR USE OF GOODS AND SERVICES BY MDA**  
for the financial year ended 31st December 2023

**Amounts in Thousands of Leones**

MDA Code	Description	Budget Estimates	Actual	Surplus/ (Shortfall)	Actual
		FY 2023	FY 2023	FY 2023	FY 2022
124	Law Officers' Department	27,500	32,083	(4,583)	25,240
125	Local Courts	600	3,031	(2,431)	-
126	Independent Police Complaints Board	1,400	1,629	(229)	1,125
127	Ministry of Planning and Economic Development	16,200	18,412	(2,212)	30,467
128	Ministry of Foreign Affairs & International Co-operation	119,495	167,733	(48,238)	125,535
129	Ministry of Finance	118,100	1,176,266	(1,058,166)	112,779
130	National Revenue Authority (NRA)	246,166	281,593	(35,427)	204,210
131	Revenue Appellate Board	1,000	431	569	466
132	Accountant General's Department	30,000	44,104	(14,104)	209,110
133	Ministry of Information and Communication	4,400	14,105	(9,705)	11,929
134	National Electoral Commission (NEC)	395,000	423,340	(28,340)	-
137	National Commission for Democracy	3,400	5,397	(1,997)	1,700
138	Statistics - Sierra Leone	7,000	11,973	(4,973)	6,000
139	National Commission for Privatisation (NCP)	2,300	1,689	611	68,392
140	Mass Media Services	4,000	2,000	2,000	3,000
141	Government Printing Department	3,600	6,990	(3,390)	9,428
142	National Public Procurement Authority (NPPA)	5,800	4,846	954	9,990
143	Justice and Legal Service Commission	500	0	500	-
144	Human Rights Commission Sierra Leone	3,000	5,100	(2,100)	1,900
145	Rights to Access Information Commission	2,500	1,948	552	1,700
146	Ministry of Western Region	2,000	0	2,000	1,000
201	Ministry of Defence	156,000	527,163	(371,163)	374,755
203	National Civil Registration Authority	5,200	6,207	(1,007)	5,191
205	Ministry of Internal Affairs	4,100	4,483	(383)	4,500
206	Sierra Leone Police	165,960	511,466	(345,506)	321,602
207	Sierra Leone Correctional Services	80,400	161,779	(81,379)	79,347
208	National Fire Authority	6,900	22,491	(15,591)	6,538
209	Central Intelligence & Security Unit	13,000	11,100	1,900	15,685
210	Office of National Security	15,000	80,708	(65,708)	37,755
211	Immigration Department	7,900	14,896	(6,996)	9,524
212	National Drugs Law Enforcement Agency	950	971	(21)	698
213	National Disaster Management Agency	15,000	11,250	3,750	9,260
214	National Cybersecurity Coordination Center	1,000	250	750	
300	Ministry of Technical Higher Education	137,580	31,042	106,538	14,178
301	Ministry of Education, Science and Technology	34,900	265,522	(230,622)	241,309
302	Ministry of Sports	4,000	5,956	(1,956)	2,771

**APPENDIX 4 - COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS FOR USE OF GOODS AND SERVICES BY MDA**  
for the financial year ended 31st December 2023

**Amounts in Thousands of Leones**

MDA Code	Description	Budget Estimates	Actual	Surplus/ (Shortfall)	Actual
		FY 2023	FY 2023	FY 2023	FY 2022
303	Ministry of Tourism and Cultural Affairs	4,150	6,972	(2,822)	7,091
304	Ministry of Health and Sanitation	67,300	191,942	(124,642)	193,081
305	Ministry of Social Welfare, Gender & Children's Affairs	17,500	11,545	5,955	11,317
306	Ministry of Lands, Country Planning and the Environment	3,800	1,528	2,272	2,582
307	National Pharmaceutical Procurement Unit (NPPU)	65,100	5,100	60,000	57,496
308	National Commission for Social Action	3,100	8,307	(5,207)	2,880
309	Dental and Medical Board	700	595	105	-
310	Ministry of Youth Affairs	6,200	7,353	(1,153)	8,406
311	Health Service Commission	4,000	4,300	(300)	2,880
312	Teaching Service Commission	3,500	28,354	(24,854)	-
313	National Youth Service	3,000	4,543	(1,543)	1,770
314	National HIV and AIDS Commission	2,500	2,500	0	2,134
315	Teaching Hospital Complex Administration	2,300	3,453	(1,153)	(40)
316	Civil Service Training College	800	572	228	623
317	Post Graduate College of Health Specialist	2,900	2,900	0	1,377
318	Ministry of Environment	4,150	19,034	(14,884)	26,703
319	Ministry of Gender & Children's Affairs	5,400	8,579	(3,179)	4,357
320	National Sports Authority	33,200	92,461	(59,261)	83,576
321	Student Loan Scheme Secretariat	4,000	3,100	900	
322	National Land Commission of Sierra Leone	4,000	2,600	1,400	
345	Pharmacy Board Services	5,000	4,635	365	7,077
401	Ministry of Agriculture, Forestry and Food Security	39,200	55,441	(16,241)	224,324
402	Ministry of Fisheries and Marine Resources	17,900	7,460	10,440	19,590
403	Ministry of Mines and Mineral Resources	5,020	11,837	(6,817)	4,228
404	Ministry of Transport and Aviation	50,000	80,963	(30,963)	39,854
405	Ministry of Tourism and Cultural Affairs	10,100	8,011	2,089	6,815
406	Ministry of Energy	340,300	403,758	(63,458)	726,492
407	Ministry of Labour and Social Security	9,600	17,151	(7,551)	10,008
408	Ministry of Works, Housing and Infrastructure	15,830	88,303	(72,473)	64,033
409	Ministry of Trade and Industry	14,440	15,109	(669)	13,012
410	National Protected Area Authority	5,100	3,103	1,997	3,465
411	Road Maintenance Fund	197,938		197,938	-
412	National Telecommunications Commission	265,595	248,463	17,132	176,277
413	Sierra Leone Electricity and Water Regulatory Commission	1,200	1,265	(65)	-
414	Ministry of Water Resources	17,200	19,136	(1,936)	6,237

**APPENDIX 4 - COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS FOR USE OF GOODS AND SERVICES BY MDA**  
for the financial year ended 31st December 2023

**Amounts in Thousands of Leones**

MDA Code	Description	Budget Estimates	Actual	Surplus/ (Shortfall)	Actual
		FY 2023	FY 2023	FY 2023	FY 2022
415	Sierra Leone Maritime Administration	45,269	127,241	(81,972)	69,634
416	Civil Aviation Authority	54,406	122,197	(67,791)	77,869
417	Nuclear Safety and Radiation Protection Authority	4,500	2,175	2,325	2,299
418	Sierra Leone Agricultural Research Institute (SLARI)	4,800	720	4,080	2,014
419	Local Content Agency	3,200	2,130	1,070	2,000
420	Sierra Leone Environmental Protection Agency	39,215	95,615	(56,400)	64,939
421	Small and Medium Enterprises Development Agency	1,900	956	944	836
422	Sierra Leone Meteorological Agency	2,000	1,829	171	1,668
423	Sierra Leone Petroleum Regulatory Agency	15,520	83,264	(67,744)	37,877
424	Sierra Leone Petroleum Directorate	9,585	41,945	(32,360)	56,718
425	Sierra Leone Road Safety Authority	54,792	69,356	(14,564)	88,649
426	Sierra Leone Seed Certification Agency	1,750	1,363	388	1,500
427	National Fertilizer Regulatory Agency	1,650	1,482	168	1,500
428	National Investment Board	10,100	7,630	2,470	1,507
430	Cargo Tracking Fees Transfers to SLPA	156,829	179,013	(22,184)	
509	Change in Arrears	186,000	0	186,000	0
601	Public Debt Charges	2,228,000	3,701	2,224,299	15,279
602	Public Debt Charges - External	1,652,011	0	1,652,011	-
610	Contingency Expenditure	10,200	16,279	(6,079)	-
611	Special Warrants of the President	4,800	67,501	(62,701)	23,672
612	Unallocated Head of Expenditure	4,000	19,464	(15,464)	249
614	National Coronavirus Emergency Response Center (NaCOVERC)		0	0	13,886
<b>Grand Total</b>		<b>7,597,875</b>	<b>6,673,779</b>	<b>924,096</b>	<b>4,666,413</b>

**APPENDIX 5 – COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS FOR DOMESTIC CAPITAL/ DEVELOPMENT EXPENDITURE BY MDA**  
**For the Financial Year ENDED 31st December 2023**  
**Amounts in Thousands of Leones**

MDA Code	Description	Budget Estimates	Actual	Surplus/ (Shortfall)	Actual
		FY 2023	FY 2023	FY 2023	FY 2022
105	Ministry of Political and Public Affairs	-	-	0	20
106	Office of the Chief Minister	5,000	3,000	2,000	-
107	Ministry of Local Government & Rural Development	-	-	0	-
110	Office of the President	3,000	-	3,000	1,500
116	Parliament	0	384	(384)	605
117	Cabinet Secretariat and Head of the Civil Services (CS&HOCS)	0	-	0	-
118	The Judiciary	0	-	0	-
121	Audit Service Sierra Leone	3,000	2,100	900	-
123	Public Service Commission	1,000	-	1,000	-
124	Law Officers' Department	300	-	300	-
127	Ministry of Planning and Economic Development	3,000	895	2,105	5,029
128	Ministry of Foreign Affairs & International Co-operation	3,500	-	3,500	-
129	Ministry of Finance	11,900	16,126	(4,226)	8,635
133	Ministry of Information and Communication	3,500	-	3,500	3,750
134	National Electoral Commission (NEC)	6,000	-	6,000	-
138	Statistics - Sierra Leone	1,500	-	1,500	38,600
141	Government Printing Department	0	-	0	2,363
201	Ministry of Defence	20,552	-	20,552	-
203	National Civil Registration Authority	4,000	4,500	(500)	4,876
205	Ministry of Internal Affairs	0	-	0	-
206	Sierra Leone Police	2,000	-	2,000	-
207	Sierra Leone Correctional Services	3,000	1,695	1,305	-
208	National Fire Authority	0	79	(79)	55
209	Central Intelligence & Security Unit	2,000	37,518	(35,518)	17,149
300	Ministry of Technical Higher Education	42,200	3,645	38,555	-
301	Ministry of Education, Science and Technology	476,668	-	476,668	40,587
303	Ministry of Tourism and Cultural Affairs	0	-	0	130
304	Ministry of Health and Sanitation	88,620	44,749	43,871	3,562
305	Ministry of Social Welfare, Gender & Children's Affairs	0	40	(40)	11
306	Ministry of Lands, Country Planning and the Environment	200	0	200	4,000
308	National Commission for Social Action	13,000	8,500	4,500	8,000
310	Ministry of Youth Affairs	4,500	3,811	689	2,901
313	Health Service Commission	1,500	-	1,500	1,900
318	Ministry of Environment	12,000	3,865	8,135	-
319	Ministry of Gender & Children's Affairs	1,000	-	1,000	-

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

For the Financial Year ENDED 31st December 2023

Amounts in Thousands of Leones

MDA Code	Description	Budget Estimates	Actual	Surplus/ (Shortfall)	Actual
		FY 2023	FY 2023	FY 2023	FY 2022
401	Ministry of Agriculture, Forestry and Food Security	70,200	326	69,874	3,824
402	Ministry of Fisheries and Marine Resources	10,000	9,462	538	2,784
404	Ministry of Transport and Aviation	96,000	-	96,000	4,959
405	Ministry of Tourism and Cultural Affairs	2,000	1,000	1,000	-
406	Ministry of Energy	74,600	336,073	(261,473)	140,028
407	Ministry of Employment Labour and Social Security	0	-	0	331
408	Ministry of Works, Housing and Infrastructure	86,000	1,388,896	(1,302,896)	1,115,483
409	Ministry of Trade and Industry	18,000	-	18,000	-
410	National Protected Area Authority	0	-	0	110
414	Ministry of Water Resources	97,000	97,769	(769)	137,424
417	Nuclear Safety and Radiation Protection Authority	0	-	0	1,100
701	Transfers to Local Councils	37,260	10,986	26,274	5,000
<b>Grand Total</b>		<b>1,204,000</b>	<b>1,975,418</b>	<b>(771,418)</b>	<b>1,554,717</b>

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

Amounts in Thousands of Leones

	FY2023	FY2022
<b>Project Revenue Receipts</b>		
Gosl Budget Transfer - Salaries	213,918	274,096
Gosl Budget Transfer - Expenses	18,212	70,448
External Grants	1,225	53,369
OW EXt Grants-DP	-	-
Earmarked Revenue	-	3,265
Other Revenue	300	41,243
Sales of Goods Services	4,607	31,617
<b>Total Project Revenue Receipts</b>	<b>238,262</b>	<b>474,038</b>
<b>Project Expenditure Payments</b>		
Wages Salaries	11,524	105,548
Others		128,702
Goods Services	1,636,237	241,156
Capital Development	35,083	41,157
Grants Paid	21,462	35,060
Interest	0	4,062
<b>Total Expenditure</b>	<b>1,704,306</b>	<b>555,686</b>
<b>Overall Cash Surplus/(Deficit)</b>	<b>(1,466,044)</b>	<b>(81,648)</b>
Loss/Gains on Exchange	247,309	(8,575)
<b>Cash Balance at 1st January 2023</b>	<b>100,064</b>	<b>190,286</b>
<b>Cash Balance at 31st December 2023</b>	<b>(1,118,672)</b>	<b>100,064</b>

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

**During the Financial Year Ended 31st December 2023**

<b>Issued Date</b>	<b>Issued at Nominal Value</b>	<b>Maturity Date</b>	<b>Matured at Nominal Value</b>	<b>Balance as at 31/12/2023</b>	<b>Interest Paid in FY2023</b>	<b>Interest Rate</b>
03-Nov-22	1,869,919.00	02-Feb-23	1,869,919.00		37,130.99	2%
01-Dec-22	294,000.00	02-Mar-23	294,000.00		6,000.00	2%
	<b>2,163,919.00</b>		<b>2,163,919.00</b>			
09-Feb-23	<b>196,000.00</b>	11-May-23	<b>196,000.00</b>		4,000.00	2%
					7,500.00	
					7,500.00	
					<b>62,130.99</b>	
<b>FY2023</b>						
<b>SUMMARY</b>						
Outstanding Balance FY2022		2,163,919				
Issued FY2023		196,000				
Matured FY2023			2,359,919			
Outstanding Balance FY2023				-		
<b>Total for FY2023</b>		<b>2,359,919</b>	<b>2,359,919</b>	-		



**APPENDIX 7: STATEMENT OF MOVEMENTS IN 182-DAY TREASURY BILLS**  
**During the Financial Year Ended 31st December 2023**

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31st Dec. 2023	Interest Paid in FY2023	Interest Rate
22-Sep-22	50,013.32	23-Mar-23	50,013.32		3,186.68	6%
29-Sep-22	400,012.55	30-Mar-23	400,012.55		25,487.45	6%
06-Oct-22		06-Apr-23				
13-Oct-22	250,019.60	13-Apr-23	250,019.60		15,930.40	6%
20-Oct-22		20-Apr-23				
27-Oct-22		27-Apr-23				
03-Nov-22		04-May-23				
10-Nov-22	200,032.00	11-May-23	200,032.00		12,768.00	6%
17-Nov-22		18-May-23				
24-Nov-22		25-May-23				
01-Dec-22		01-Jun-23				
08-Dec-22	20,022.00	08-Jun-23	20,022.00		1,278.00	6%
15-Dec-22		15-Jun-23				
22-Dec-22		22-Jun-23				
	<b>920,099.47</b>		<b>920,099.47</b>			
23-Mar-23	1,559,666.24	21-Sep-23	1,559,666.24		102,683.76	7%
30-Mar-23	748,193.00	28-Sep-23	748,193.00		47,757.00	6%
11-May-23	67,128.00	09-Nov-23	67,128.00		3,422.00	5%
08-Jun-23	199,985.00	07-Dec-23	199,985.00		12,765.00	6%
	<b>2,574,972.24</b>		<b>2,574,972.24</b>			
21-Sep-23	752,000.00	21-Mar-24		<b>752,000.00</b>		
28-Sep-23	46,560,019.00	28-Mar-24		<b>46,560,019.00</b>		
09-Nov-23	40,020.00	09-May-24		<b>40,020.00</b>		
				-		
	<b>47,352,039.00</b>			<b>47,352,039.00</b>	<b>225,278.29</b>	
<b>FY2023</b>				-		

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

During the Financial Year Ended 31st December 2023

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31st Dec. 2023	Interest Paid in FY2023	Interest Rate
<b>SUMMARY</b>				-		
Outstanding Balance FY2022		920,099.47				
Issued FY 2023		49,927,011.24				
Matured FY 2023			3,495,071.71			
Outstanding Balance FY 2023				47,352,039.00		
<b>Total for FY2023</b>		<b>50,847,110.71</b>	<b>3,495,071.71</b>	<b>47,352,039.00</b>		

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

During the Financial Year Ended 31st December 2023

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31st Dec. 2023	Interest Paid in FY2023	Interest Rate
06-Jan-22	173,005,214.70	05-Jan-23	173,005,214.70		39,292,885.30	23%
07-Jan-21	0	06-Jan-22	-			
13-Jan-22	145,281,313.22	12-Jan-23	145,281,313.22		32,664,886.78	22%
14-Jan-21	0	13-Jan-22	-			
20-Jan-22	148,361,773.23	19-Jan-23	148,361,773.23		34,333,777.38	23%
21-Jan-21	0	20-Jan-22	-			
27-Jan-22	152,169,812.30	26-Jan-23	152,169,812.30		35,993,887.70	24%
28-Jan-21	-	27-Jan-22	-			
03-Feb-22	181,916,081.60	02-Feb-23	181,916,081.60		43,860,120.01	24%
04-Feb-21	-	03-Feb-22	-			
10-Feb-22	218,481,373.08	09-Feb-23	218,481,373.08		53,260,377.49	24%
11-Feb-21	-	10-Feb-22	-			
17-Feb-22	264,554,345.29	16-Feb-23	264,554,345.29		64,485,304.71	24%
18-Feb-21	-	17-Feb-22	-			
24-Feb-22	159,814,865.05	23-Feb-23	159,814,865.05		39,281,384.95	25%
25-Feb-21	-	24-Feb-22	-			

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

During the Financial Year Ended 31st December 2023

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31st Dec. 2023	Interest Paid in FY2023	Interest Rate
03-Mar-22	<b>100,411,566.53</b>	02-Mar-23	100,411,566.53		24,722,184.44	25%
04-Mar-21	-	03-Mar-22	-			
10-Mar-22	<b>192,944,253.33</b>	09-Mar-23	192,944,253.33		48,068,646.67	25%
11-Mar-21	-	10-Mar-22	-			
17-Mar-22	<b>138,247,134.60</b>	16-Mar-23	138,247,134.60		34,491,315.40	25%
18-Mar-21	-	17-Mar-22	-			
24-Mar-22	<b>169,772,447.44</b>	23-Mar-23	169,772,447.44		42,354,103.35	25%
25-Mar-21	-	24-Mar-22	-			
31-Mar-22	<b>115,639,307.16</b>	30-Mar-23	115,639,307.16		28,843,992.94	25%
01-Apr-21	-	31-Mar-22	-			
07-Apr-22	<b>181,672,069.34</b>	06-Apr-23	181,672,069.34		45,281,981.01	25%
08-Apr-21	-	07-Apr-22	-			
14-Apr-22	<b>165,964,057.92</b>	13-Apr-23	165,964,057.92		41,449,443.33	25%
15-Apr-21	-	14-Apr-22	-			
21-Apr-22	<b>160,150,166.43</b>	20-Apr-23	160,150,166.43		40,010,234.48	25%
22-Apr-21	-	21-Apr-22	-			
28-Apr-22	<b>355,758,546.48</b>	27-Apr-23	355,758,546.48		88,884,603.52	25%
29-Apr-21	-	28-Apr-22	-			
05-May-22	<b>124,617,800.46</b>	04-May-23	124,617,800.46		31,065,299.54	25%
06-May-21	-	05-May-22	-			
12-May-22	<b>102,493,597.89</b>	11-May-23	102,493,597.89		25,592,652.34	25%
13-May-21	-	12-May-22	-			
19-May-22	<b>166,230,066.82</b>	18-May-23	166,230,066.82		41,525,083.18	25%
20-May-21	-	19-May-22	-			
26-May-22	<b>165,737,948.46</b>	25-May-23	165,737,948.46		41,392,102.76	25%
27-May-21	-	26-May-22	-			
02-Jun-22	<b>68,902,422.08</b>	01-Jun-23	68,902,422.08		17,196,327.92	25%
03-Jun-21	-	02-Jun-22	-			

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

During the Financial Year Ended 31st December 2023

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31st Dec. 2023	Interest Paid in FY2023	Interest Rate
09-Jun-22	<b>87,393,644.23</b>	08-Jun-23	87,393,644.23		21,828,855.77	25%
10-Jun-21	-	09-Jun-22	-			
16-Jun-22	<b>73,010,083.01</b>	15-Jun-23	73,010,083.01		18,231,366.99	25%
17-Jun-21	-	16-Jun-22	-			
23-Jun-22	<b>160,750,081.68</b>	22-Jun-23	160,750,081.68		40,147,968.54	25%
24-Jun-21		23-Jun-22	-			
24-Jun-21		23-Jun-22	-			
30-Jun-22	<b>241,007,229.68</b>	29-Jun-23	241,007,229.68		60,583,421.17	25%
01-Jul-21		30-Jun-22	-			
07-Jul-22	<b>165,669,041.60</b>	06-Jul-23	165,669,041.60		41,608,458.40	25%
08-Jul-21		07-Jul-22	-			
14-Jul-22	<b>223,450,200.24</b>	13-Jul-23	223,450,200.24		59,405,751.68	27%
15-Jul-21		14-Jul-22	-			
21-Jul-22	<b>179,088,120.39</b>	20-Jul-23	179,088,120.39		48,169,180.03	27%
22-Jul-21		21-Jul-22	-			
28-Jul-22	<b>125,043,341.30</b>	27-Jul-23	125,043,341.30		34,756,308.81	28%
29-Jul-21		28-Jul-22	-			
04-Aug-22	<b>194,737,704.60</b>	03-Aug-23	194,737,704.60		54,405,695.40	28%
05-Aug-21		04-Aug-22	-			
11-Aug-22	<b>162,522,680.80</b>	10-Aug-23	162,522,680.80		43,670,069.76	27%
18-Aug-22	<b>50,950,088.85</b>	17-Aug-23	50,950,088.85		14,313,461.15	28%
25-Aug-22	<b>149,612,654.02</b>	24-Aug-23	149,612,654.02		41,004,995.99	27%
26-Aug-21		25-Aug-22	-			
01-Sep-22	<b>81,253,309.26</b>	31-Aug-23	81,253,309.26		22,418,690.64	28%
02-Sep-21		01-Sep-22	-			
08-Sep-22	<b>198,235,064.16</b>	07-Sep-23	198,235,064.16		54,275,836.00	27%
09-Sep-21		08-Sep-22	-			
15-Sep-22	<b>145,881,888.23</b>	14-Sep-23	145,881,888.23		40,135,512.31	28%

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

During the Financial Year Ended 31st December 2023

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31st Dec. 2023	Interest Paid in FY2023	Interest Rate
16-Sep-21		15-Sep-22	-			
22-Sep-22	<b>75,106,049.77</b>	21-Sep-23	75,106,049.77		20,537,550.23	27%
23-Sep-21		22-Sep-22	-			
29-Sep-22	<b>91,605,700.43</b>	28-Sep-23	91,605,700.43		25,362,599.57	28%
30-Sep-21		29-Sep-22	-			
06-Oct-22	<b>28,905,855.75</b>	05-Oct-23	28,905,855.75		7,772,994.36	27%
13-Oct-22	<b>132,642,924.82</b>	12-Oct-23	132,642,924.82		36,032,125.18	27%
14-Oct-21		13-Oct-22	-			
20-Oct-22	<b>124,820,994.82</b>	19-Oct-23	124,820,994.82		33,975,655.76	27%
21-Oct-21		20-Oct-22	-			
27-Oct-22	<b>340,958,915.89</b>	26-Oct-23	340,958,915.89		94,780,484.11	28%
28-Oct-21		27-Oct-22	-			
03-Nov-22	<b>139,602,119.10</b>	02-Nov-23	139,602,119.10		38,978,882.06	28%
04-Nov-21		03-Nov-22	-			
10-Nov-22	<b>161,852,319.25</b>	09-Nov-23	161,852,319.25		45,449,280.75	28%
11-Nov-21		10-Nov-22	-			
17-Nov-22	<b>156,001,421.00</b>	16-Nov-23	156,001,421.00		43,967,929.00	28%
18-Nov-21		17-Nov-22	-			
24-Nov-22	<b>201,220,876.00</b>	23-Nov-23	201,220,876.00		56,732,524.00	28%
25-Nov-21		24-Nov-22	-			
01-Dec-22	<b>440,080,871.78</b>	30-Nov-23	440,080,871.78		124,039,128.22	28%
02-Dec-21		01-Dec-22	-			
08-Dec-22	<b>585,402,864.28</b>	07-Dec-23	585,402,864.28		165,100,335.72	28%
09-Dec-21		08-Dec-22	-			
15-Dec-22	<b>397,604,675.26</b>	14-Dec-23	397,604,675.26		112,099,426.59	28%
16-Dec-21		15-Dec-22	-			
22-Dec-22	<b>53,374,093.99</b>	21-Dec-23	53,374,093.99		14,915,606.01	28%
23-Dec-21		22-Dec-22	-			

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

During the Financial Year Ended 31st December 2023

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31st Dec. 2023	Interest Paid in FY2023	Interest Rate
29-Dec-22	<b>321,042,000.80</b>	28-Dec-23	321,042,000.80		90,451,849.20	28%
30-Dec-21		29-Dec-22	-			
	<b>9,140,952,978.37</b>		<b>9,140,952,978.37</b>			
5th Jan. 2023	195,057,219.83	04/01/2024		195,057,219.83		
12th Jan. 2023	182,844,968.32	11/01/2024		182,844,968.32		
19th Jan. 2023	133,444,940.09	18/01/2024		133,444,940.09		
26th Jan. 2023	189,538,006.24	25/01/2024		189,538,006.24		
2nd Feb. 2023	157,490,757.34	01/02/2024		157,490,757.34		
9th Feb. 2023	233,470,532.19	08/02/2024		233,470,532.19		
16th Feb. 2023	369,035,549.97	15/02/2024		369,035,549.97		
23rd Feb. 2023	199,141,237.57	22/02/2024		199,141,237.57		
2nd Mar. 2023	166,426,235.72	29/02/2024		166,426,235.72		
9th Mar. 2023	197,770,413.84	07/03/2024		197,770,413.84		
16th Mar. 2023	252,839,385.14	14/03/2024		252,839,385.14		
23rd Mar. 2023	209,588,636.44	21/03/2024		209,588,636.44		
30th Mar. 2023	142,338,729.08	28/03/2024		142,338,729.08		
6th Apr. 2023	226,918,797.79	04/04/2024		226,918,797.79		
13th Apr. 2023	208,685,886.22	11/04/2024		208,685,886.22		
20th Apr. 2023	200,215,908.48	18/04/2024		200,215,908.48		
27th Apr. 2023	444,749,193.47	25/04/2024		444,749,193.47		
4th May 2023	155,783,183.51	02/05/2024		155,783,183.51		
11th May 2023	158,999,812.30	09/05/2024		158,999,812.30		
18th May 2023	176,686,400.42	16/05/2024		176,686,400.42		
25th May 2023	207,275,025.66	23/05/2024		207,275,025.66		
1st June 2023	81,606,164.23	30/05/2024		81,606,164.23		
8th June 2023	52,773,914.35	06/06/2024		52,773,914.35		
15th June 2023	26,416,049.05	13/06/2024		26,416,049.05		

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

During the Financial Year Ended 31st December 2023

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31st Dec. 2023	Interest Paid in FY2023	Interest Rate
22nd June 2023	200,954,359.82	20/06/2024		200,954,359.82		
29th June 2023	- 301,630,069.62	27/06/2024		- 301,630,069.62		
6th July 2023	207,390,881.19	04/07/2024		207,390,881.19		
13th July 2023	285,087,291.52	11/07/2024		285,087,291.52		
20th July 2023	247,042,818.29	18/07/2024		247,042,818.29		
27th July 2023	214,702,465.40	25/07/2024		214,702,465.40		
3rd Aug. 2023	249,234,652.13	01/08/2024		249,234,652.13		
10th Aug. 2023	206,803,604.05	08/08/2024		206,803,604.05		
17th Aug. 2023	85,766,291.52	15/08/2024		85,766,291.52		
24th Aug. 2023	251,762,622.88	22/08/2024		251,762,622.88		
31st Aug. 2023	107,932,124.45	29/08/2024		107,932,124.45		
7th Sept. 2023	279,591,091.73	05/09/2024		279,591,091.73		
14th Sept. 2023	195,157,912.77	12/09/2024		195,157,912.77		
21st Sept. 2023	97,094,424.56	19/09/2024		97,094,424.56		
28th Sept. 2023	71,697,455.50	26/09/2024		71,697,455.50		
5th Oct. 2023	54,043,242.88	03/10/2024		54,043,242.88		
12th Oct. 2023	172,788,369.45	10/10/2024		172,788,369.45		
19th Oct. 2023	140,959,968.25	17/10/2024		140,959,968.25		
26th Oct. 2023	435,855,694.45	24/10/2024		435,855,694.45		
2nd Nov. 2023	178,691,341.83	31/10/2024		178,691,341.83		
9th Nov. 2023	246,214,360.16	07/11/2024		246,214,360.16		
16th Nov. 2023	201,134,487.31	14/11/2024		201,134,487.31		
23rd Nov. 2023	216,064,201.63	21/11/2024		216,064,201.63		
30th Nov. 2023	571,042,366.79	28/11/2024		571,042,366.79		
7th Dec. 2023	165,100,332.03	05/12/2024		165,100,332.03		
14 Dec. 2023	112,099,426.59	12/12/2024		112,099,426.59		
21st Dec. 2023	14,915,605.44	19/12/2024		14,915,605.44		
28th Dec. 2023	90,451,845.75	26/12/2024		90,451,845.75		

**APPENDIX 8: STATEMENT OF MOVEMENTS IN 364-DAY TREASURY BILLS**  
**During the Financial Year Ended 31st December 2023**

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31st Dec. 2023	Interest Paid in FY2023	Interest Rate
	<b>9,567,046,116.00</b>			<b>9,567,046,116.00</b>	<b>2,399,202,538.60</b>	
<b>FY2022</b>				-		
<b>SUMMARY</b>				-		
Outstanding Balance FY2022		9,140,952,978.37				
Issued FY2023		9,567,046,116.00				
Matured FY2023			9,140,952,978.37			
Outstanding Balance FY2023				9,567,046,116.00		
<b>Total for FY2023</b>		<b>18,707,999,094.37</b>	<b>9,140,952,978.37</b>	<b>9,567,046,116.00</b>		



## APPENDIX 9: STATEMENT OF OUTSTANDING DEBTS DUE EXTERNAL CREDITORS (ON A LOAN-BY-LOAN BASIS)

(APPENDIX A1) REVISED DISBURSED OUTSTANDING DEBTS ON A LOAN BY LOAN BASIS TO EXTERNAL CREDITORS AS AT 1st JANUARY 2022 AND 31st DECEMBER 2022  
(IN THOUSAND UNITS OF CURRENCIES EXCEPT OTHERWISE STATED)

Loan Key	Type of Loan	Currency	Year Signed	Total Loan Approved	Year of first Disbursement	Grace Period (in Years)	First Repayment Year	Number of Payments Per Year	Total Number of Payments	Last Year of Repayment	Annual Principal Repayment	Interest Rate	Disbursed Outstanding Debt Including Principal Arrears As At 1st January, 2022	Disbursements	Principal Repayment	Disbursed Outstanding Debt Including Principal Arrears As At 31st December 2022		
																In Specific Loan Currency	IN SLE Equivalent	IN SLE Equivalent of Creditor Total
1923020 / SL GOBL	Govt. of the People's Rep. of China	USD	1993	11,220,227.4	1993	1	1994	2	20	2004	1,122,022.7	0	8,415.20	0.00	0.00	8,415.20	102,801,099.40	231,519,079.0
2005281 / SL GOBL	Chinese Loan Account: No. 12	CNY	2005	20,000,000.0	2011	10	2015	1	10	2020	2,000,000.0	0	2,400.00	0.00	0.00	2,000.00	5,188,540.00	
2005281 / SL GOBL	Chinese Loan Account: No. 2005/1	CNY	2005	20,000,000.0	2007	15	2021	1	10	2030	2,000,000.0	0	18,100.00	0.00	0.00	13,050.00	33,692,473.50	
2007021 / SL GOBL	Exim Bank of China	CNY	2007	115,894,112.7	2007	5	2012	2	30	2027	7,732,274.2	2	34,795.20	0.00	7,732.30	27,053.00	57,234,744.00	1,136,837,845.0
2011283 / SL GOBL	SIERRA LEONE Local Loan Cr.No.(2007) 011(182)	CNY	2011	100,000,000.0	2011	5	2017	2	30	2031	6,666,666.7	2	60,000.00	0.00	6,666.70	53,333.30	171,514,895.70	
2012284 / SL GOBL	Dedicated Security Info system Cr.No.DCL 015	CNY	2012	97000000.0	2012	5	2018	2	30	2031	5,510,710.0	2	847.00	0.00	6,458.70	49,144.10	158,410,941.30	
2012284 / SL GOBL	S.L. National Fibre Optic Backbone Proj. Cr.NoDCL 024	USD	2012	30,000,000.0	2012	5	2018	2	30	2022	2,433.10	2	20,433.10	0.00	0.00	20,433.10	674,345,278.70	
2020008 / SL GOBL	S.L. National Fibre Optic Backbone Phase II	CNY	2020	12,448,318.9	2020	1	2022	2	2	2022	6,224.19	n/a	6,224.19	0.00	4,149.40	4,149.40	13,376,303.70	
2021007 / SL GOBL	Agreement on Debt Suspension with China EXIM/Bank (1st May to 31st Dec 2022)	CNY	2020	4,340,353.2	2020	1	2022	2	2	2022	4,340.40	n/a	4,340.40	0.00	868.10	3,472.30	11,162,233.10	
2021010 / SL GOBL	Agreement on Debt Suspension with China EXIM/Bank (1st July to 31st Dec 2021)	CNY	2020	7,897,048.0	2020	1	2022	2	2	2022	7,897.00	n/a	7,897.00	0.00	1,579.40	6,317.60	20,324,278.10	
2021010 / SL GOBL	Agreement on Debt Suspension with China EXIM/Bank (1st July to 31st Dec 2021)	CNY	2020	7,897,048.0	2020	1	2022	2	2	2022	7,897.00	n/a	7,897.00	0.00	1,579.40	6,317.60	20,324,278.10	
2008010 / OR GOBL	Kuwait Fund for Arab Econ. Development	KWD	2008	3,513,348.0	2008	10	2024	2	80	2048	48,000.0	0.5	3,513.30	0.00	0.00	3,513.30	265,282,404.70	1,228,520,443.0
2020010 / SL GOBL	Resch. WATERLOO-KENT PROJECT - HIPC	KWD	2002	3,100,000.0	2005	3	2005	2	48	2027	140,200.0	2	523.80	0.00	154.30	2,323.10	29,723,501.80	
2004060 / SL GOBL	Water - Kent-Tokoh Road Project Cr.No.540	KWD	2004	2,800,000.0	2005	3	2008	2	12	2030	114,000.0	2	847.00	0.00	114.00	733.00	85,346,755.50	
2007040 / SL GOBL	Tokoh - Lumley Road Project No. 534	KWD	2007	3,000,000.0	2009	8	2013	2	11	2033	150,000.0	2	1,522.40	0.00	160.00	1,372.40	103,626,072.30	
2011000 / SL GOBL	Kenya-Pendembu Road Project Cr.No. 753	KWD	2011	4,250,000.0	2013	5	2017	2	39	2036	210,000.0	1.5	1,001.70	0.00	210.00	791.70	59,778,228.80	
2013284 / SL GOBL	Three Tertiary Hospitals Road Project	KWD	2013	4,000,000.0	2014	5	2018	2	40	2037	100,000.0	2	3,086.50	0.00	200.00	2,886.50	217,949,018.10	
2015003 / SL GOBL	Reconstruction of the Matotaja-Setuba Road Project	KWD	2015	6,000,000.0	2017	4	2021	2	20	2021	3,666.00	2	3,666.00	0.00	300.00	3,666.00	279,222,487.80	
2017003 / SL GOBL	The Hillside Bypass Road Project Phase II	KWD	2017	5,000,000.0	2017	5	2021	2	20	2021	2,587.50	2	2,587.50	0.00	250.00	2,587.50	199,148,912.50	
2020008 / SL GOBL	Token - Lumley Road Improvement Project	KWD	2020	711,463.4	2020	2	2022	2	2	2022	474.30	2	474.30	0.00	118.80	355.50	28,891,085.40	
2021004 / SL GOBL	Debt Service Suspension Agreement with KuwaitFund	KWD	2021	630,000.0	2023	5	2023	2	2	2023	-84.00	2	-84.00	0.00	42.00	-120.00	-9,513,003.40	
2021004 / SL GOBL	Supplementary Loan for Developing Three Hospitals Project	KWD	2021	630,000.0	2023	5	2023	2	2	2023	-84.00	2	-84.00	0.00	42.00	-120.00	-9,513,003.40	
2006030 / SL GOBL	Saudi Fund For Economic Development	SAR	2006	31,000,000.0	2009	10	2018	2	40	2038	1,550,000.0	1	21,510.20	0.00	1,550.00	10,950.20	121,067,011.50	
2008040 / SL GOBL	SFEO Western Area Power Generation Project Phase 2 Cr.No. 0465/02	SAR	2008	37,500,000.0	2010	10	2017	2	40	2038	1,876,000.0	1	23,832.00	0.00	1,876.00	26,458.00	161,538,043.30	
2010060 / SL GOBL	SFEO Kenema Pendembu Road Proj Cr.No.0485/03	SAR	2010	6,000,000.0	2011	10	2020	2	40	2040	300,000.0	1	5,207.40	0.00	300.00	5,207.40	30,838,406.40	
2010060 / SL GOBL	SFEO Western Area Power Gen Proj Ph 1 Cr.No. 0521/04	SAR	2010	6,000,000.0	2011	10	2020	2	40	2040	300,000.0	1	5,207.40	0.00	300.00	5,207.40	30,838,406.40	
2016001 / SL GOBL	SFEO Rehabilitation and Expansion of Fourth Bay College	SAR	2016	46,000,000.0	2017	10	2027	2	40	2048	2,050,000.0	1	42,052.00	0.00	0.00	42,052.00	250,845,025.10	
2021005 / SL GOBL	Support of the Education Project 0778	SAR	2021	93,750,000.0	2022	10	2032	2	40	2032	1,825.00	1	625.00	0.00	0.00	625.00	5,038,848.80	
2022001 / SL GOBL	Debt Service Suspension Initiative - Saudi Fund	SAR	2020	2,381,673.2	2020	2	2022	2	2	2022	1,600.00	1	1,600.00	0.00	800.00	800.00	4,886,248.00	
2022002 / SL GOBL	Debt Service Suspension Initiative - Saudi Fund	SAR	2020	4,737,552.8	2020	2	2022	2	2	2022	3,800.00	1	3,800.00	0.00	950.00	2,850.00	17,407,259.50	
2006060 / SL GOBL	Exim Bank of India	USD	2006	15,000,000.0	2009	5	2014	2	30	2023	1,000,000.0	1.75	5,726.40	0.00	1,000.00	4,726.40	106,873,870.50	381,517,842.0
2010030 / SL GOBL	Dollar Credit Line Agreement - Agric. Sector ProjectCr.No.95	USD	2010	30,000,000.0	2011	5	2019	2	30	2031	1,936,483.9	1.75	16,270.80	0.00	1,936.80	14,334.00	329,431,582.00	
2015008 / SL GOBL	Dollar Line of Credit - Transmission Line andSubstation	USD	2010	78,000,000.0	2017	5	2023	2	30	2042	3,600,000.0	1.75	587.70	0.00	3,600.00	-3,312.30	-75,887,919.50	
2013100 / SL GOBL	EXIM BANK OF KOREA	USD	2013	54,000,000.0	2014	14	2027	2	80	2052	2,190,440.0	0.01	80,120.10	0.00	0.00	80,728.30	680,248,180.40	900,377,590.0
2021003 / SL GOBL	FCC Administrative Building Complex - Korea Loan	USD	2020	3,852.0	2020	2	2022	2	2	2022	8.80	0.00	8.80	0.00	1.00	5.70	131,380.20	
2012286 / SL GOBL	Debt Relief under DSB from Korea Exim Bank	USD	2020	3,852.0	2020	2	2022	2	2	2022	8.80	0.00	8.80	0.00	1.00	5.70	131,380.20	
2014105 / SL GOBL	Abu Dhabi Fund for Development	AED	2014	20,000,000.0	2014	5	2017	2	30	2032	1,333,333.3	2	6,832.00	0.00	1,333.30	8,208.70	51,706,849.80	108,110,781.0
2014105 / SL GOBL	ADHF - Tokoh-Lumley Road Project	AED	2014	33,057,000.0	0	5	2019	2	30	2034	2,203,800.0	2	25,343.90	0.00	2,203.80	23,130.70	144,343,032.30	
2014105 / SL GOBL	Solar Park Freezone Project	AED	2014	33,057,000.0	0	5	2019	2	30	2034	2,203,800.0	2	25,343.90	0.00	2,203.80	23,130.70	144,343,032.30	
1994023 / CF GOBL	African Development Fund	EUR	1994	17,591.1	2007	13	2007	2	72	2042	344.1	0.75	10.50	0.00	0.30	10.20	259,469.10	1,859,443,500.0
1998023 / CF GOBL	Health Services Rehab. Proj. - USD excl. MDR)	USD	1998	99,139.5	2005	10	2008	2	80	2048	2,474.2	0.75	75.80	0.00	3.00	72.80	1,859,479.90	
1999025 / CF GOBL	Health Services (proj) - EUR - excls MDR) sts.	EUR	1999	4,296,204.8	2005	8	2008	2	80	2048	46,018.1	0.75	3,271.70	0.00	128.30	3,143.40	79,651,884.30	
1999028 / CF GOBL	ADF Education II - EUR - excls MDR)	EUR	1999	188,098.4	2007	8	2007	2	56	2030	3,439.0	0.75	60.00	0.00	4.00	65.10	1,648,099.00	
2002023 / CF GOBL	Artisanal Fisheries - excl. MDR)_EUR	EUR	2002	2,134,009.4	2007	10	2012	2	80	2031	21,348.1	0.75	1,657.10	0.00	84.00	1,793.10	46,435,490.80	
2002034 / CF GOBL	Artisanal Fisheries Dev Proj. - USD excl MDR)	USD	2002	5,133,877.8	2009	10	2012	2	80	2031	51,338.2	0.75	4,455.20	0.00	154.00	4,312.20	26,794,205.80	
2002035 / CF GOBL	Artisanal Fisheries Dev Project - JPK xcl MDR)	JPY	2002	398,705.9	2008	10	2012	2	80	2032	3,087.1	0.75	276.00	0.00	9.20	286.80	43,156,059.50	
2003012 / CF GOBL	ADF-Rehab Basic Non-Form Educ. - xcl MDR)_EUR	EUR	2003	1,706,498.7	2007	10	2012	2	80	2032	17,064.7	0.75	1,484.80	0.00	51.20	1,484.80	37,919,837.00	
2003013 / CF GOBL	ADF - Rehab of Basic Non-Form Educ. - JPK xcl MDR)	JPY	2003	609,808.0	2005	10	2013	2	80	2032	7,007.2	0.75	530.70	0.00	18.00	521.70	84,458,082.80	
2003014 / CF GOBL	ADF-Rehab of Basic non-formal education -USD xcl MDR)	USD	2003	13,994,722.5	2008	10	2013	2	80	2032	139,846.0	0.75	12,459.40	0.00	418.90	12,040.50	275,880,844.90	
2003072 / CF GOBL	ADF - Socio Action Support Project - US\$ xcl MDR)	USD	2003	3,311,051.4	2005	10	2013	2	80	2032	33,110.9	0.75	2,696.90	0.00	86.20	2,630.30	67,136,037.00	
2003073 / CF GOBL	Socio Action Support Project - JPK xcl MDR)	JPY	2003	618,552.0	2005	10	2013	2	80	2032	3,181,558.0	0.75	197.40	0.00	4.40	197.40	29,833,408.00	
2003074 / CF GOBL	ADF-SASProject - EUR xcl MDR)	EUR	2003	3,870,974.5	2009	10	2013	2	80	2032	38,790.8	0.75	3,511.40	0.00	77.80	3,433.60	87,010,100.00	
2003081 / CF GOBL	ADF-Nerice Rice Dissemination Proj. - EUR xcl MDR)	EUR	2003	442,520.2	2005	10	2013	2	80	2032	4,425.2	0.75	400.50	0.00	9.00	391.50	9,923,705.20	
2003082 / CF GOBL	ADF - Nerice Rice Dissemination - US\$	USD	2003	1,686,048.0	2008	10	201											

(APPENDIX A1) REVISED DISBURSED OUTSTANDING DEBTS ON A LOAN BY LOAN BASIS TO EXTERNAL CREDITORS AS AT 1st JANUARY 2021 AND 31st DECEMBER 2020  
(IN THOUSAND UNITS OF CURRENCIES EXCEPT OTHERWISE STATED)

Loan Key	Type of Loan	Currency	Year Signed	Total Loan Approved	Year of first Disbursement	Grace Period (in Years)	First Repayment Year	Number of Payments Per Year	Total Number of Payments	Last Year of Repayment	Annual Principal Repayment	Interest Rate	Disbursed Outstanding Debt Including Principal Arrears As At 31st January, 2021	Disbursed Outstanding Debt Including Principal Arrears As At 31 December 2020			
														Disbursements	Principal Repayment	Disbursed Outstanding Debt Including Principal Arrears As At 31 December 2020	
													In Specific Loan Currency	in S/LE Equivalent	in S/LE Equivalent by Creditor Total		
2005013	ADF-Agriculture Sector Rehab. Proj. - USD	USD	2005	7,216,288.2	2008	10	2015	2	80	2058	72,193.3	0.75	4,405.00	0.00	4,359.20	99,935,993.40	
2005014	ADF - Agriculture Sector Rehabilitation Project - OBP	GBP	2005	3,811,801.0	2012	10	2015	2	80	2054	38,118.0	0.75	2,943.70	0.00	31.33	2,911.90	88,001,878.80
2008071	ADF-Burumbidi Hydro Power Project - USD - Add. Financing	USD	2008	8,227,911.3	2009	11	2020	2	80	2050	82,279.1	0.75	7,688.80	0.00	82.30	7,816.50	179,036,203.80
2008072	ADF-Burumbidi Hydro Project - JPK - Add. Financing	JPK/2	2008	194,058.4	2009	9	2018	2	80	2058	1,940.7	0.75	186.30	0.00	1.90	184.40	20,846,008.20
2010001	ADF- Three Towns Water Supply System Proj. - USD	USD	2010	7,982,201.9	2013	9	2020	2	80	2050	79,822.0	0.75	8,840.70	0.00	178.20	8,462.80	193,887,093.20
2010401	ADF/NTF- Suroi Dam, Burumbidi Hydro Power Proj. - USD	USD	2010	1,006,919.0	2012	8	2017	2	40	2036	54,901.0	0.75	824.90	0.00	55.00	769.90	17,838,677.40
2012051	ADF-Matohle -Yeyi Road Proj. - USD	USD	2012	4,051,702.3	2013	10	2022	2	80	2052	40,517.0	0.75	4,528.40	0.00	48.70	4,582.70	102,703,447.30
2013287	Cote D'Ivoire, Liberia, Sierra Leone, Guinea (CLSG) Electricity Networks Interconnection Project	SDR	2013	14,830,000.0	2018	10	2023	2	80	2052	154,916.8	0.75	10,251.00	0.00	73.93	10,178.93	311,339,242.90
2013288	NTF- Cote D'Ivoire, Liberia, Sierra Leone, Guinea (CLSG) Electricity Networks Interconnection Project	SDR	2013	207,000.0	2018	10	2023	2	80	2039	24,130.88	0.75	5,094.70	0.00	333.80	4,761.20	145,633,470.20
2013289	ADF- Rural Water Supply and Sanitation Proj. - USD	USD	2013	953,492.4	2014	10	2023	2	40	2053	13,092.9	0.75	9,503.40	0.00	47.50	9,455.90	210,845,094.10
2014106	ADF Ebola Sector Budget Support - Fight Back Programme	SDR	2014	19,800,000.0	2014	10	2024	2	80	2054	396,000.0	0.75	19,800.00	0.00	0.00	19,800.00	805,839,820.00
2014107	PF3 Ebola Sector Budget Support - Fight Back Programme	SDR	2014	4,800,000.0	2014	10	2024	2	80	2054	80,000.0	0.75	4,800.00	0.00	0.00	4,800.00	145,821,778.00
2016004	Mano River Union Rehabilitation of Bo-Bandjums	SDR	2016	3,710,000.0	2019	10	2027	2	80	2056	37,100.0	0.75	2,276.70	0.00	0.00	2,276.70	60,946,409.50
2016005	Mano River Union Rehabilitation of Bo-Bandjums Road Project - Transition Support Facility	SDR	2016	3,230,000.0	2018	10	2027	2	80	2056	32,300.0	0.75	2,299.20	0.00	0.00	2,299.20	70,326,416.70
2017004	Renovation and Extension of Bo-Kereke Distribution Systems Project	SDR	2017	4,821,000.0	2019	10	2027	2	80	2058	165,026.7	0.75	1,988.80	0.00	0.00	1,988.80	80,772,779.70
2018005	FREETOWN WASH AND AQUATIC ENVIRONMENT REVAMPING PROJECT	SDR	2018	3,230,000.0	2018	10	2027	2	80	2058	116,387.1	0.75	36.00	0.00	0.00	36.00	1,070,844.00
2018005																3,584,026,402.8	
2001260	Arab Bank For Economic Dev. In Africa	USD	2001	4,991,684.0	2002	11	2013	2	88	2047	146,814.0	1	3,593.50	0.00	148.20	3,376.70	77,394,436.90
2003000	Renah. Njala University Cr. No.346	USD	2003	7,200,000.0	2005	12	2020	2	88	2054	211,794.7	0	8,870.80	0.00	211.80	9,488.80	147,878,945.50
2004030	Hisido Bypass Road Proj. Cr.No.326	USD	2004	6,000,000.0	2007	12	2016	2	40	2038	274,000.0	1	3,784.90	0.00	291.00	3,493.90	79,351,283.40
2005040	BADEA - Western Area Power Gen. Proj. Ph. 1 Cr.No.503	USD	2005	8,000,000.0	2006	16	2022	2	88	2056	235,094.1	0	7,882.40	0.00	117.60	7,764.70	177,868,185.90
2006020	Rehabilitation of Kabala Water Supply Proj. Cr.No.581	USD	2006	4,000,000.0	2010	11	2017	2	40	2037	182,000.0	0	2,798.00	0.00	192.00	2,606.00	59,638,728.80
2008080	Western Area Power Gen. Proj. Ph. 2 Cr.No.599	USD	2008	7,000,000.0	2009	15	2022	2	70	2050	200,000.0	0	6,728.90	0.00	200.00	6,528.90	149,616,094.30
2008030	Koramba - Penambul Road project Cr.No. 592	USD	2008	10,500,000.0	2010	17	2025	2	88	2058	264,117.7	0	9,471.00	0.00	0.00	9,471.00	227,409,782.30
2010170	Primary Health Care Support Project Cr.No.	USD	2010	8,700,000.0	2012	10	2021	2	40	2041	259,000.0	1	4,008.80	493.30	0.00	4,498.90	100,568,730.60
2013291	Renovation and Extension of Fourth Bay College	USD	2013	8,000,000.0	2014	10	2023	2	40	2042	394,000.0	1	7,276.20	0.00	364.00	9,112.20	158,367,121.40
2008020	Resch. Agreement under HFD relief - BADEA	USD	2008	7,441,287.0	2008	0	2044	2	40	2030	341,318.0	0	2,542.20	0.00	341.30	2,200.90	80,424,143.70
2010040	INTERNATIONAL MONETARY FUND															1,230,718,208.8	
2013020	ECF-Three Year Arrangement - IMF	SDR	2013	22,200,000.0	2013	5	2019	2	10	2019	888,000.0	0	444.00	0.00	444.00	0.00	0.00
2017005	ECF-Three Year Loan 2 - IMF	SDR	2017	182,216,000.0	2017	5	2019	2	10	2022	1,778,000.0	0	103,800.00	0.00	24,222.90	79,401.50	2,428,722,759.80
2018001	ECF-Four Year Arrangement	SDR	2018	39,185,000.0	2017	5	2022	2	10	2022	7,833,200.0	0	38,249.40	0.00	3,018.80	31,332.80	688,403,813.00
2020001	ECF-Four Year Arrangement	SDR	2020	15,800,000.0	2018	5	2024	2	10	2028	3,100,000.0	0	93,330.00	0.00	0.00	93,330.00	2,884,785,907.10
2020001	Rapid Credit Facility RCF/OCRT	SDR	2021	103,700,000.0	2021	5	2026	2	10	2030	10,700,000.0	0	103,700.00	0.00	0.00	103,700.00	3,171,962,119.00
2020006	Rapid Credit Facility RCF/OCRT 2	SDR	2021	35,280,000.0	2021	5	2026	2	10	2030	3,200,000.0	0	35,280.00	0.00	0.00	35,280.00	1,078,828,209.20
1278000	European Economic Community/ Economic Investment Bank															10,492,592,595.2	
1283000	Promotion of Small and Mid Scale Ent.	EURO	1978	402,811.8	1980	10	1989	2	80	2018	28,772.8	1	0.20	0.00	0.00	5,002.00	
1283080	North-West ADF Kemba	EURO	1983	1,335,228.0	1991	10	1993	2	80	2023	77,280.0	1	92.40	0.00	51.40	23,893.00	
1287000	Rehabilitation of Telecom Network Ph.I	EURO	1987	10,000,000.0	1993	10	1998	2	80	2027	251,039.4	0.75	1,863.10	0.00	388.10	1,475.00	37,378,908.70
1289030	Renah. of Telecoms Network Phase II	EURO	1989	1,421,113.7	1992	11	2000	2	80	2030	5,932.2	0.5	626.80	0.00	82.30	544.50	13,797,309.80
2012287	CLSG Interconnection Project	EURO	2012	75,000,000.0	2017	7	2019	2	40	2039	4,166.7	1.66	61,016.00	0.00	4,126.40	60,888.60	1,441,562,809.00
1249052	International Development Association															1,000,000,000.0	
2001201	Transport Sector Project. Cr.No.2925 exci. ICDI	SDR	1999	1,003,831.7	2004	10	2006	2	80	2036	20,876.8	0.75	533.80	0.00	19.80	514.00	15,722,084.10
2002051	2nd P8M8 Cr.No.3425 - exci. ICDI	SDR	2001	637,752.8	2004	10	2011	2	80	2040	6,597.9	0.75	236.50	0.00	6.60	229.90	7,032,187.20
2002051	HIV/AIDS Response Proj Cr.No.3527 SL xold ICDI	SDR	2002	6,859,759.5	2004	10	2012	2	80	2041	197,195.2	0.75	7,206.20	0.00	0.00	7,206.20	223,176,897.70
2003020	National Social Action Project Cr No.3745 exci. ICDI	SDR	2003	24,843,992.7	2004	10	2013	2	80	2043	489,879.3	0.75	16,877.20	0.00	0.00	16,877.20	479,289,426.40
2003030	Econ.Rehab.& Recovery Credit II - 3755 exci. ICDI	SDR	2003	11,000,000.0	2003	12	2010	2	80	0	0.0	0.75	9,910.00	0.00	330.00	8,580.00	292,443,004.80
2004040	Power and Water Project Cr.No. 3945-06L	SDR	2004	24,200,000.0	2004	10	2014	2	80	2044	484,000.0	0.75	18,812.50	0.00	228.70	18,583.80	598,501,155.70
2005030	Urban Water Supply Project Cr.No. 2702-1 SL	SDR	2005	2,036,388.1	2005	10	2016	2	80	2044	40,707.0	0.75	1,730.10	0.00	20.40	1,709.70	52,228,313.20
2008000	Second Government Reform and Growth Credit Cr.No.45200-SL	SDR	2008	6,400,000.0	2008	10	2019	2	80	2048	128,000.0	0.75	5,888.00	0.00	170.18	5,717.82	157,819,131.20
2008060	Infrastructure Development Project (Transport) Cr.No.44690-SL	SDR	2008	3,700,000.0	2010	10	2018	2	80	2048	37,000.0	0.75	2,902.20	0.00	0.00	2,902.20	82,468,040.80
2009030	Third Government Reform and Growth Cr.No.44910-SL	SDR	2009	6,400,000.0	2009	10	2020	2	80	2049	128,000.0	0.75	6,016.00	0.00	128.00	5,888.00	160,101,378.80
2009040	Decentralized Service Delivery Programme Cr.No. 4659-06L	SDR	2009	12,900,000.0	2010	10	2020	2	80	2049	258,000.0	0.75	12,056.50	0.00	258.50	11,798.00	390,904,924.40
2009050	West Africa Regional Fisheries Form SL Cr.No.48530-SL	SDR	2009	4,700,000.0	2011	10	2020	2	80	2049	94,000.0	0.75	2,246.50	0.00	47.80	2,198.70	67,284,617.90
2010100	Third Gov. Reform and Growth Cr No 4775-SL Supp. Financing	SDR	2010	4,700,000.0	2010	10	2020	2	80	2049	94,000.0	0.75	4,465.00	0.00	44.00	4,371.00	133,099,879.80
2010200	Youth Employment Support Cr.No.47900-SL	SDR	2010	7,500,000.0	2010	10	2020	2	80	2050	150,000.0	0.75	7,070.90	0.00	148.90	6,922.00	211,730,927.30
2010300	Fourth Government Reform and Growth Dev. Policy Financing Cr.No.49900-SL	SDR	2010	6,400,000.0	2010	10	2021	2	80	2050	128,000.0	0.75	6,144.00	0.00	128.00	6,016.00	184,016,826.90
2010300</																	

**(APPENDIX A1) REVISED DISBURSED OUTSTANDING DEBTS ON A LOAN BY LOAN BASIS TO EXTERNAL CREDITORS AS AT 31st JANUARY 2023 AND 31st DECEMBER 2021**  
(IN THOUSAND UNITS OF CURRENCIES EXCEPT OTHERWISE STATED)

Loan Key	Type of Loan	Currency	Year Signed	Total Loan Approved	Year of first Disbursement	Grace Period (in Years)	First Repayment Year	Number of Payments Per Year	Total Number of Payments	Last Year of Repayment	Annual Principal Repayment	Interest Rate	Disbursed Outstanding Debt Including Principal Arrears As At 31st January, 2023	Disbursements	Principal Repayment	Disbursed Outstanding Debt Including Principal Arrears As At 31st December 2023			
																In Specific Loan Currency		In SLE Equivalent	In SLE Equivalent by Creditor Total
2011020	Solar Street Light Project	USD	2011	20,000,000.0	2012	0	2017	2	30	2031	1,333,333.3	2.75	14,233.40	0.00	1,229.90	13,003.50	207,928,436.90	730,385,028.4	
	<b>Total (Multilateral and Bilateral) - (A)</b>	Leones															87,886,288,240.87		
	<b>External Commercial - (B) See list of breakdown as attached</b>	USD														180,130.88	3,061,144,873.13	3,061,144,873.13	
	<b>Grand Total (Disbursed Outstanding Debt) - (A) + (B)</b>	Leones															40,288,032,914.50	40,287,967,779.80	

Prepared by PDM

Note:

1/ Exchange rates used : USD = Le18,929.2; SDR/ID = Le25,040.3; EURO = Le20,128.5; JYK = Le 132,947.2; SAR = Le6,029.0; KWD = Le64,659.9; CNY = Le62,573.3

2/ Japanese Yen amounts are in millions

3/ ISDB levies a service charge that should not exceed 2.5% per annum as determined by the Bank.

**APPENDIX 10: STATEMENT OF THE INVESTMENTS IN STATE-OWNED ENTERPRISES (SOEs)**

**As at 31st December 2023**

<b>STATUS</b>	<b>NO.</b>	<b>PUBLIC ENTERPRISE</b>	<b>SECTOR</b>	<b>LEGAL STATUS</b>	<b>GOVERNMENT PARTICIPATION (In %)</b>
<b>PUBLIC ENTERPRISES SLATED UNDER THE NCP MANDATE</b>					
Active	1	Sierra Leone Airports Authority	Transport	Statutory Authority	100.00
Active	2	Sierra Leone Ports Authority	Transport	Statutory Authority	100.00
Active	3	Sierra Leone Road Transport Corporation	Transport	Corporation	100.00
Active	4	National Development Bank	Banking	Limited Company	98.90

**APPENDIX 10: STATEMENT OF THE INVESTMENTS IN STATE-OWNED ENTERPRISES (SOEs)**

**As at 31st December 2023**

Active	5	Sierra Leone Telecommunications Co.Ltd	Communication	Limited Company	100.00
Active	6	Sierra Leone State Lottery Company Ltd	Gaming	Limited Company	100.00
Active	7	National Insurance Company Ltd	Insurance	Limited Company	100.00
Active	8	Mining & General Services	Shipping	Limited Company	51.00
Active	9	Sierra Leone National Shipping Company Ltd.	Shipping	Limited Company	100.00
Active	10	Sierra Leone Postal Services	Telecommunication	Limited Company	100.00
Active	11	Sierra Leone Road Safety Authority	Licences Issue	Statutory Authority	100.00
Active	12	Sierra Leone Housing Corporation	Housing	Corporation	100.00
<b>PUBLIC ENTERPRISES CURRENTLY IN THE PROCESS OF LIQUIDATION</b>					
On Liquidation	13	Sierra National Airlines	Transport	Limited Company	100.00
On Liquidation	14	Sierra Leone Daily Mail	Media	Company	100.00
On Liquidation	15	National Workshop	Woodwork	Company	100.00
<b>PUBLIC ENTERPRISES THAT HAVE BEEN TRANSFERRED TO OTHER AGENCIES</b>					
Transferred	16	Sierra Leone Roads Authority	Works	Authority	100.00
Transferred	17	Sierra Leone Produce Marketing Company	Agriculture	Company	100.00
Transferred	18	Sierra Leone Broadcasting Corporation	Media	Corporation	100.00
Transferred	19	Sierra Leone Government Printing	Media	Department	100.00
Transferred	20	Seaboard West Africa	Shipping	Limited Company	0.01
Transferred	22	Rokel Commercial Bank	Banking	Limited Company	65.00
Transferred	23	Sierra Leone Commercial Bank	Banking	Limited Company	89.00
Transferred	24	Guma Valley Water Company	Water	Limited Company	99.96
Transferred	25	Sierra Leone Water Company	Water	Limited Company	100.00
Transferred	26	Electricity Distribution and Supply Authority	Energy	Limited Company	100.00
Transferred	27	Electricity Generation and Transmission Company	Energy	Limited Company	100.00
Transferred	28	Government Printing Department	Information	Limited Company	100.00
<b>PUBLIC ENTERPRISES THAT HAVE BEEN PRIVATISED</b>					

**APPENDIX 10: STATEMENT OF THE INVESTMENTS IN STATE-OWNED ENTERPRISES (SOEs)****As at 31st December 2023**

Privatised	27	Freetown Terminal Limited	Container Handling	Limited Company	20.00
Privatised	28	Nectar- SLNSC	Break Bulk Handling	Limited Company	20.00
Privatised	29	Accord Logistics-SLSL	Gaming	Limited Company	Joint Venture Agreement
Privatised	30	Holland Shipyard	Vessel Maintenance	Limited Company	Concession Agreement
Privatised	31	MV Mahera Ferry	Transport	Limited Company	Lease Agreement
Privatised	32	Logistics Solutions and Services	Cargo Tracking	Limited Company	Licence Agreement
Privatised	33	Integrated Trade Services	Container Scanning	Limited Company	Licence Agreement
Privatised	34	Westminister Innovation Security Services(WISS)	Security Services	Limited Company	Licence Agreement
Privatised	35	Sky Handling Partners SL Ltd.	Ground & Cargo Handling Services	Limited Company	Licence Agreement

**CHAPTER II – PAYROLL AUDIT**

**MAIN POINTS ..... 72**  
**2.1. DETAILED FINDINGS AND RECOMMENDATIONS ..... 74**

## **MAIN POINTS**

### **INTRODUCTION**

The payroll is a critical component of the General-Purpose Financial Statements of the Consolidated Fund of the Government of Sierra Leone. The payroll system ensures that government employees are paid accurately and on time. This Chapter focuses on the specific findings relating to payroll systems, highlighting areas of concern affecting compliance and made recommendations for improvement.

The Human Resources Management Office (HRMO) and the Accountant-General's Department (AGD) are essential for the effective and efficient operations of the government payroll.

The HRMO oversees staff recruitment, development, and management across various government ministries and departments. Key responsibilities of the HRMO include staff recruitment and selection, policy development and implementation, employee relations and welfare, training and development, performance management, human resource planning, and public sector reforms.

The AGD is responsible for processing the payroll, including salary disbursement, statutory deductions, and ensuring compliance with national financial regulations.

The HRMO and the AGD collaborate on data exchange, ensuring consistent and accurate employee data for payroll processing. They coordinate timely payments, correct deductions, and allowances, and ensure compliance with labour laws, tax regulations, and financial policies relating to employee compensation. This is a shared responsibility between the two departments.

Both entities collaborate closely to ensure the payroll process is efficient, accurate and is compliant with government policies. The use of the Civil Service Management (CSM) system enables this process to be streamlined, automated, and transparent.

The CSM is a key software platform used by the AGD and the HRMO for managing public sector employee data and payroll. This is a centralised system designed to streamline the management of civil service employees' personal, employment, and financial records

### **What We Examined**

We conducted a specialised audit on the management of the government payroll for the period 1st January to 31st December, 2023. This was in fulfilment of the Auditor-General's mandates, as enshrined in section 119 (2) of the 1991 Constitution of Sierra Leone and section 11(1&2) of the Audit Service Act, 2014. The audit was carried out in accordance with the Audit Service Manual which is based on the International Standards of Supreme Audit Institutions (ISSAI).

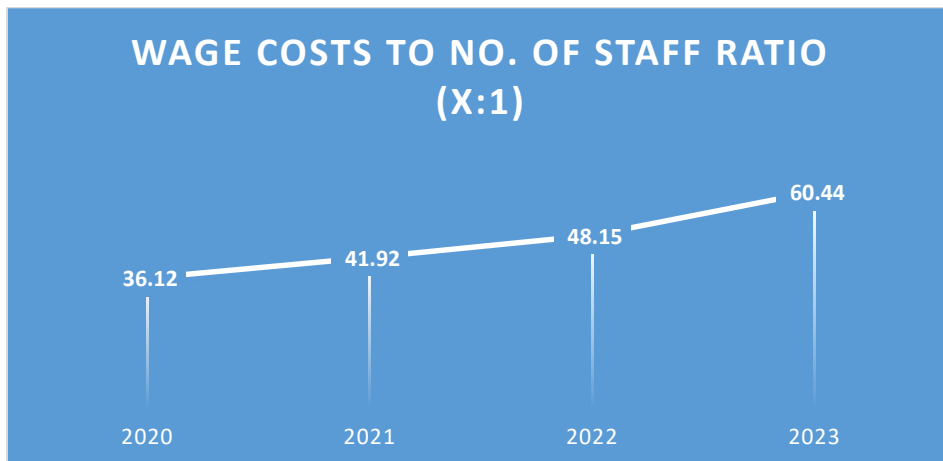
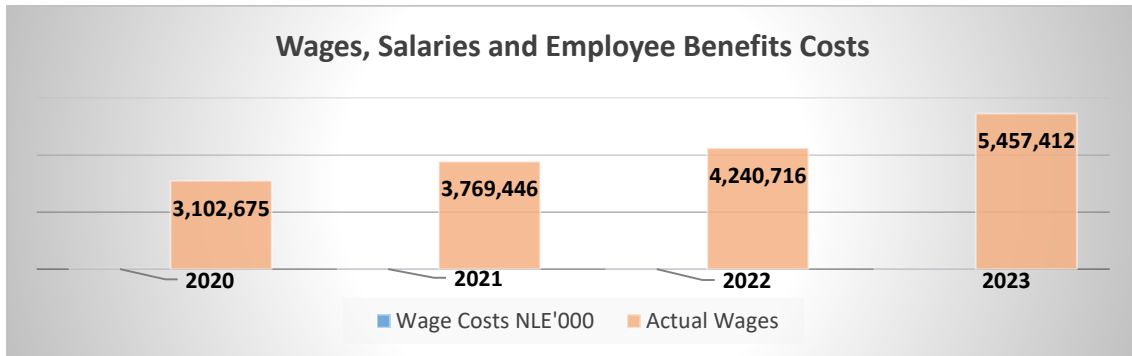
From a population of payroll vouchers submitted for review, we selected a sample of Ministries, Departments and Agencies, consultants and universities, excluding the Police, Teachers, the military, the National Fire Force, the Political Class, Political Pensioners, the Central Intelligence Unit, the Office of National Security and Local Authorities. We conducted a series of tests to confirm the accuracy of wages, salaries and employees' benefits, and ascertain whether they are in conformity with the applicable laws, regulations and policies associated with the payroll management.

We conducted interviews with key personnel of the Human Resources Management Office (HRMO) and the Accountant-General's Department to understand the payroll management system. We also reviewed documents, tested key controls, performed analytical procedures, and tested payroll transactions on a sample basis. This was to obtain a reasonable assurance on whether the Government's payroll is free from material non-compliance with the Public Financial Management Act and related regulations.



### Why It Is Important

The total amount spent on wages, salaries and employees' benefits for FY2023 was NLe5,457 million. This represents 29.65% of total government expenditure of NLe18,403 million. Wages, salaries and employees' benefits increased significantly by 75.89% in 2023, from NLe3,102 million in 2022 to NLe5,457 million. This increase in the wage bill was disproportionate to the increase in the workforce of 2.52% during the same period. Consequently, the ratio of wage costs to the workforce increased to 60:1 in 2023 from 48:1 in 2022. The significant increase in wage costs raises concerns, considering the numerous additions to the payroll without evidence of fair recruitment, promotions, and salary adjustments.



Payroll audit serves to ensure that:

- Employees' compensations are calculated accurately.
- Deductions (taxes, benefits, etc.) are made in compliance with the legal requirements.
- Funds are properly allocated and disbursed.
- Internal controls are effective in preventing fraud and errors.
- Recruitment follows approved processes.

## **2.1. DETAILED FINDINGS AND RECOMMENDATIONS**

### **2.1.1. Amendments to the Payroll without Documentation**

Based on our preliminary analysis and inspection of the payroll database, we identified unsupported amendments to the payroll in the form of additions, deletions and salary adjustments amounting to NLe14,973,801.56; NLe4,476,654.54 and NLe3,322,593.80 respectively.

The above amendments could have been made without the approval of the employing authority, thereby resulting in a breach of Regulations 111&112 of the PFMR, 2018.

We recommended the following:

- (i) The Director of Recruitment and Selection at the HRMO should provide evidence in the form of appointment, retirement or resignation letters for all additions into, and deletions from the payroll.
- (ii) The Director of Payroll Administration at the HRMO and the Assistant Accountant-General, - Payroll and Severance Benefits, should provide evidence of all adjustments made to personnel basic salaries in the payroll.

#### ***Official Response***

*All amendments made to the payroll were approved by the Ministry of Finance, which is in line with the Public Financial Management Act, 2016 and the Public Financial Management Regulations(PFMR), 2018. A self-explanatory list was submitted to your team via email, which will provide a detailed explanation of all other allowances paid through the CSM payroll system.*

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

Documentary evidence in respect of additions of NLe11,041,859.44, deletions of NLe855,709.62 and salary adjustments of NLe2,897,055.05 representing 73.74%, 19.11% and 87.19% respectively, of the queried amounts was submitted and verified, leaving balances of NLe3,931,942.12, NLe3,620,944.92 and NLe425,538.75 respectively that were not supported. Therefore, the issue is partially resolved.

### **2.1.2. Payment of Salary Arrears without Approval and Documentation**

During the review of the arrears report, we observed that government employees were paid arrears of NLe4,101,858.74 for FY2023. We however could not determine the specific months for which these arrears were computed and paid, as no salary gaps were found for these personnel in the payroll database. Moreover, no evidence in the form of approved arrears request forms was presented for review. The lack of adequate controls to prevent and detect unjustifiable arrears claims indicates a weakness in the internal control system. This weakness could result in significant financial losses to government.

We recommended that the Director of Payroll Administration, HRMO, should ensure the following:

1. Recover the unjustifiable payment of salary arrears, pay same into the Consolidated Fund and submit evidence to the ASSL.
2. In future, enhance the internal control mechanisms for proper verification and authorisation of arrears claims and other payroll transactions.

### ***Official Response***

- *Please note that some arrears were not included in the list of requested items, which is why they were not submitted previously. Several of these arrears were submitted and reviewed as part of the document provided.*
- *To address this, we have organised and compiled all relevant documents once again for your review. We kindly request that you verify these documents at your earliest convenience.*

### **Auditor's Comment**

Documentary evidence for a total of NLe3,095,729.37 representing 75.47% of the queried amount, was submitted and verified, leaving a balance of NLe1,006,129.37. Therefore, the issue is substantially resolved.

#### **2.1.3. Allowances Paid without Deducting PAYE Taxes**

From six of the 15 categories of payroll selected for review, we observed that several allowances such as acting allowances, risk allowances, domestic allowances and subsidy allowances were paid to employees without deducting PAYE taxes. A re-computation of the financial loss as a result of the non-deduction of PAYE taxes amounted to NLe261,633.92.

We recommended that the Accountant-General should recover the excess payment of allowances made to staff and make available evidence of recovery to the ASSL.

### ***Official Response***

*Your findings have been noted. We wish to communicate that tax deduction is system-based and it is not calculated by individuals, hence non deduction of PAYE could be due to a system error and will be communicated to the free balance team for correction.*

### **Auditor's Comment**

It is the responsibility of the payroll divisions at the HRMO and AGD to carry out regular checks when the monthly payroll is being processed, to ensure system integrity, and that the payroll figures are correct and accurate, in order to reflect government's actual payroll cost. During the verification, we observed that acting allowances are not taxed. This resulted in a financial loss of NLe198,383.86. Therefore, the issue remains unresolved.

#### **2.1.4. Study Leave Granted without Evidence of Approval and Bonding Arrangement**

From a sample of 60 personnel granted study leave, we observed that essential documents such as official request, recommendation from the head of the Ministry, University Offer letters and approval from the Director General, HRMO were not submitted for audit inspection. The total gross salaries paid to these personnel amounted to NLe7,073,009.02.

Additionally, we observed that, employees go on study leave with pay, without any bonding arrangement.

We recommended that the Director of Training and Career Development should provide supporting evidence to the ASSL showing the eligibility of staff granted study leave.

### ***Official Response***

*All staff with study leave on the payroll were duly approved. Evidence of approval is available for verification.*

### **Auditor's Comment**

Documentary evidence was submitted for study leave with salaries totalling NLe4,892,918.91, representing 69.18% of the initial amount queried, leaving a balance of NLe2,180,090.11. Therefore, the issue is partially resolved.

#### **2.1.5. Annual Leave Allowances Paid to Personnel on Study Leave**

Contrary to Rule 6.20 of the Civil Service Code, we observed that annual leave allowances amounting to NLe1,099,976.79 were paid to officers on study leave.

We recommended that the Accountant-General should recover the funds paid to these staff on study leave. In future, no leave allowance should be paid to staff on study leave.

### **Official Response**

*The amounts paid to these affected individuals have been recovered, and evidence of recovery is available for verification.*

### **Auditor's Comment**

Documentary evidence for a total of NLe401,991.88, representing 36.55%, was submitted during the verification; leaving a balance of NLe697,984.91. Therefore, the issue remains unresolved.

#### **2.1.6. Discrepancies in NASSIT Contributions and Payments**

From a review of the CSM system and payroll records, we observed the following:

- Discrepancies between the dates of birth (DOB) in the NASSIT numbers and the DOB column in the CSM system for 108 personnel.
- The CSM system had NASSIT numbers that did not contain the standard composites of a NASSIT number, yet NASSIT contributions were paid for them. These payments could be in the NASSIT suspense account unreconciled, due to incorrect NASSIT details. Contributions made for persons with incorrect NASSIT numbers amounted to NLe114,940.23.
- NASSIT deductions and contributions were not made for 148 government employees on the payroll. The auditor's computation of the applicable NASSIT contribution amounted to NLe815,379.67.
- Payment vouchers for NASSIT contributions for January and November 2023 were not provided for audit inspections.
- NASSIT contributions in the Electronic Fund Transfer (EFT) reports were not traceable to the wages and salaries bank accounts, indicating non-payments. Our re-computation of unpaid NASSIT contributions for the period under review amounted to NLe134,927,621.91.

We recommended that the Accountant-General should ensure the following:

- Immediate action should be taken to rectify the dates of birth for the 108 employees in the CSM system.
- NASSIT contributions are paid for every employee under the age of 60 years.
- Take immediate steps to reconcile and pay the outstanding NASSIT contributions amounting to NLe134,927,621.91 and update financial records accordingly.
- Institute internal control mechanism to ensure accurate recording and tracking of NASSIT contributions; and ensure regular reconciliations is carried out between the EFT reports and the bank accounts.

## **Official Response**

- (i) Accountant-General, MOF and HRMO as employing authorities, have over the years ensured data integrity in the payroll. This includes the correction of wrong NASSIT numbers, NIN numbers, etc. Significant work has been done in this regard, and it is an ongoing process since new employees and reinstatements are made regularly. We frequently query the system to ascertain employees with wrong data in the categories that are listed above and correct them.*
- (ii) Staff whose NASSIT contributions were not paid erroneously are paid as NASSIT gaps after investigations.*
- (iii) Reconciliation is done monthly, and NASSIT gaps are remitted. Evidence of reconciliation is available for verification.*
- (iv) Action has also been taken on the harmonisation of the dates of birth in the CSM with that of the NASSIT and we are using the NASSIT information for retirement.*

## **Auditor's Comment**

- Evidence of action taken was not submitted during the verification. Therefore, the issue remains unresolved.
- Personnel statements showing NASSIT deductions were submitted during the verification. However, we observed that for some months, deductions were not made. Evidence of NASSIT gaps paid was not submitted during the verification, and as such, we could not determine whether the NASSIT deductions and contributions were made for 150 government employees. Therefore, the issue remains unresolved.
- January and November monthly payment vouchers for NASSIT contributions were not submitted during the verification. Therefore, the issue remains unresolved.
- An agreement has been signed between the Ministry of Finance and NASSIT. Based on the agreement, contributions owed to NASSIT amounted to NLe692,134,100.75 (NLe216,061,430 for 2023). Therefore, the issue remains unresolved.

### **2.1.7. Government Employees above Retirement Age in the System**

- From a review of the Civil Service Management (CSM) system, we observed that the names of some government employees above the retirement age of sixty years, and in some cases 65 years were still on the payroll. There was however no evidence of extension letters justifying their continued stay on the payroll.  
The annual gross salaries paid to these employees amounted to NLe56,424,942.07.
- We observed that the names of six individuals in the payroll database were under the legal employment age of 18 years.  
This contravenes Rule 2.20 of the Civil Service Code. The annual gross salaries paid to these individuals amounted to NLe834,997.52. During the exit meeting, we were informed that this was as a result of input error. Evidence such as personal files and other relevant records pertaining to the six employees were not submitted to justify the assertion that it was an input error.
- We observed that some staff in the CSM system were without a National Identification Number (NIN) issued by the National Civil Registration Authority (NCRA).

Retaining these personnel in the payroll system without an approved extension letter, could result in financial loss to government. Profiling wrong ages in the Civil Service Management system could result in challenges to determine the actual retirement age of personnel.

We recommended that the Director of Payroll Administration, HRMO, should ensure the following:

- (i) Provide evidence of approved extension letters and reasons for granting such extension.

- (ii) Amend the birth dates of personnel profiled as underage in the CSM system. Furthermore, personal files for the six staff members should be submitted and the said staff made available for physical verification.
- (iii) Corrective measures are taken to rectify the NIN in the CSM System, and the updated database is submitted to the ASSL.

**Official Response**

- (i) *Your findings have been noted and we wish to communicate that academic staff at tertiary institutions and Judges retire at 65 years and not the normal 60 years. This is in accordance with the University Act and Judges Act. Political appointees under consultant and SVAs categories have no age limit, their appointments are statutory, and they cannot be removed from the payroll unless they are dismissed or replaced by the president, or in the event of death.*
- (ii) *Accountant General, MOF, and HRMO, as employing authorities, have, over the years, ensured data integrity in the payroll. This includes the correction of wrong NASSIT numbers, NIN numbers, and NASSIT numbers, etc. Significant work has been done in this regard, and it is an ongoing process since new employees and reinstatements are made regularly. We frequently query the system to ascertain employees with wrong data in the categories that are listed above and correct them.*

**Auditor’s Comment**

- Documentary evidence was submitted, totalling NLe41,971,345.90, representing 74.38% of the queried amount, leaving a balance of NLe14,453,596.17. Therefore, the issue remains partially resolved.
- Personal files and other relevant records pertaining to the six employees under the minimum required age of 18 were not submitted during the verification to justify the assertion that it was an input error. Therefore, the issue remains unresolved.
- Evidence of corrective measures taken to rectify the NIN in the CSM system was not submitted during the verification. Therefore, the issue remains unresolved.

**2.1.8. Ineffective Compliance with Performance Appraisal Methods**

- Based on our assessment of the performance appraisal methods used by the HRMO, we observed that only 22.84% of staff within Grades 1-10 completed the target-setting metric for the period under review. Additionally, 22.90% of staff completed the mid-year appraisal, while 22.85% completed the annual appraisal.
- We examined 160 confirmed and promoted staff during the year. We also requested evidence of their performance assessments before confirmation and promotion. There was however no evidence submitted to confirm that these staff underwent the required performance assessments before confirmation and promotion. The total annual gross salaries paid to these staff amounted to NLe11,445,404.68.

We recommended that the Director of Performance Management should take punitive measures for personnel who fail to complete the performance appraisal metrics. Supporting evidence prompting the confirmation and promotion of the 160 staff must be presented for audit inspection.

**Official Response**

- (i) *Your findings, observations and recommendations have been noted. On the poor compliance level of the 2023 Target setting (22.84%), Mid-year Review (22.90), and Annual report, the compliance level across MDAs rose from 20% in 2023 to 44% in 2024. This could be attributed to a couple of factors, including the increase/ harmonization of salary for civil servants in early 2024, and the improvements in enforcing the sanction*

*on Annual Vacation Leave (AVL) for officers who fail to comply with IPAS directives. The continued enforcement of the AVL sanction however depends not just on the Directorate of Performance Management alone but other players such as the Directorates of Staff Welfare, Payroll Administration, and Accountant General's Department. When the revised civil service code, Regulations, and Rules become operational after cabinet approval at any time soon, the compliance level will continue to improve because this document has additional stiffer punitive measures regarding performance management across the civil service.*

- (ii) Additionally, it is worth noting that the confirmation of civil servants on probation is a process that involves several players. For the period under reference, the directorate received from the Directorate of Recruitment and Selection about 774 requests to be verified for performance appraisal (IPAS) compliance). From that number, 689 officers met IPAS compliance, while 85 officers did not comply.*

**Auditor's Comment**

The comment raised by the HRMO management is well noted. There is no concrete evidence to confirm the purported increase in the compliance rate. Therefore, the issues remain unresolved.

### CHAPTER III – INFORMATION SYSTEMS AUDIT

MAIN POINTS.....	81
3.1. DETAILED OBSERVATIONS ON THE AUDIT OF THE INTEGRATED FINANCIAL MANAGEMENT INFORMATION SYSTEM (IFMIS) – 2023 .....	83
3.2. AUDIT OF THE AUTOMATED SYSTEM FOR CUSTOM DATA (ASYCUDA WORLD) - 2023 .....	84



## MAIN POINTS

### Introduction

This chapter summarises the information system audit reports conducted for 2023. According to ISSAI 5300, the audit of information systems, generally referred to as IT Audit, is an examination and review of IT systems and related controls to determine whether the system meets the following objectives:

- Complies with legal and regulatory requirements
- Meets the business goals
- Maintains data and system integrity, availability and confidentiality
- Efficiency, economy and effectiveness of the IT system

Therefore, IT audit is a broad term that pervades financial audits (assessing assertions of the Financial Statements), compliance audits (evaluating internal controls), and performance audits (assessing whether the IT systems meet the needs of the users and mitigates risks).

### What We Examined

We carried out two information systems audits, which include: the Integrated Financial Management Information System (IFMIS), which uses the Free Balance application software with different modules; and the ASYCUDA system, which automates the custom management process. This was accomplished by doing the following:

- Follow-up on the previous IFMIS report for 2022
- Review of all general and application controls of the various systems.
- Assessing the possibilities of an upgrade that targets the development of the required interface of the mentioned existing systems.
- Physical examination of the IFMIS and ASYCUDA infrastructural installations such as data centre, power backup, and Local Area Network (LAN).
- Interviews with key IFMIS and ASYCUDA stakeholders
- Substantive verification of sampled transactions to support the integrity of the details of transactions.
- Other tests as we considered necessary in the circumstances.

The focus of conducting the IFMIS and ASYCUDA audits was to provide an independent assessment in establishing any operational, functional and system-design deficiencies.

Notably, the IFMIS is set up for the delivery of various services to the Accountant-General's Department, and other Ministries, Departments and Agencies (MDAs) to support their business processes, and have a distinct enabling regulations, policies and procedures, standard and best practices, with which they must comply in order to achieve these deliverables. Similarly, the ASYCUDA covers most foreign trade procedures, including manifest and customs declarations, accounting procedures, and transit and suspense procedures.

In conducting our audits, we included a review of compliance with such laws, regulations, policies and procedures, standards, and best practices. The audit team requested and examined various documentation related to the IFMIS, particularly from the Ministry of Finance and the AYCUDA World, from which systems were designed, developed and implemented. We also reviewed the system of internal control to ensure the accuracy and overall integrity of how the business process functions.

### **Why It Is Important**

The Government of Sierra Leone (GoSL) and the World Bank have invested huge sums of money to improve the financial management system at the Treasury and Customs Department. Implementing the IFMIS systems fundamentally change operations and therefore requires a carefully managed process to improve the credibility, control and transparency of fiscal and budget management. Whereas, auditing the ASYCUDA is crucial for revenue, as it ensures accurate calculation and collection of duties, detects fraud and ensures compliance with regulations. This maximizes revenue, maintains data integrity and build stakeholders' trust, and ultimately supporting revenue management and strategic decision making.

In this process, the security of information systems is paramount to ensure that IT systems are adequately protected, in order to provide reliable information to decision-makers and information users; and are appropriately managed to achieve their intended benefits.

### **What We Found**

We found that the functionality that enables the system to prompt the HRMO about imminent retirement dates is lacking. In the absence of validity control, salaries of retired employees were processed into the payroll without being detected. Other financial systems are not interfacing with the IFMIS. Integration of the IFMIS enhances transparency and accountability of the financial management processes. In the absence of systems integration / interfacing, institutions are at liberty to restrict financial information from the GoSL.

During the IT audit, we identified several common issues, including inadequate backup system, untested backup files, inadequate IT policy and non-functional key modules. Data backup is crucial for maintaining uninterrupted critical activities within an organisation and its supporting applications in the event of a disaster. These recurring problems have been observed in the IFMIS audit, and our recommendations have not yet been implemented.

Furthermore, although several ICT issues were observed during the audit, however, due to their sensitivity and security implications, these issues have been limited to correspondence with the clients and Parliament.

### **3.1. DETAILED OBSERVATIONS ON THE AUDIT OF THE INTEGRATED FINANCIAL MANAGEMENT INFORMATION SYSTEM (IFMIS) – 2023**

#### **3.1.1. Lack of Validity Control in Detecting Employees who Have Attained Retirement Age**

Even though this issue has been reported previously, we observed that the civil service payroll system continues to process salaries of retired employees. This is due to the fact that, the system lacked automatic notifications and mechanisms to issue alerts when payroll is being processed for employees, whose status of retirement dates makes them ineligible for payment of salaries. This is considered a significant oversight in controls.

In the absence of validity control, salaries of retired employees could be processed into the payroll without being detected.

We recommended that the Accountant-General should ensure that any future upgrade has clear requirements for workflow, alongside alerts and triggers to enable the system automatically capture retired employees in accordance with government business processes and procedures.

#### **3.1.2. Discrepancies Found in Dates of Birth Recorded in the System**

As at 31st December 2023, we observed the following:

- Six officers were less than 18 years of age.
- A total of 183 staff were registered and recorded with dates of birth different from the ones recorded on their social security numbers in the system.

These could be due to human error during data entry, caused by the following:

- The lack of knowledge of the Civil Service Code by the developer of the IFMIS, and the non-involvement of the relevant stakeholders during the enrolment of MDA staff on the IFMIS platform;
- The absence of input controls on the application, i.e., completeness and reasonability checks (i.e., the observance of the requirements of the Civil Service Code, etc. during system configuration). The application should have rejected these data during enrolment.
- Lack of supervision and review by a senior officer.

Loss of data integrity due to inaccuracy and incompleteness of data on the application that will adversely impact decision-making, especially the accuracy of inputting the dates of birth for staff.

We recommended that the Accountant-General should ensure that there is second layer of supervision and review.

#### **3.1.3. Lack of IT Security Policy**

There was no evidence of an approved Information Security policy and guidelines that outline the security requirements, controls and procedures for managing the IFMIS.

In the absence of an IT Security policy and guidelines, complying with data protection laws may be difficult.

We recommended that the Director of Financial Management System and Technology (DFMST) should ensure that a robust IT Security policy and guidelines are developed and implemented to cover the IFMIS. This will protect staff information, set the rules for expected behaviours by users, define and authorise the consequences of violation.

#### **3.1.4. Business Continuity and Disaster Recovery Plan not Maintained**

There was no evidence to ascertain that the Accountant-General's Department maintained a business continuity and disaster recovery plan, even though this issue has been raised severally in previous

reports. The plan would provide for the management of the data centre to effectively aid the security of critical IT systems such as the Free Balance and its ICT infrastructure.

In the event of a disaster, the operations of the organisation would be stalled for a prolonged period of time, and would not be in a position to recover critical data.

We recommended that the Accountant-General should develop a business continuity and disaster recovery plan that covers the IFMIS within the shortest possible time.

### **3.1.5. Inadequate Backup System**

A review of the Free Balance application revealed that data backup was not executed in real-time. As stated by the System Administrator, the backup is done to an external hard drive at 10pm daily. In addition, there was no evidence to indicate that the Unit had an offsite storage facility to secure backup data.

In the event of a system crisis, data that was not backed-up within the last 24 hours could not be recovered.

We recommended that the Accountant-General should set up a real-time offsite automated backup system within the shortest possible time.

### **3.1.6. Non-Integration of the ITAS and IFMIS**

We reviewed the modules within the IFMIS to assess whether the system was integrated with the ITAS package. In this regard, we observed that the National Revenue Authority's ITAS was not integrated with the IFMIS. Therefore, records were obtained manually from the Bank of Sierra Leone for various revenue streams, and subsequently recorded into the IFMIS. This could lead to errors or mistakes in the input of data.

We recommended that the Financial Secretary should ensure that the IFMIS and ITAS are integrated.

## **3.2. AUDIT OF THE AUTOMATED SYSTEM FOR CUSTOM DATA (ASYCUDA WORLD) - 2023**

### **3.2.1. Procedures for Categorisation of Imported Goods not Documented**

During the audit, we observed that there was no evidence of a documented procedure that guides the categorisation of imported commodities into green, blue, yellow and red to determine the risk level of imported commodities.

There is a likelihood that consignments with the highest risk level could have been inappropriately assessed.

We recommended that the Commissioner General should develop a policy or documented procedures that guide the classification of goods based on categorisation.

### **3.2.2. Issuance of Unreadable Valuation Certificates**

We observed that some of the valuation certificates for all newly imported items issued by the Integrated Trade Services system (ITS) were not readable. The inability of the ASYCUDA to accurately display customs revenue as intended, creates room for the undervaluation of imported items.

We recommended that the Commissioner General and the ITS should work together to integrate the system for issuing valuation certificates within the ASYCUDA to prevent attaching unreadable or blank certificates to the system.

### **3.2.3. Inadequate Backup System**

A review of the ASYCUDA system revealed that data backup was not executed in real-time. In addition, there was no evidence to indicate that the Unit had an offsite storage facility to secure backup data. In the event of a disaster, the ASYCUDA management team would be unprepared to sustain minimal service or restore operations in the event of a disaster. This would consequently lead to prolonged downtime.

We recommended that the head of ICT should ensure an offsite automated backup of the AYCUDA is instituted.

### **3.2.4. Electronic Funds Transfer Module not Utilised**

We observed that Electronic Funds Transfer (EFT) module within the system was not utilised to enhance the ease of payments for custom duties and other taxes. Without using the implemented applications, it is evident that the NRA is not deriving value from the investment made in the ASYCUDA.

We recommended that the Commissioner of Customs should ensure that the EFT module in the ASYCUDA is utilised to enhance the ease of payments for custom duties and other taxes.



# PART II





## CHAPTER IV - MINISTRIES, DEPARTMENTS AND DIPLOMATIC MISSIONS

<b>MAIN POINTS</b> .....	<b>91</b>
<b>4.1. MINISTRY OF AGRICULTURE AND FOOD SECURITY (HQ) - 2023</b> .....	<b>93</b>
<b>4.2. MINISTRY OF AGRICULTURE AND FOOD SECURITY, BO DISTRICT - 2023</b> .....	<b>107</b>
<b>4.3. MINISTRY OF AGRICULTURE AND FOOD SECURITY, KENEMA DISTRICT – 2023</b> .....	<b>108</b>
<b>4.4. MINISTRY OF FOREIGN AFFAIRS AND INTERNATIONAL COOPERATION - 2023</b> .....	<b>109</b>
<b>4.5. AUDIT OF DIPLOMATIC MISSIONS</b> .....	<b>116</b>
<b>4.6. SIERRA LEONE HIGH COMMISSION, ACCRA, GHANA:2021-2023</b> .....	<b>117</b>
<b>4.7. SIERRA LEONE EMBASSY, MOROVIA, LIBERIA: 2021 – 2023</b> .....	<b>119</b>
<b>4.8. SIERRA LEONE EMBASSY IN MOROCCO: 2021 -2023</b> .....	<b>122</b>
<b>4.9. SIERRA LEONE EMBASSY, CONAKRY, GUINEA: 2021 - 2023</b> .....	<b>123</b>
<b>4.10. MINISTRY OF HEALTH AND SANITATION (HQ) - 2023</b> .....	<b>125</b>
<b>4.11. BO GOVERNMENT HOSPITAL – 2023</b> .....	<b>138</b>
<b>4.12. GOVERNMENT HOSPITAL MAGBURAKA - 2023</b> .....	<b>140</b>
<b>4.13. KENEMA GOVERNMENT HOSPITAL - 2023</b> .....	<b>141</b>
<b>4.14. DISTRICT HEALTH MANAGEMENT TEAM, BO DISTRICT- 2023</b> .....	<b>142</b>
<b>4.15. DISTRICT HEALTH MANAGEMENT TEAM, KENEMA DISTRICT- 2023</b> .....	<b>142</b>
<b>4.16. DISTRICT HEALTH MANAGEMENT TEAM, TONKOLILI DISTRICT- 2023</b> .....	<b>144</b>
<b>4.17. MINISTRY OF BASIC AND SENIOR SECONDARY EDUCATION (HQ) - 2023</b> .....	<b>146</b>
<b>4.18. MINISTRY OF BASIC AND SENIOR SECONDARY EDUCATION, BO DISTRICT- 2023</b> .....	<b>151</b>
<b>4.19. MINISTRY OF BASIC AND SENIOR SECONDARY EDUCATION, KENEMA - 2023</b> .....	<b>152</b>
<b>4.20. MINISTRY OF DEFENCE (HQ) - 2023</b> .....	<b>153</b>
<b>4.21. MINISTRY OF DEFENCE (4TH INFANTRY BRIGADE) - 2023</b> .....	<b>157</b>
<b>4.22. MINISTRY OF FINANCE - 2023</b> .....	<b>157</b>
<b>4.23. MINISTRY OF PLANNING AND ECONOMIC DEVELOPMENT - 2023</b> .....	<b>158</b>
<b>4.24. MINISTRY OF TECHNICAL AND HIGHER EDUCATION, HQ - 2023</b> .....	<b>162</b>
<b>4.25. MINISTRY OF LANDS, HOUSING AND COUNTRY PLANNING - 2023</b> .....	<b>165</b>
<b>4.26. MINISTRY OF TRANSPORT AND AVIATION – 2023</b> .....	<b>169</b>
<b>4.27. MINISTRY OF ENERGY - 2023</b> .....	<b>170</b>
<b>4.28. MINISTRY OF WORKS AND PUBLIC ASSETS - 2023</b> .....	<b>175</b>
<b>4.29. MINISTRY OF TOURISM AND CULTURAL AFFAIRS - 2023</b> .....	<b>180</b>
<b>4.30. MINISTRY OF SOCIAL WEFARE - 2023</b> .....	<b>183</b>
<b>4.31. MINISTRY OF YOUTH AFFAIRS - 2023</b> .....	<b>185</b>

4.32.	MINISTRY OF FISHRIES AND MARINE RESOURCES - 2023 .....	188
4.33.	MINISTRY OF TRADE AND INDUSTRY: 2022-2023 .....	190
4.34.	MINISTRY OF MINES AND MINERAL RESOURCES - 2023.....	190
4.35.	MINISTRY OF LOCAL GOVERNMENT AND COMMUNITY AFFAIRS: 2022 – 2023 .....	191
4.36.	PROVINCIAL SECRETARY’S OFFICE, SOUTH - 2023.....	191
4.37.	PROVINCIAL SECRETARY’S OFFICE NORTH-WEST: 2022-2023 .....	192
4.38.	PROVINCIAL SECRETARY’S OFFICE NORTH-EAST: 2022-2023 .....	192
4.39.	PROVINCIAL SECRETARY’S OFFICE, EAST - 2022 .....	193
4.40.	IMMIGRATION DEPARTMENT - 2023 .....	193
4.41.	HUMAN RESOURCE MANAGEMENT OFFICE - 2023 .....	195
4.42.	SIERRA LEONE POLICE (HQ) - 2023 .....	196
4.43.	SIERRA LEONE POLICE, EAST - 2023.....	198
4.44.	SIERRA LEONE POLICE NORTH-WEST - 2023 .....	199
4.45.	SIERRA LEONE POLICE NORTH-EAST - 2023 .....	200
4.46.	SIERRA LEONE CORRECTIONAL SERVICE (HQ) – 2023 .....	201
4.47.	SIERRA LEONE CORRECTIONAL SERVICE, KENEMA– 2023.....	205
4.48.	SIERRA LEONE CORRECTIONAL SERVICE NORTH-WEST- 2023.....	206
4.49.	SIERRA LEONE CORRECTIONAL SERVICE NORTH, EAST - 2023.....	206
4.50.	JUDICIARY OF SIERRA LEONE (HQ) - 2023.....	207
4.51.	OFFICE OF THE ADMINISTRATOR AND REGISTRAR GENERAL (HQ) - 2023.....	209
4.52.	OFFICE OF THE ADMINISTRATOR AND REGISTRAR GENERAL, KENEMA: 2022-2023 .....	211
4.53.	OFFICE OF THE ADMINISTRATOR AND REGISTRAR GENERAL, NORTH-EAST: 2022 - 2023	211
4.54.	OFFICE OF THE CHIEF MINISTER - 2023.....	212
4.55.	OFFICE OF THE VICE PRESIDENT - 2023.....	212
4.56.	OFFICE OF THE PRESIDENT-2023 .....	213

## **MAIN POINTS**

### **What We Examined**

Our audits of Ministries and Departments (MDs) are risk-based. By risk we mean, the likelihood of an undesirable event occurring and the impact should it happen. For a selected function or area within an MDA's, we examine, on a test basis, a sample of transactions in a given time period and form a judgement on whether applicable laws, regulations and policies have been complied with, and whether the systems and practices are adequate to exercise a reasonable level of internal control over operating activities.

The areas and functions we selected for examination are those where the risk of non-compliance is high, based on past experience or the very nature of the activity. We looked at financial record keeping, physical custody of monies and other assets including stores as well as banking procedures, and the independent verification of bank balances. Our audit objective is to determine compliance with relevant laws, regulations and policies, as well as to establish whether assets are protected and the financial records fairly reflect the financial position and the result of operations.

### **Why It Is Important**

Government should collect revenue and only make expenditure that is authorised by an Act of Parliament. The passage of the budget into law is the expression of Parliament's intent. It is and must remain supreme. Any expenditure made for a purpose other than that intended by Parliament is contrary to law. In short, all public monies must be fully accounted for and in compliance with the laws, regulations and policies, and good accounting practice.

The confidence of the public, civil society and donors will be eroded when revenue is not recorded or banked, monies go missing, procurement rules are broken, or expenditures are not supported by the relevant documentation. This undermines the integrity of government and negatively impacts the reputation of Sierra Leone.

### **What We Found**

We estimate that, there have been irregularities with financial impact amounting to NLe152,604,739.25, US\$10,464,814.25, and €3,615.48 for MDs. Even though there was a reduction in the level of irregularities when compared to previous years, we continue to observe that these irregularities have occurred for a number of inter-related reasons; suggesting that public financial management has much room for improvement in MDs. We observed the following:

- Payments were made to contractors and suppliers for works and services that were not done, thereby resulting in incomplete activities and unsatisfactory service delivery.
- Salaries paid to non-existing staff who were not available for verification
- Payments without supporting documents persist in some MDs.
- Weaknesses were prevalent in the management of revenue; as some MDs failed to bank revenue as stipulated by law.
- In many cases, withholding taxes from suppliers or contractors were not paid to the NRA.
- Fixed assets, and stores were not adequately brought to account.

The challenge of not making available requested documents to auditors is still prevalent in some MDs. Details of these irregularities are given in Table 2

<b>Table 2</b>			
<b>Summary of Irregularities with Financial Impact Across Ministries and Departments</b>			
<b>Category of Irregularities</b>	<b>Amount</b>		
	<b>NLe</b>	<b>US (\$)</b>	<b>Euro (€)</b>
Unsupported Payments	18,129,006.37	3,004,387.25	3,615.48
Taxes (Withholding, PAYE & GST)	7,248,824.13	-	-
Contract Management	48,840,181.00	-	-
Salary and Payroll Administration	22,618,252.25	-	-
Revenue Management	54,167,643.50	7,460,427.00	-
Assets and Stores Management	1,600,832.00	-	-
<b>Total</b>	<b>152,604,739.25</b>	<b>10,464,814.25</b>	<b>3,615.48</b>

## DETAILED OBSERVATIONS AND RECOMMENDATIONS

### 4.1. MINISTRY OF AGRICULTURE AND FOOD SECURITY (HQ) - 2023

#### 4.1.1. E-extension Advisory Services to Support Farmers not Functional

During the World Food Day Celebration in Kabala on 16th October 2021, the E-extension Advisory Service was launched by the President to address the disparity between the ratio of front-line extension workers and the vast number of farmers. This platform is one of the Agricultural Technology (AgTech) tools to provide farmers with information about possible changes in weather patterns to aid planting and improve yields.

The Boosting Agriculture and Food Security (BAFS) project supported the initiative with the development of the e-extension framework document, whilst the Smallholder Commercialisation and Agribusiness Development Project (SCADeP) provided the needed IT equipment, furniture, headsets, application license fee, etc. to support the development of the interactive voice response (IVR) system and the call centre.

The audit team reviewed the e-extension framework document and assessment report, interviewed key officers and conducted a physical verification of the call centre to ascertain the operational effectiveness of the e-extension system.

We observed the following:

##### *(i) The Interactive Voice Response (IVR) system*

This is a technology that allows farmers, even those with feature (button) phones, to dial 899 and receive advisory responses in their local languages. Farmers can use this system to access critical information on input, agricultural technology, markets, and credit facilities. Despite all the required equipment and information resources being made available to the Ministry through the support of SCADeP, we further observed that the IVR system was not functional during the year under review. The audit team placed several test calls to the short code, but these were repeatedly terminated upon selecting the voice response option. Farmers could not have benefitted from the services of this technology.

##### *(ii) The Call Centre*

This is another facility of the e-extension programme that provides expert advice to farmers by way of responding to queries of farmers over the phone. During these calls, knowledgeable officers of the Ministry provide technical agricultural information to farmers in a simplified manner to aid farming. Farmers can obtain clarifications and personalised assistance on a real-time basis.

During a physical inspection of the call centre at the Ministry, we observed the following:

- Even though the equipment was present and functional, the call centre lacked the staff to timely receive and respond to farmers' queries, clarifications and personal assistance. Enquiries revealed that during the initial start-up operation of the call centre, 10 volunteers in the Ministry were selected and trained by SCADeP on handling farmers' queries. Those trained abandoned their roles due to lack of incentives.
- The audit team placed several calls to short code (899) which was repeatedly terminated upon choosing the option to speak with a call centre representative. At the time of verification, we could therefore not ascertain that the call centre was functional.

##### *(iii) Other Cost-effective Alternative Solutions not Delivered*

The e-extension framework documents used to establish the e-extension programme referenced other cost-effective alternative solutions that can complement the IVR system and call centre such as Closed User Group (CUG), WhatsApp integration, Mobile Projectors, and SMS platform.

We noted that two years after the programme was launched, these other cost-effective alternative solutions have not been implemented by the Ministry.

Despite the huge resources spent by the Ministry in providing the traditional extension services, farmers could have been deprived of timely information, resources and assistance to help them overcome planting issues, crop diseases and access to opportunities along the value chain.

We recommended that the Director of Extension and the Senior Permanent Secretary (SPS), develop a workable plan that addresses the deficiencies identified in order to revive the e-extension advisory services. Supporting evidence of action taken should be submitted to the ASSL.

#### 4.1.2. Poor State of the Ministry’s Store Buildings at Kissy

Despite recommendations in previous years, the physical verification exercise conducted at the Mechanical Stores at Kissy on 29th February 2024 revealed the following:

- The buildings are still dilapidated, as no repairs have been done.
- We sighted cracks in the walls of Stores 1 & 2, and the Black Store. Part of the roof of Store 1 had collapsed, and the metal doors of Stores 3 & 4 have severe rust impeding smooth access.
- A portion of the perimeter fence had collapsed exposing the store compound and buildings to unauthorised access.

Without urgent repairs and/or reconstruction, store items worth millions of Leones could get damaged which could result in loss of public resources.

We recommended that the Senior Permanent Secretary should immediately engage the Ministry of Works and Public Assets (MoWPA) to conduct detailed inspection and advise on the actions to be taken regarding the Kissy Store Buildings and fence. Based on the reply from the MoWPA, the Senior Permanent Secretary seek funds from the MoF to carry out the urgent repairs.

#### 4.1.3. Unexplained Discrepancies between Store Items and Store Records

We observed differences between the quantity of farming machines that was physically seen in store and the quantity recorded as balance in the allocated stores ledger. Below is an analysis of the type of machines:

Machines	No. in Allocated Store Ledger (unit)	Physical stock count (unit)	Difference (unit)
Chain saw	15	10	5
Harvester crawler trailer	15	13	2

During our review of the allocated stores ledger, store issue vouchers(SIVs) and delivery notes, we observed discrepancies between the quantities of farming machines issued out of Mechanical Store in Freetown, and the signed delivery records in Bo and Kenema District offices as described below:

Date	Items	Allocated Stores Ledger from Freetown (Unit)	Signed Delivery Note (Unit)	Difference (Unit)
<b>Kenema</b>				
4th March, 2023	Rice Thresher	8	3	5
4th March, 2023	Rice Whitener	2	1	1
4th March, 2023	Chain Saw	4	1	3
<b>Sub-Total</b>		<b>14</b>	<b>5</b>	<b>9</b>

Date	Items	Allocated Stores Ledger from Freetown (Unit)	Signed Delivery Note (Unit)	Difference(Unit)
<b>Bo</b>				
	Chainsaw	4	1	3
	Transplanters	5	3	2
<b>Sub-Total</b>		<b>9</b>	<b>4</b>	<b>5</b>
<b>Gross Total</b>		<b>23</b>	<b>9</b>	<b>14</b>
<b>Total</b>				<b>14</b>

Despite repeated requests, the differences were neither investigated and corrected nor were the items submitted for physical verification.

There is a risk that the farming equipment could have been converted to personal use resulting in loss of public resources.

We recommended that the Senior Stores and Inventory Officer should investigate and correct the differences, or fully account for the five chainsaws and two harvest crawler trailers.

### **Official Response**

*The said items and quantity were handed over to the current Senior Stores and Inventory Officer at the Ministry of Agriculture and Food Security. Receipt and Report are available for inspection.*

*This was an oversight however the complete documents are now available for audit inspection. Action has been taken already.*

### **Auditor's Comment**

Hand and take over notes were not submitted to substantiate the management response. We also observed that the differences were neither investigated and corrected, nor were the items available for physical inspection. Therefore, the issues remain unresolved.

#### **4.1.4. Failure to Distribute Urgently Needed Farming Equipment to Farmers**

During physical verification of store items at the Mechanical Store at Kissy, we observed that several farming equipment such as Sonalika challenger series rotavator sets, transplanters, and other farming equipment delivered to the store since 2020 were still being held in store. There was no justification for the failure to distribute these equipment. These farming equipment were found scattered all over the store compound, exposed to all weather conditions (sun and rain), some covered with grass and dust.

The intended beneficiaries could not have benefitted from the use of these equipment; and the equipment could have been susceptible to wear and tear.



*Farming equipment scattered in compound and covered with grasses*

We recommended that the Senior Stores and Inventory Officer should ensure that the equipment are cleaned and relocated into one of the store buildings to avoid further exposure to adverse atmospheric conditions.

Additionally, as these equipment are in high demand by farmers, the Senior Permanent Secretary and Ag. Chief Agriculture Officer should ensure that these items reach the intended beneficiaries. Evidence of action taken should be submitted to the ASSL.

### ***Official Response***

*The distribution of the said items has been done and beneficiaries have started transporting them to their various locations. Documents in view of this query are available for inspection.*

### **Auditor's Comment**

Contrary to the management's response, store records such as stores issue vouchers, and allocated stores ledger to confirm distribution of the equipment were not submitted for audit verification. As at the time of following up on management's response on 29th February, 2024 the machines were still being held and scattered at the Kissy Store. Therefore, the issue remains unresolved.

#### **4.1.5. Poor Management of Assets**

We obtained and reviewed the list of motor vehicles and motorbikes owned and controlled by the Ministry, and observed the following:

- Twenty-three vehicles and 45 motorbikes, and life cards for 36 motor vehicles and 85 motorbikes were not available for inspection.
- The register for motor vehicles and motorbikes lacked relevant details such as vehicle chassis number, responsible person, motorbikes registration number, etc.
- Even though the Ministry spent NLe49,825 on training staff on assets management for the period under review, a comprehensive inventory register that contains relevant information about the assets was not maintained.
- In the absence of a comprehensive inventory register, the audit team obtained an asset listing developed by the Internal Audit Unit of the Ministry. Our review of the listings revealed that a total of 12 assets included in the assets listing were not available or traced to other offices at the Ministry for physical verification.
- Ninety-eight different fixed assets such as office furniture and equipment sighted in various offices were not included in the assets listing.
- Several assets such as office furniture and equipment in various offices in the Ministry's HQ were not marked with the unique assets coding of the Ministry.
- The Ministry does not have an immediate plan to repair or dispose of faulty assets such as airconditioners, desktop computers, printers and other office equipment. Notably, the Ministry's 40KVA generator which was blown off by an unusual power surge in 2018 was confirmed to be in the same dilapidated state without any action taken by the Ministry to either repair or dispose of it.

These assets are exposed to theft and possible conversion for personal use as they are not captured in the Ministry's assets records.

We recommended that the Transport Officer and the Senior Permanent Secretary ensure the following:

- (i) Provide the 45 vehicles and 36 motorbikes, and life cards for 36 motor vehicles and 85 motorbikes for audit inspection.



- (ii) The list of vehicles and motorbikes should be updated with relevant details such as chassis number, and name of user. The updated list of motor vehicles and motorbikes should be submitted to the ASSL.

We also recommended that the Estate Officer should ensure the following:

- (i) Submit the 12 assets for audit verification.
- (ii) Update the assets listing regarding the details of the 98 assets verified.
- (iii) Initiate actions to commence coding of the Ministry's assets with its unique coding inscription, and that of all faulty assets.

### **Official Response**

- (i) *The following vehicles AKT 614 and AHY 386 are currently assigned to SLRRVCP and RAIC projects respectively and is ready for inspection at the project offices. AKA 789 is assigned to the Parliamentary Committee on Agriculture. Whereas AKT 608 is Assigned to the Senior Economist, MoF who was formerly the PA to the then Minister of Agriculture.*
- (ii) *AKT 609 still remains with the former Deputy Minister 1 of Agriculture and Food Security. Several attempts to retrieve the said vehicle has proven futile.*
- (iii) *AIT 349 and AIT 350 were impounded at the Criminal Investigations Department, Several Correspondence were sent in this regard unfortunately, they have still not been released to the Ministry.*
- (iv) *AJY 481 and AJY 479 were not returned to the Ministry as was agreed on upon completion of the project.*
- (v) *Staff members were informed by the transport unit in this regard to present Motor vehicles and Motor bikes for physical verification. Some staff complied whilst others did not. A second reminder has been sent again for a verification exercise upon receipt of this response.*
- (vi) *Ownership documents (life cards) are available for some vehicles currently. The Unit wrote for the replacement of lost documents but they said activity was not funded because of lack of funds.*
- (vii) *The Management through the transport office notes the concerns raised in this regard, list of Motor vehicles and Motor Bikes will be updated to reflect the needs of Audit Service Sierra Leone*

### **Auditor's Comment**

During the verification exercise, we observed the following:

- Vehicles with registration numbers AKT 614, AKT 608, and AKT 609 claimed to have been assigned to SLRRVCP, the former PA to the then Minister and to a former Deputy Minister-1 respectively, were not available for verification. Therefore, the issue remains unresolved.
- Written correspondences were not presented for vehicle AIT 349 and AIT 350 that was impounded by the Criminal Investigation Department (CID). There is no evidence that the ministry is making efforts to retrieve these two vehicles from the CID. Therefore, the issue remains unresolved.
- Management's comment regarding the non-return of vehicles: AJY 481 and AJY 479 upon completion of the project is noted. However, even after the completion of the project, there was no evidence of action taken by Management to take custody of these two vehicles. Therefore, the issue remains unresolved.
- The life cards for the 36 motor vehicles and 85 motorbikes were not submitted for audit inspection. Therefore, the issue remains unresolved.
- Management did not respond to the audit query regarding the missing assets, nor were the missing assets submitted for audit inspection. Therefore, the issue remains unresolved.
- Management did not respond to this audit query regarding several assets not coded, and the assets were still without codes. Therefore, the issue remains unresolved.

- Management did not respond to this audit query regarding the alarming number of faulty assets at the Ministry. Evidence of inspection and repairs and/or disposal was not provided for audit inspection. Therefore, the issue remains unresolved.

#### **4.1.6. Contract Terms not Met for the Development and Implementation of the E-voucher System**

On 23rd August 2021, the Ministry signed a contract with Niche Technologies (SL) Limited for the development of a farmer management system (farmer database + input voucher management system), hosting for 24 months, and ongoing maintenance and support for a total sum of NLe3,020,000. Clause 9 of the contract requires the consultant to carry out the service within one month, and hand the system over to the Ministry while providing additional 24 months of support and maintenance. At the time of the audit (April 2024), which is seven months after the end of the 24 months of operation and maintenance, we observed that despite the fact that 80% payment of the contract price amounting to NLe2,416,000 had been made, there was no evidence that the service provider had handed over the e-voucher system to the Ministry.

Paragraph 7(4) of the terms of reference requires the consultant to train users such as system administrators, input voucher sponsors, agro-dealers, machine ring operators, participating banks and other relevant stakeholders. There was no evidence of training for these set of users.

Further issues observed include the following:

- The operational manual of the system which serves as a guide in navigating the modules in the system and the first point of reference for application support had not been submitted by the consultant to the management of the Ministry.
- Technical report on the completion of the system development, user-acceptance testing (UAT), security and data integrity test was not done as required by the contract.
- The source code to the e-voucher system has not been handed over to the Ministry as the owners of the system or is subject to an escrow agreement, posing serious sustainability challenges to the initiative should the consultant suddenly wind up operations.
- There was also no evidence that the activities of the consultant, as current system administrator, was reviewed periodically to ensure that unauthorised activities were not performed on the system.

The Ministry could have paid for a farmer management system including services that could not have been provided resulting in loss of public funds. Additionally, the consultant could be operating the farmer management on behalf of the Ministry; exposing government's information to parties who do not have authority to handle it.

We recommended the following:

- (i) The Senior Permanent Secretary (SPS) should engage the consultant, Niche Technologies (SL) Limited regarding the handing over of the farmer management system to the Ministry and training of the relevant staff and stakeholders on the use of the system. Evidence of the engagement should be submitted to the ASSL.
- (ii) The SPS should engage the Information Technology Division to ensure that the information technology infrastructure is put in place for the hosting and operation of the farmer management system developed for the Ministry.
- (iii) The SPS should obtain the manual of operation of the farmer management system from the consultant.

- (iv) Before acceptance of the system, the head of IT should ensure data integrity tests and user-acceptance tests show accepting outcomes.
- (v) The SPS and the head of IT should engage the consultant to access the system and conduct independent reviews to ascertain that unauthorised activities were not carried out in the system by the consultant.

### **Official Response**

- (i) *Niche Technology has trained the ICT Officer in respect of the system.*
- (ii) *Funding is required for this. However, the IT Officer has requested management for action. Once funding is available the appropriate action will be taken.*
- (iii) *The ICT Officer has already developed the governance structure for the operational activity of the system.*
- (iv) *The ICT Officer in consonant with Niche Technology consultancy are in constant touch to review the entire system as required. However, management is of the view that an independent system review is required and so funding is being awaited for such an undertaking. Once funding is received, necessary action will be taken.*

### **Auditor's Comment**

We observed the following:

- Evidence of the SPS engagement with the consultant, Niche Technologies (SL) Limited regarding the handover of the farmer management system to the Ministry and training of the relevant staff and stakeholders on the use of the system was not submitted to the audit team during verification. A training report evidencing the training of the ICT Officer on the use and management of this system was also not submitted to the ASSL.
- The system's operational manual, technical report on the completion of the system development and evidence of technological infrastructure being put in place to host the e-voucher system at the Ministry were also not submitted for inspection. Evidence of the developed governance structure for the operational activity of the system was also not submitted to the ASSL.
- We also note management's comments regarding the availability of funds to undertake an independent system review of the farmer management system. However, evidence of accessing the system by the head of IT to investigate possible unauthorised activities that could have been carried out by the consultant in the system was not submitted to the ASSL.

Therefore, the issue remains unresolved.

#### **4.1.7. Outstanding Revenue from Machine Ring Operators**

On 26th May 2021, the Ministry provided 409 assorted farming machines and equipment, (279 tractors and 130 power tillers) to 14 private business organisations on a lease arrangement. These 14 organisations were required to make bi-annual payments to the Ministry starting in May and November 2022.

Contrary to Clause 16.3 of the contract, we observed that these 14 business entities had not paid the agreed lease obligation to the Ministry, despite several audit recommendations. From computation, we assessed that the outstanding revenue totalled NLe32,308,124. Additionally, there was no evidence that the Ministry is making efforts to collect the revenue from the business entities.

Further examination of the signed contracts revealed that Clause 7 of the General Conditions of Contract provided for a 10% performance bond to be submitted by these 14 business entities. However, these securities which the Ministry could have fallen back on to recoup some of the outstanding payment, were not submitted to the ASSL.

The non-payment of revenue from the use of the Ministry's farming equipment leased out by these 14 business entities could have deprived the government of its much-needed revenue.

We recommended that the SPS and the Chief Accountant should immediately commence effective debt collection and actions to ensure that the outstanding revenue amounts are collected from the private business organisations, with evidence of such actions submitted to the ASSL.

The SPS should obtain valid performance bond from these business entities and submit same to the ASSL.

### **Official Response**

*For effective debt collection strategy as raised by audit, demand notice has been issued to all debtors for payment into the account at the Bank of Sierra Leone to meet their obligations.*

### **Auditor's Comment**

Evidence of delivery of demand notices to the 14 private business organisations and payments received from them, and valid performance bonds were not submitted to the ASSL.

Therefore, the issue remains unresolved.

### **4.1.8. Leasing of Combine Harvesters and Driers to Defaulting Business Entities**

On 27th July 2023, the Senior Permanent Secretary signed a Memorandum of Understanding (MoU) with 14 private business organisations that had defaulted on prior contracts, and handed over additional farming equipment (51 combined harvesters and 94 driers) worth US\$8,372,000 with the same obligation of making periodic payments for this additional farming equipment. For the period under review, these entities should have paid the total sum of NLe10 million. There was no evidence that this amount was paid.

Furthermore, field verification conducted to ascertain the status and use of the farming machines in selected districts revealed that two combine harvesters distributed to the machine ring operators in Kenema were never delivered. Instead, the harvesters were redirected to Bonthe without any authority or arrangement to correct the books for accountability and transparency.

The inaction by the Ministry in enforcing payments from the 14 business entities could have deprived the government of its much-needed revenue and reduced the chances of providing similar services to other potential targeted beneficiaries.

We recommended that the SPS should submit the following:

- (i) Evidence justifying the rationale and authority for signing an MOU and handing over the 51 combine harvesters and 94 driers to the same defaulting 14 private business organisations.
- (ii) Evidence of the debt collection strategies for the outstanding debts from the private business organisations.
- (iii) Authority for delivering the two combine harvesters to Bonthe instead of Kenema.

The SPS should also ensure that the store records should be updated to reflect the redirection of the harvesters for accountability and control.

### **Official Response**

*Our justification for handing over 51 combine harvesters and 94 dryers to the same defaulting 14 private business organisation is as a result of the fact that they have indicated their willingness to start payment into the account at the BSL. Similarly, agriculture is time bound and if those machines are kept at the store without use for a long time will affect the production, thus the Feed Salone Initiative will not be accomplished.*

### **Auditor's Comment**

- (i) Management response regarding the rationale for handing over the 51 combined harvesters and 94 dryers to the same 14 defaulting business organisations is noted. However, the rationale

is untenable, especially without any effective debt collection strategy. There was also no evidence that these private business organisations had started making payments of outstanding debts. Therefore, the issue remains unresolved.

- (ii) The authority for the transfer of the two combined harvesters to Bonthe instead of Kenema was not submitted to the ASSL. Also, there was no evidence that the store records were updated to reflect the redirection of the harvesters. This issue also remains unresolved.

#### **4.1.9. Staff on Secondment**

##### *a) Double Payment of Salaries to Staff*

The audit team reviewed the nominal roll of the Ministry for 2023 and observed that a staff with pin code: 132658, who was categorised as being on secondment at the National Commission for Social Action (NaCSA) also received a total net salary of NLe49,456 from May 2020 to December 2023. We could not ascertain whether the necessary approval was obtained from the HRMO for the said staff to proceed on secondment.

Despite several requests, the Human Resources Division did not submit the staff personal file. Also, an Agriculture Officer with pin code 134564 was granted secondment to serve as Fertiliser Inspector at the National Fertiliser Regulatory Agency (NFRA) effective 1st September, 2022. It was unusual to note that even though this staff was still with the NFRA, a net monthly salary of NLe1,283 was paid to the staff in April 2023 without any justification.

##### *b) Staff Exceeding Secondment Tenure*

Three staff with pin codes 132661, 142455 and 128367 were approved to proceed on secondment to various government institutions for an initial period of two years; starting on 1st February 2021, 1st March, 2017 and 1st December, 2018 respectively. These staff were expected to resume work at the Ministry on 1st February 2023, 1st March, 2019 and 1st December, 2020 respectively. As of the date of this report, we could not confirm their current status at the Ministry, as there was no evidence on file to suggest they had returned to the Ministry, resigned or abandoned their posts even though their names were still on the nominal roll.

Similarly, a Monitoring and Evaluation Officer with pin code: 140004 was approved to proceed on secondment for five consecutive years; starting on 5th March, 2015 to 1st April, 2020. This was in contravention of Rule 5.26 of the Civil Service Code. We also could not confirm the current status of the staff as there was no evidence on file to suggest whether he had returned to the Ministry, resigned or abandoned post, even though the name was still on the nominal roll and receiving salary.

It was strange to note that, despite the gross understaffing of the Ministry, concurrences were still granted to staff to proceed on secondment to other departments, agencies and projects, and without proper monitoring of their activities.

The Assistant Director of Human Resources should ensure the following:

- (i) Recoup the total salary of NLe49,456.00 and NLe1,283 paid to the two staff on secondment and deposit same into the Consolidated Fund with evidence of deposit submitted to the ASSL.
- (ii) Submit to the ASSL, evidence of authorisation for the staff on secondment to NaCSA.
- (iii) Provide the rationale for staff exceeding secondment tenure against the statutory requirement as stipulated in Rule 5.26 of the Civil Service Code, Regulations and Rules of 2011. Otherwise, their names should be deleted from the Ministry's payroll immediately.

#### **Official Response**

*The Ministry discovered the said payment anomalies and informed the officer concerned and he has accordingly refunded the said money through the Bank of Sierra Leone.*

*The Ministry has sent a letter to all project managers and executive directors of its agencies reiterating that all those on secondment whose tenures have elapsed, should return to the Ministry with immediate effect. Those who have not requested for extension of secondment after their first two years, should do so without further delay, pursuant to Rule 5.26 of the Civil Service Code, Regulations and Rules.*

*The Ministry recalled the said officer immediately his secondment expired, and he accordingly resumed duty.*

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

- (i) From the total of NLe49,456.00, two deposit slips totalling NLe35,000.00 were submitted in respect of repayment of ineligible salaries to a staff on secondment with pin code 132658, leaving an outstanding balance of NLe14,456. The authority from the HRMO for the staff to proceed on secondment was not submitted for audit inspection. Therefore, the issue is partly resolved.
- (ii) There was no evidence of repayment of ineligible salary paid to another staff with pin code 134564 totalling NLe1,283. Therefore, the issue remains unresolved.
- (iii) Correspondence written to staff of the Ministry who had exceeded their secondment tenures to resume duty were not submitted to the ASSL. Therefore, the issue remains unresolved.

#### **4.1.10. Salaries Paid to Deceased Staff**

Our review of the Ministry's staff wastages on its 2023 manpower plan, list of starters and leavers, and sampled personnel files revealed that two staff; a driver with pin code 131081 and an Agriculture Extension Officer with pin code 111205 passed away on 12th April, 2023 and 20th December, 2022 respectively. We however observed that salaries totalling NLe13,125 were paid to these staff even after their death. There was no evidence that the HRMO and Accountant-General's Department were notified for the names to be deleted from the payroll.

Salaries paid to deceased staff is a loss of government scarce resources.

We recommended that the provision of evidence that the death of these staff were communicated to the HRMO and the Accountant-General's Department; otherwise the Assistant Director of Human Resources should be held accountable.

Furthermore, the HRMO and the Accountant-General's Department should immediately delete the names of these staff from the payroll of the Ministry.

#### **Official Response**

*The Ministry of Agriculture was proactive enough in reporting the death of the said officers. This report of death invariably implies that those names should be deleted from the payroll of the Ministry and the appropriate authorities be notified to stop the salaries and delete the names of the deceased staff from the payroll.*

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

There were considerable delays on the part of the Deputy Director in notifying the HRMO and the Accountant-General's Department about the death of the two staff. From records submitted, we observed that the report to the HRMO on the demise of the driver and the Agriculture Extension Officer was dated 8th November, 2023.

Therefore, the Deputy Director should ensure that the full amount is recovered and paid back into the Consolidated Fund, and payment details submitted to the ASSL for verification. The issue therefore remains unresolved.

#### **4.1.11. Other Payroll Deficiencies**

##### *a) Payroll Reconciliation not Done*

Payroll reconciliation was not carried out by the Human Resources (HR) Division. As a result, 14 staff whose names were on the nominal roll could not be traced to the Ministry's payroll for FY2023. Notably, the Deputy Secretary and the Senior Assistant Secretary's names were still on the payroll of the previous ministries they were attached before being reassigned to the Ministry of Agriculture and Food Security.

##### *b) Alarming Vacancies in the Ministry*

We obtained and analysed the Ministry's Manpower Plan for FY2023 and observed that the Ministry has a total of 2,281 vacant positions within various divisions and programmes to be filled. We further observed that 18 of the vacancies were key management positions such as Directors, Deputy Directors and Assistant Directors.

##### *c) Poor Monitoring of Staff Attendance*

We obtained the staff attendance records and observed that the Ministry's headquarters used ledger books to capture daily staff attendance. Our review of the said ledger revealed that the HR Division had not been effectively monitoring staff attendance as we observed a series of perpetual lateness and absenteeism. Furthermore, the names of some staff on the staff list could not be consistently traced to the junior, senior and technical staff attendance register.

The HR Division did not prepare any periodic punctuality report to identify perpetual late comers and absentees. Furthermore, the HR Division did not have any mechanism in place to monitor the attendance and punctuality of staff reporting at the district offices, field sites and other outstations.

We recommended that the Assistant Director of Human Resources should ensure the following:

- (i) Conduct periodic reconciliation between the Ministry's nominal roll and its payroll.
- (ii) In collaboration with the Senior Permanent Secretary liaise with HRMO to fill the vacancies in the Ministry, especially the key management positions.
- (iii) That staff attendance is being regularly monitored with periodic punctuality report done to take punitive actions against perpetual late comers and absentees. In addition, staff attendance and punctuality at the district offices, field sites and other outstations should also be monitored.

#### **4.1.12. Management of Volunteer Staff**

The Ministry had a total of 410 volunteers, representing 42% of the total staff strength. There was no policy to regulate the activities of volunteers. Additionally, personal files into which records relating to competencies and personal information were not maintained for volunteers.

The volunteers did not sign any oath of secrecy with the Ministry even though they were exposed to critical and confidential information, documents and resources of the Ministry.

There is the possibility that these volunteers could expose critical and confidential information, documents and resources of the Ministry to third parties for personal gains.

We recommended that the Assistant Director of Human Resource should ensure guidelines, through the approval of the HRMO, are in place to regulate the activities of volunteers of the Ministry. Additionally, the Senior Permanent Secretary should ensure the regularisation of these volunteers into the main stream civil service cadre.

#### **4.1.13. Staff not Available for Physical Verification**

We observed the following:

- A total of 55 pin coded staff with duty stations in Freetown did not present themselves for physical verification. The total salaries paid to these staff in FY2023 amounted to NLe400,917.
- A total number of 48 staff verified were without staff identity (ID) card even though the Ministry spent NLe30,000 on printing of 600 staff ID cards in FY2023.

Salaries could have been paid to individuals that were not staff of the Ministry. Resulting in loss of government much-needed resources to undertake other service delivery activities.

We recommended that the Assistant Director of Human Resources cause the affected staff to present themselves for physical verification.

The head of Agriculture Information and Communications Unit (AICU) should also explain with documentary evidence reasons why several staff of the Ministry were without staff ID cards even though funds were provided to him for printing and distribution of 600 staff ID cards in 2023. Otherwise, the funds should be paid back into the Ministry's imprest account.

#### ***Official Response***

*The Ministry called on all its staff for physical verification particularly those at the headquarters and those in the provinces, the audit team promised to visit them to do same.*

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

The 55 staff did not avail themselves for physical verification. Also, management did not comment on the issues of staff without identity cards even though NLe30,000 was spent during the period under review. Therefore, the issues remain unresolved.

#### **4.1.14. Accounting for Government Subventions to Various Institutions**

##### **(i) Sierra Leone Chamber for Agribusiness Development (SLeCAD)**

#### ***Expenditure Returns not Submitted***

We reviewed the Ministry's Expense Analysis for FY2023 and observed that funds totalling NLe499,500 were transferred to the SLeCAD as a government subvention for FY2023. Expenditure returns such as payment vouchers (PVs), approved requests, invoices, and receipts were not submitted for audit inspection.

Payments could have been made for purposes not beneficial to the programme, resulting in loss of public funds.

We recommended that the Programme Coordinator of SLeCAD in collaboration with the Chief Accountant of MAFS should ensure that expenditure returns are submitted for audit inspection. Otherwise, the amount should be refunded into the Consolidated Fund and evidence of refund forwarded to the ASSL.

#### ***Official Response***

*Payment vouchers and other relevant supporting documents in respect of the Sierra Chamber for Agribusiness Development (SLeCAD) are available for audit verification.*

#### **Auditor's Comments**

Expenditure returns were submitted for amount totalling NLe499,500. Our review of these documents revealed the following:

- A total of NLe146,895 was disbursed for food, DSA, and transport refunds for 120 farmer organisations identified to attend trainings in the provinces (Makeni, Kenema and Bo).



There was no evidence of trainings as information such as dates and venue on the attendance and signed beneficiaries' lists were all covered with correction fluids, before being replaced with details related to the purported trainings. We made phone calls to verify and confirm attendees. The selected calls were responded to, and respondents denied attending trainings organised by SLeCAD on the dates and venue identified.

- The sum of NLe40,000 was disbursed for five days' refreshments for Board members. Relevant records such as meeting notice, agenda, attendance list and meeting minutes evidencing meeting held were not submitted for audit inspection.
- There was an excess payment of backlog salaries to the Programme's Executive Secretary for FY2023 which amounted to NLe1,200 (NLe178,700 - NLe177,500). There was no justification for the excess payment.
- National Social Security and Insurance Trust (NASSIT) contributions and pay-as-you-earn taxes, amounting to NLe26,805 and NLe47,779.50 respectively, were not deducted from the salaries and paid over to the respective authorities.

In the absence of reliable records justifying the utilisation of funds, the Programme Coordinator of SLeCAD in collaboration with the Chief Accountant of MAFS should ensure the following:

- (i) Funds totalling NLe188,095 (NLe146,895 + NLe40,000 + NLe1,200) be refunded into the Consolidated Fund with evidence of deposit submitted to ASSL.
- (ii) NASSIT contributions and PAYE taxes amounting to NLe26,805 and NLe47,779.50 respectively, are recouped and paid to the respective authorities.

Therefore, the issue is unresolved.

#### **(ii) Seed Multiplication Project**

##### ***Unauthorised Deposit into the Programme Bank Account Relating to Rental of Bombali Store***

We observed that funds totalling NLe138,276.95 were deposited into the Programme's Bank account with narrations "rental in respect of Bombali Store for the period 28th March, 2023 to 27th March, 2024" by an unknown depositor. Despite repeated requests, the Programme Coordinator did not submit an explanation and the amount was subsequently withdrawn from the account in tranches as against being transferred into the Consolidated Fund.

Additionally, the rental agreement was not made available for audit inspection and there was no evidence of authorisation from the Ministry for such arrangement.

The facility could have been leased to private individuals without the approval of Vote Controller of the Ministry.

We recommended that the Programme Coordinator submit the rental agreement and authority by the Ministry for the rental of the Bombali Store.

##### ***Official Response***

*The said amount is a backlog payment from finance in respect of rental payment for the Bombali Store occupied by the programme. However, evidence of the payment such as receipt and agreements are available for audit verification.*

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

The said payment was made by Plan International into the Programme's account as rent for the Bombali warehouse for the period 28th March, 2023 to 27th March, 2024. There was no evidence that this amount was paid into the Consolidated Fund.

Additionally, the rental agreement for the store and authority from the Ministry for the rental of this store was not submitted for audit inspection.

Therefore, the issues remain unresolved.

### ***Complete Bank Statement not Submitted***

We observed that the bank statement submitted by the programme was incomplete. Several pages and dates of transactions from 1st January to 11th April 2023, and from 3rd June to 11th July, 2023 were not submitted to the ASSL.

Additionally, bank statements for the period 28th July to 31st December, 2023 in which the sum of NLe900,000 was transferred as third quarter programme support for the FY2023 was not submitted. Cashbook, bank reconciliation statements, and funds utilisation records were also not submitted to the ASSL.

Funds flow within the account for the missing period may not be properly accounted for.

The Finance Officer should submit the complete bank statements, cashbook, bank reconciliation statements, and funds utilisation records to the ASSL.

### ***Official Response***

*The documents in request such as bank statements, cashbook and bank reconciliation statements are available for Audit verification.*

### **Auditor's Comment**

Contrary to Management's response, the completed bank statement, cashbooks and payment records were not submitted and verified. Therefore, the issue remains unresolved.

### **(iii) Sierra Leone Agri-Business Initiative (SABI)**

#### ***NASSIT Contribution Arrears not Paid***

The Sierra Leone Agri-Business Initiative (SABI) received NLe100,000 from the Ministry of Finance as part-payment of NASSIT contribution arrears. There was no schedule of outstanding NASSIT contributions payable for staff of SABI, and evidence of payment of the arrears.

Non-payment of NASSIT contributions could affect staff welfare when they retire because there could be gaps in their contributions, and this could impact the assessment of gratuity and pension payments.

We recommended that the Project Coordinator should submit schedule of outstanding NASSIT contributions, and evidence of payment to the ASSL.

### ***Official Response***

*The HRO in collaboration with the Accountant-General's Department deduct and pay NASSIT contributions for the staff, however, the Programme pays allowance and stipends to staff for specific activities. Evidence of such payments is available for audit verification.*

### **Auditor's Comment**

The schedule of NASSIT arrears for staff were submitted. However, evidence of payments was not submitted for audit inspection. Therefore, the issue remains unresolved.

#### ***Harvested Rice and Maize not Accounted for***

A total of NLe144,450 (NLe121,450+NLe23,000) was spent on inland valley swamp, upland farming and harvesting of rice, and NLe24,500 on maize cultivation and harvesting during the period under review. Despite repeated requests, there was no information on how these yields/harvests were accounted for by the project management.

The harvested rice and maize could have been converted for personal gain, resulting in loss of public funds.

We recommended that the Programme Coordinator should provide the end-of-harvest report and how the outputs/yields were accounted for by the project management team. Otherwise, the amounts expended should be recovered and paid back into the Consolidated Fund.

***Official Response***

*End-of-harvest report and how output/yields are available for audit verification.*

**Auditor's Comment**

The end of harvest report and utilisation of output/yield were not submitted. Therefore, the issue remains unresolved.

**(iv) National Federation of Farmers in Sierra Leone**

***Complete Bank Statement not Submitted***

In spite of repeated requests, bank statements for FY2023 were not submitted for audit inspection. We therefore could not ascertain whether appropriate procedures were followed in the management of the income and expenditures in respect of these accounts.

The president of the federation should submit the complete bank statements to the ASSL.

***Official Response***

*The bank statements are available for audit verification.*

**Auditor's Comment**

Contrary to management's response, bank statements were not submitted to the ASSL. Therefore, the issue remains unresolved.

**4.2. MINISTRY OF AGRICULTURE AND FOOD SECURITY, BO DISTRICT - 2023**

The following were key outcomes of the audit of the Ministry of Agriculture and Food Security, Bo District:

- The Extension Unit was understaffed. Ten instead of 54 District Extension workers were currently in post to carryout agricultural activities across six agricultural blocks and each block comprises three chiefdoms. Each of the blocks should be manned by a Block Extension Supervisor and eight Frontline Extension workers.
- A victor motorbike with registration number AMK 760 assigned to the M&E Division was not seen for physically verification. In addition, five motorbikes owned by MAFS, Bo Office, were not licensed. In addition, we observed that one motorbike was licensed with a private registration number. This cast significant doubt over the ownership of these motorbikes.
- There was no official vehicle to carry out effective monitoring and supervision of agricultural activities within Bo District. This continues to hinder effective service delivery since monitoring and supervision activities were not done on a timely basis.

There is a risk that the above challenges could affect effective service delivery in the district.

We recommended that the CAO and the SPS should ensure that the challenges above are immediately addressed to enhance effective service delivery.

#### 4.3. MINISTRY OF AGRICULTURE AND FOOD SECURITY, KENEMA DISTRICT – 2023

##### 4.3.1. Ministry's Planned Activities not Implemented

We observed that only 25% of the Ministry's planned activities were implemented. Considering the importance of the agricultural sector in the country, we note with concern the minimal impact this would have in ensuring the district makes significant progress towards supporting farmers, achieving food self-sufficiency and reducing poverty level, which is one of government's main flagship programmes. Progress made during the period towards supporting farmers, and in achieving food self-sufficiency at district/national levels was therefore inadequate.

We recommended that the District Agriculture Officer should ensure that going-forward, appropriate plans are made based on the availability of funds for the implementing of the remaining 75% of these activities.

##### 4.3.2. No Storekeeper to Manage the Ministry's Store

There was no substantive Storekeeper to manage the Ministry's store between August and December 2023. From inspection of documents and interviews conducted, we observed that the Storekeeper retired in July 2023, but was called upon intermittently to perform certain tasks relating to running the affairs of the main store. Evidence to show that he was duly authorised, contracted and paid for this service was not made available.

We recommended that the District Agricultural Officer should ensure that the Ministry of Agriculture and Food Security and the Human Resource Management Office (HRMO) are contacted to recruit or transfer a storekeeper to the Kenema Office. Evidence of action taken should be submitted to the ASSL.

##### 4.3.3. Machinery in Store without Accompanied Part

The following were observed:

- Delivery note was not provided in respect of 25 water pumps and their accessories delivered to the MAFS, Kenema.
- Each of the water pumps was without engine / generator to power them. As a result, the machines were laid idle in the Mechanical Unit Store Room 2.

We recommended that the District Agriculture Officer should ensure the following:

- (i) Submit the delivery note in respect of the 25 water pumps delivered to the District Office, Kenema.
- (ii) Provide engines and generators to power the 25 water pumps, and evidence of action taken submitted to the ASSL.

##### **Official Response**

*The delivery note for these 25 water pumps and accessories is available for verification. The issue of engines/generators was misunderstood by the officer-in-charge here. It was later explained that the power tiller engines in the Mechanical Unit are to be used together with the water pumps and perform their functions effectively, instead of separate engines/generators.*

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

- (i) The delivery note for the 25 water pumps was submitted and verified. The Storekeeper however asserted that the water pumps came without their engines and the matter was escalated to the District Agriculture Officer(DAO) at the time.

- (ii) There was no indication in the delivery note that the water pumps were without engines. We also did not get a written representation from the DAO or the Ministry's headquarters in Freetown explaining why the water pumps were delivered to the Kenema Office without their engines/generators. Our recommendations were partly implemented, therefore, the issues are partially resolved.

#### **4.3.4. Human Resources Management Issues**

The Ministry's staff strength was inadequate to cover its administrative offices and the six agricultural blocks in the District. The Ministry relied mostly on volunteers and temporary staff to support the implementation of activities. From a staff requirement of 100, only 49 were available, of which 25 were volunteers. Furthermore, the effectiveness of supervision of activities in remote agricultural blocks would be lacking if there is a limited staff coverage in these areas. This contravened Rule 1.2 of the Civil Service Code, Regulations and Rules, 2011

We recommended that the Ministry should engage the HRMO to absorb the volunteers into the mainstream Agriculture Ministry.

### **4.4. MINISTRY OF FOREIGN AFFAIRS AND INTERNATIONAL COOPERATION - 2023**

#### **4.4.1. Special Imprests not Retired**

Despite our recommendations in previous audit reports, and in contravention of regulation 124(1&6) of the PFMR, 2018, the Ministry continued to expend special imprest without maintaining retirement records to account for same.

In 2023, we observed that special imprests totalling NLe939,148.30 were not retired to account for the utilisation of these funds. In addition, there was no evidence that the amount was paid back into the Consolidated Fund at the end of the activities.

We recommended that the Director of Administration and Finance should submit to the ASSL retirement details in respect of these imprests. Otherwise, the amount should be refunded and paid into the Consolidated Fund.

#### ***Official Response***

*Regarding the special imprest totaling NLe939,148.30, the documents are now available for audit verification.*

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

From a total imprest of NLe939,148.30, retirement details totalling NLe170,863.20 representing 18% of the queried amount, were submitted and verified, leaving a balance of NLe768,285.10. Therefore, the issue remains unresolved.

#### **4.4.2. Expenses for Water Taxi Services**

##### *Duplication of Payment for Boat Hiring Services*

Contrary to Regulation 277(1) of the Public Financial Management Regulations 2018, we observed that NLe50,000 was overpaid to a service provider for the hiring of a boat to Lungi.

This overpayment could have deprived government of its much-needed resources thereby resulting in a loss of public funds.

We recommended that with immediate effect, the Director of Administration and Finance should recover the overpayment from the service provider, and pay same into the Ministry's imprest account, and submit evidence of payment to the ASSL.

**Official Response**

*Request has been made to the Bank of Sierra Leone for reversal of the said amount for the boat hiring service.*

**Auditor's Comment**

There was no evidence that the Bank of Sierra Leone was informed for the reversal of the said amount, or evidence of reversal. Therefore, the issue remains unresolved.

**4.4.3. Payment Made without Agreement**

The Ministry made part-payment of NLe287,161.88 from accrued debts of NLe555,750 without a signed contract. Of concern is that for overseas travelling requiring boat crossing to the Freetown International Airport, costs for the boat crossing are paid directly to staff. Therefore, the basis for hiring boats and accruing such debts remains doubtful in the absence of an agreement.

**Official Response**

*Boat hiring was not in our approved annual procurement plan therefore no procurement process was initiated for it. The use and payment for the service of their boat was as a result of the preferential treatments given by Sea Bird when diplomats and other dignitaries are using their service especially protocol and security details.*

*Evidence of approval for payments is available for audit inspection.*

*Going forward, the Ministry will add it to the next annual procurement plan for which procurement process will be initiated and framework contract signed with the service provider.*

**Auditor's Comment**

Neither evidence of approval for payments as indicated in the management's response, nor a contract or Memorandum of Understanding between the Ministry and Sea Bird to render services resulting in an accrued amount was not submitted for audit inspection. Therefore, the issue remains unresolved.

**4.4.4. Withholding Taxes Deducted not Paid to the National Revenue Authority**

In contravention of section 130(1) of the Income Tax Act, 2000 (as amended), we observed that withholding taxes amounting to NLe52,548 deducted from payments made to various suppliers were not paid to the NRA.

Failure to remit withheld taxes could result not only in legal action against the entity, including fines or penalties; but could also lead to loss of government much needed revenue.

We recommended that the Accountant should pay the deducted withholding taxes to the NRA and evidence submitted to the ASSL.

**Official Response**

*Of the NLe52,548, the sum of NLe23,320 relates to double payment transactions which has been recovered and paid back into the Ministry's account. There is evidence that the remaining NLe29,228 was deducted and paid to the NRA and such evidence will be resubmitted for audit verification.*

**Auditor's Comment**

Management's response regarding the recovery of the double payment transactions is noted, and evidence of the payment of NLe23,320 was verified. Evidence of payment for the remaining NLe29,228 was however not submitted. Therefore, the issue is partially resolved.

#### **4.4.5. Foreign Service Academy (FSA)**

##### *(i) Recruitment Records for Contract Staff not Submitted*

Despite repeated requests, evidence such as advertisement of vacancies, shortlisting of candidates, candidates' interview assessment and staff files, were not made available for the recruitment of 13 individuals.

Without proper records, it can be difficult to assess the effectiveness of recruitment process.

We recommended that the former Minister together with the former Director of Administration and Finance should submit the recruitment records for the 13 contract staff of the FSA to the ASSL.

##### **Official Response**

*The recruitment records and personnel files for the contract staff are now available for audit verification.*

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

Contrary to management's response, recruitment records and personnel files for the 13 contract staff were not submitted during audit verification. Therefore, the issue remains unresolved.

##### *(ii) Pay-As-You-Earn (PAYE) Taxes Deducted but not Paid to the NRA*

Contrary to section 130(1) of the Income Tax Act, 2000 (as amended), we observed that, PAYE taxes totalling NLe1,004,091.28 were deducted from the salaries of contract staff but not paid to the NRA. The unpaid taxes could have deprived government of its much-needed revenue. The Director of Administration and Finance should ensure that the PAYE taxes are paid to the NRA and evidence of payment submitted to the ASSL.

##### **Official Response**

*Management notes the outstanding PAYE payments. The Ministry was however having challenge with the NRA portal which they are resolving. The outstanding PAYE will be paid as soon as the problem is resolved with the NRA.*

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

Management's response regarding its challenge with the NRA portal is noted. We however did not see evidence of management's efforts to access the portal and make the outstanding payment to the NRA. Therefore, the issue remains unresolved.

#### **4.4.6. Payments of Child and Education Allowances**

In spite of recommendations in previous reports and upon review of sampled personnel files of foreign mission staff, the Ministry continued to pay child and education allowances for children over the age of 18 years.

During 2023, a review of 35 sampled personnel files of foreign mission staff revealed that child and education allowances totaling US\$3,900 was paid to one staff even though the child's birth certificate indicated he was over the age of 18 years. Furthermore, US\$11,700 and €3,615.48 were paid to two foreign mission staff for child and education allowances respectively, but evidence such as birth certificates and passports could not be seen in the staff's personal files.

##### **Official Response**

*Notification will be sent to the concerned staff about the anomalies for it to be addressed.*

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

There was no evidence of recovery and repayment of the queried amount into the Consolidated Fund in respect of payment for child and education allowances for a child over 18 years. Additionally, no

birth certificates and copies of passports were submitted for the children of the four staff that were paid the child and education allowances. Therefore, the issues remain unresolved.

#### **4.4.7. Staff not Available for Physical Verification**

Contrary to Regulation 112(2) of the Public Financial Management Regulations 2018, we observed that from a total of 120 staff, the names of nine staff in the ministry's payroll were not available for physical verification. Moreover, there was no evidence to indicate that they were on leave, or on an official assignment to warrant their absence. A total salary of NLe425,434.99 was paid to these staff in 2023.

Included in the list of unverified staff, is a staff with pin code170625 who last signed the attendance register in May 2023.

#### ***Official Response***

*These staff will be available for physical inspection during the audit verification*

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

Of the nine staff, two availed themselves for physical verification, and evidence of suspension of one staff was submitted for audit inspection, leaving the balance of six staff not available for physical verification. A total salary of NLe402,570 was paid to the unverified staff. Therefore, the issue remains unresolved.

#### **4.4.8. Excess Expenditure in the Execution of a Framework Contract without Approval from the Relevant Authority**

The Ministry entered into a framework contract from June 2022 to June 2023 for the supply and delivery of computers and computer consumables, with a contract amount of NLe1,498,000.

During a review of invoices for supplies and deliveries made under this contract, we observed that the total value of computers and computer consumables delivered to the Ministry was NLe2,681,900; which exceeded the maximum specified in the framework agreement by NLe1,183,900. (79% of the original contract value). However, documentary evidence authorising the supplies beyond the contract amount was not provided for audit inspection.

Furthermore, procurement records indicating that the additional requirement was treated as a new procurement were also not submitted for audit inspection.

There is a risk that funds spent without approval could lead to insufficient resources being made available for other planned projects or operational needs.

#### ***Official Response***

*The Procurement Unit wishes to clarify that, the said framework contract is a revolving contract that is implemented on call-off delivery which are made on quarterly basis and not yearly. It is not a traditional/turnkey contract where prices are fixed and payment made on percentage basis. Deliveries for the said contracts were done via call-off delivery and payment were made only for goods delivered per quarter and not the percentage of goods delivered yearly.*

*The cumulative additional requirement of 79% your team calculated is the accumulated/sum total percentage for the year under review and not the actual quarterly percentage on which the revolving framework contract deliveries were predicated upon in line with ITB Clause 27.1 of the bidding document under reference. Which is the default case in this scenario.*

*In context however, the quantity increase per quarter is 19.8% which is below the percentage cap of 25% encapsulated in Section 149(7) of Regulation 2020. The additional requirement was not a new contract and could not have been treated as a new contract as assumed thereof. However, the said activity is a continuous revolving framework contract delivered on a quarterly basis through call-off deliveries.*



### Auditor's Comment

Based on pieces of evidence gathered during the audit verification exercise, and having considered the responses submitted, our conclusion is that this matter is still unresolved for the following reasons:

- Paragraph one of the signed contract stated that the contract spanned from July 2022 to June 2023; and paragraph two mentioned that it was for the sum of NLe1,498,000. This contract did not include the word 'revolving', contrary to the response from management.
- The contract price and payment terms states that "The total value of the goods under this agreement shall not exceed the sum of NLe1,498,000 (one million, four hundred and ninety-eight thousand Leones) (new Leones)". Computers and consumables valued at NLe2,681,900 were however delivered to the Ministry for the period July 2022 to June 2023; exceeding the total contract value by NLe1,183,900.
- Since the additional contract amount of NLe1,183,900 (79% of the original contract value) was more than 25% of the original contract value, the additional requirement should be treated as a new procurement requirement as stipulated in Regulation 149(7) of the Public Procurement Regulations, 2020. This was not done; and there was no approval of the Procurement Committee and concurrent from the Ministry of Finance and the NPPA.

Therefore, the issue remains unresolved.

#### 4.4.9. Unauthorised Difference Between Framework Contract and Invoice Prices

The Ministry procured various office items through a framework contract arrangement. What was observed from the review of the contracts, invoices and payment vouchers was that the schedule of prices quoted in the signed framework contracts were different from the suppliers invoiced prices. The total invoice price was NLe3,534,450 whilst the total price as per contract was NLe1,808,680 resulting in a total difference of NLe1,725,770. There was no clause on price adjustment in the framework contracts, and no evidence that the price variance was approved by the Procurement Committee with concurrent from the Ministry of Finance.

The table below gives a summary of the differences between the quoted and invoiced prices.

Category of transactions	Invoice Prices (NLe)	Quoted Prices (NLe)	Variance (NLe)
Supply of returnable air ticket (Cinderella Travels)	2,297,000	1,130,040	1,166,960
Supply and delivery of stationeries (Moirice Investment Company)	325,200	134,040	191,160
Supply and delivery of computer and computer consumables (Lyoa Global Limited)	627,000	411,800	215,200
Supply and delivery of provisions and toiletries (Lypa Global Limited)	210,250	102,800	107,450
Supply and delivery of provisions and toiletries (Pacific Lynx International)	75,000	30,000	45,000
<b>Total</b>	<b>3,534,450</b>	<b>1,808,680</b>	<b>1,725,770</b>

This practice could have deprived the Ministry of its much-needed cash flow to undertake its daily operations.

The Director of Administration and Finance and the Procurement Officer should provide the authorisation from the Procurement Committee for the price change. Otherwise, the additional cost should be recovered and paid back into the Consolidated Fund.

### **Official Response**

*The Procurement Unit wishes to state that, the provision for price adjustment was made in the tender document upon which the bidding process was routed. It should be noted that, even though price adjustment was not reflected in the said framework contract agreements under reference, the bidding document made it abundantly clear that prices will be adjusted based on the prevailing rate of inflation as at the date of call-off deliveries. The bidding document is inclusive and conjunctive of the signed contract agreements.*

*However, we wish to apologise for the oversight of not reflecting same in the special conditions of contract espoused in the framework contracts under reference.*

*Going forward, efforts are being made to reflect the price adjustment indicators in the said contract agreements. Please see attached bidding document issued to bidders for ease of reference.*

### **Auditor's Comment**

Management's comment that price adjustment was included in the tender document and that the bid document is inclusive and conjunctive to the signed contract is noted. In every business relationship, the clauses in a signed contract makes the obligations of the respective party to the contract binding. Therefore, the non-inclusion of price adjustment clause in the signed contract makes the price adjustments not binding and out of contract scope. Therefore, the issue remains unresolved.

#### **4.4.10. Irregular Contract Award and Payment to Consultant for Foreign Service Academy (FSA) Curriculum Development**

The Ministry awarded a three-month contract valued at US\$35,000 (NLe481,425) to the Sierra Leone Writers Series of Crima Enterprise for consultancy services related to the development of a competency-based curriculum. The consultancy services used a blended modality for in-person and virtual training for Heads of Missions, Foreign Service Officers of the Ministry of Foreign and International Cooperation (MoFAIC), Ministries, Departments and Agencies (MDAs), and Professionals working in MoFAIC globally. The following irregularities were identified in the review of documents submitted for audit inspection:

- No evidence was provided to demonstrate that the service provider had the required experience to develop a curricula as mentioned in the shortlisting criteria, specifically the requirement for at least three similar contracts in scope and nature.
- Business registration documents that show the full name 'Sierra Leone Writers Series of Chrima Enterprise' were not submitted for audit inspection. Instead, business registration documents were submitted for Chrima Enterprises.
- Payment totalling US\$35,000 (NLe481,425) was made to Chrima Enterprise instead of the service provider/consultant 'Sierra Leone Writers Series of Chrima Enterprise'. However, there was no evidence in the expression of interest indicating that the Sierra Leone Writers Series is a subsidiary or affiliated entity of Chrima Enterprise.

There is therefore a risk that awarding contracts irregularly can lead to disputes over the terms and validity of the contract.

The Evaluation Committee should provide documentary evidence of the consultants' prior experience of doing such work, and that the business registration documents are submitted for inspection. Additionally, the Senior Accountant should provide documentary evidence for failing to make payments in name of the consultant.

### **Official Response**

*Management wishes to state that, the entire documentation on same are now available for audit inspection, Honestly, the complete documentation was not submitted initially due to the fact that, the Procurement Unit could not trace same as at*

*the time of request by the ASSL. Some of the missing documents to demonstrate the experience on similar assignment by the service provider in the development of a curriculum within the last two years were erroneously placed in the 2020 Procurement Unit files instead of the 2023 files; hence the reason for the anomaly.*

*Also, we wish to clarify that; the Sierra Leone Writers Series is the technical outfit for Chrima Enterprises and thus operating under the same rubrics. Chrima Enterprises is operating conjunctively with the Sierra Leone Writers Series and not disjunctively.*

*We are deeply sorry for such an oversight and going forward, efforts are being made to remediate/rearrange all procurement records appropriately prior to the ASSL arrival for the ensuing year.*

*The missing documentation on demonstrable experience and the like are now available for audit inspection.*

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

Management's response is noted. However, the relevant documents to support the response were not submitted for audit verification. Therefore, the issue remains unresolved.

#### **4.4.11. Non-Issuance of GST Invoice**

From our review of eight framework contracts entered into by the Ministry, we observed that the Procurement Committee awarded a contract to Entabuy Agency for the supply of stationery at a contract price of NLe1,729,933.50 inclusive of a total Goods and Services Tax (GST) of NLe225,643. During the period under review, the supplier delivered stationery worth NLe868,179.85 (inclusive of GST amounting to NLe113,240.85). However, GST invoices and receipts were not submitted to the ASSL.

There is a risk that the supplier could not have been GST registered which could lead to a loss of government revenue.

We recommended that the Director of Administration and Finance should contact the supplier to submit evidence of GST compliance. Otherwise, the NLe113,240.85 should be recovered from the supplier and paid back into the Consolidated Fund.

#### **Official Response**

*The GST invoice from the supplier is now available for audit inspection. However, evidence of payment of the said GST rest entirely with the supplier not the Ministry as opposed to withholding taxes wherein the Ministry would have requested for withholding taxes certificate which will be used as tax reclaim where applicable.*

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

Contrary to Management's response, neither a GST invoice, nor a GST receipt was submitted to the ASSL. Therefore, the issue remains unresolved.

#### **4.4.12. Goods Procured without Evidence of Competitive Procurement Procedures**

In as much as framework contracts existed between the Ministry and various suppliers for goods and services during 2023, we observed the following:

- The Ministry procured goods worth NLe885,985 from various suppliers, that were not part of the framework contracts.
- Goods worth NLe930,500 were supplied to the Ministry after the expiration of the framework contracts with the suppliers.

We further observed that there was no evidence that competitive procurement procedures were followed and that the activities were approved by the procurement committee.

We recommended that the Procurement Officer and the Director of Administration and Finance should provide evidence of authority from the procurement committee to undertake these procurement activities for audit inspection.

### **Official Response**

*The Procurement Unit wishes to state that as of the date of call-on deliveries from the existing service providers; they were unable to respond to our call-on request to deliver thereon as a result of non-payment for previous deliveries. Their payment vouchers were still hanging at the Accountant-General's Department without receiving any payment during the instant period.*

*In this case, management had to rely on the second-ranked bidders to do the deliveries for the said quarter, and in a case where the second-ranked bidders were unavailable during the instant period, the procurement unit requested service providers from its suppliers' database. Going forward, efforts will be made to ensure that service providers are paid on time.*

*This is noted. The said contract has been renewed to reflect the new validity period thereto and is now available for audit inspection.*

### **Auditor's Comment**

We note Management's response as to why goods were sourced from other suppliers that were not part of the framework contracts signed with these suppliers. However, the recommendation on the submission of the approval or authority from the Procurement Committee to undertake these procurements was not submitted for audit inspection. Therefore, the issue remains unresolved.

#### **4.4.13. Fixed Assets not Available for Physical Verification**

Contrary to section 13(2g) of the Public Financial Management Act 2016, we observed that fixed assets procured for NLe1,327,200 were not made available for physical verification.

### **Official Response**

*As at the time when the physical verification was going on, most of the officers who are custodians of these assets were out of their offices; and therefore, they were not available for verification. The officers have now been informed and their offices are now accessible for verification.*

### **Auditor's Comment**

Of the total amount of NLe1,327,200, assets valued at NLe500,700 were submitted and verified which represented 38% of the queried amount, leaving a balance of NLe826,500. Therefore, the issue remains unresolved.

## **4.5. AUDIT OF DIPLOMATIC MISSIONS**

### **4.5.1. Common Observation**

#### *Use of Rubber Stamp Instead of Visa Stickers or Automated Visa System*

In spite of recommendations in previous audit reports, diplomatic missions continue to use rubber stamps instead of visa stickers or automated visa system. During the review period, we observed that foreign passports were stamped with regular rubber stamp instead of standard visa stickers. This raised a concern as it poses a risk of fraud due to the inherent risks of using rubber stamps. Even though some missions have established strict internal control measures to prevent fraud, it is however not fool proof, as it cannot determine if the stamp has been duplicated. This raises concerns about the internal control lapses around the issuance of visas to Sierra Leone.

We recommended the following:

- (i) The Chief Immigration Officer, and the Director General, Ministry of Foreign Affairs and International Cooperation (DG, MFAIC), should explore the possibility of introducing an automated visa system. This can help generate more revenue through overseas missions.

- (ii) Without any delay, the Immigration Department should start printing visa sticker books to ensure smooth functioning of the visa process.

#### **4.6. SIERRA LEONE HIGH COMMISSION, ACCRA, GHANA:2021-2023**

##### **4.6.1. Medical Expenses**

The Government of Sierra Leone transferred to the Sierra Leone High Commission, in Accra, the medical expenses of Sierra Leoneans who were to receive medical treatment in Ghana. Our review of the systems and processes revealed that total medical allowance of US\$294,121, was deposited into the High Commission's account. However, expenditure returns of US\$132,625, was submitted, leaving a balance of US\$161,496 not accounted for.

We recommended that the Finance Attaché should ensure that expenditure returns for the outstanding medical expenses are submitted to the ASSL.

##### ***Official Response***

*Expenditure returns for medical expenses amounting to US\$161,496 are available for verification.*

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

Expenditure returns for medical expenses amounting to US\$73,868.00 representing 45% of the queried amount were submitted and verified, leaving a balance of US\$87,628.00. Therefore, the issue remains unresolved.

##### **4.6.2. Payment of End-of-Service Benefits without Relevant Documentation**

We observed that US\$46,947.85 was paid to six staff as end-of-service benefit on 19th September, 2022. Supporting documents such as staff files, retirement records, and mode of computation of the benefits were however not submitted for audit inspection.

Insufficient supporting documentation casts doubt on whether the expenditure was undertaken for the intended purpose.

We recommended that the HoC and Financial Attaché should ensure the following:

- (i) Develop policies that outline the specific documentation requirements for the payment of end-of-service benefits.
- (ii) Submit the relevant documents to support the payments.

##### ***Official Response***

*Copies of supporting documents such as staff files, retirement records, and mode of computation of the benefit and other relevant documentation are available for verification.*

*The High Commission also undertakes the development of policies that outline the specific documentation requirements for end-of-service benefits payments.*

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

Contrary to management's response, we were not provided with the aforementioned documents or evidence of implementation of the recommendations. Therefore, the issue remains unresolved.

##### **4.6.3. Expenditure without Adequate Supporting Documents**

Payments totalling US\$13,900, US\$22,793 and US\$14,739 relating to 2021, 2022 and 2023 respectively, were without adequate supporting documents such as invoices, receipts, acceptance letters, progress reports, and beneficiaries list.

Insufficient supporting documentation casts doubt on whether the expenditures were undertaken for their intended purposes.

We recommended that the Finance Attaché should immediately submit all relevant supporting documents to the ASSL.

**Official Response**

*Relevant copies of the expenditure returns and other relevant documentation for payments totalling US\$13,900, US\$22,793 and US\$14,739 relating to 2021, 2022 and 2023 respectively are available for verification.*

**Auditor's Comment**

Of the total of US\$13,900, US\$22,793 and US\$14,739, expenditure returns amounting to US\$5,800, US\$11,590 and US\$3,975 representing 42%, 51%, and 27% of the queried amounts were submitted and verified, leaving a balance of US\$8,100, US\$11,203, and US\$10,764. Therefore, the issue is partially resolved.

**4.6.4. Special Imprest not Retired**

From a total special imprest of US\$40,727, we observed that amounts totalling US\$10,015 were retired, leaving an outstanding amount of US\$30,712.

There is the risk that the imprest might not have been expended for its intended purpose. We recommended that the Finance Attaché should ensure that the outstanding imprest is recovered and paid back into the Consolidated Fund.

**Official's Response**

*Copies of the expenditure returns and other relevant documentation for the outstanding US\$30,712 retirement for special imprests are available for verification.*

**Auditor's Comment**

Imprests retirement amounting to US\$22,685 representing 74% of the queried amount were submitted and verified, leaving a balance of US\$8,027. Therefore, the issue is partially resolved.

**4.6.5. Comprehensive Asset Register not Maintained**

Regulation 160(2) of the Public Financial Management Regulations, 2018 requires that an assets register should specify the type of assets, value/costs, acquisition dates, serial numbers, etc.

An inspection of the assets register and physical verification of assets revealed the following:

- There were some assets verified at some locations in the Chancery building that were not in the fixed assets register.
- The assets register submitted does not include assets at the office of the Head of Mission, the Chancery building, and the residence of the Head of Chancery. As a result, we are unable to physically verify those assets.
- The assets register submitted does not make provision for the cost of assets, dates of purchase, identification numbers and engine number for both vehicles and motorbikes.
- Some codes indicated on the assets were different from those in the assets register.
- Most of the codes inscribed on the assets had been wiped off.
- Controls over the movement of assets were ineffective, as there were no documentary procedures for the transfer/movement of assets from one location to another. Several assets were not found at their correct locations but at locations different from those indicated in the assets register.

The High Commission may lose assets without being noticed.

We recommended that a comprehensive fixed assets register be established to include the cost of assets and date of purchase. These assets should also be marked/coded and the information recorded in the assets register.

We also recommended that the ICT/Administrative Assistant should document the movement of assets from one location to another.

***Official Response***

*The updated asset register is available for your attention and review.*

**Auditor's Comment**

Contrary to management's response, we were not provided with the updated assets register for review. Therefore, the issue remains unresolved.

**4.6.6. Non-preparation of a Procurement Plan**

Contrary to section 29 of the Public Procurement Act 2016, we observed that the High Commission did not prepare procurement plans for the period under review.

Procurement activities may have been carried out without adhering to the proper procurement procedures.

We recommended that the Head of Chancery should submit the procurement plan for the period under review.

***Official Response***

*Copies of plan for the year under review are available for verification.*

**Auditor's Comment**

Contrary to management's response, we are not provided with copies of the procurement plan. Therefore, the issue remains unresolved.

**4.7. SIERRA LEONE EMBASSY, MOROVIA, LIBERIA: 2021 – 2023**

**4.7.1. Revenue Collected by Individuals that Were not Permanent and Pensionable Employees**

Contrary to Regulation 46(1a) of the Public Financial Management Regulations 2018, we observed that revenue collection was done at two locations, which were at the Embassy in Monrovia and the Jendema land border crossing-post between Sierra Leone and Liberia. We noted that there was ineffective management of revenue collection at the land border crossing point at Gendema. For instance, based on the receipt books and clearance permit books submitted for audit, we observed that individuals who are not permanent and pensionable employees were collecting revenue on behalf of the Embassy at the border posts for vehicle passes. Furthermore, we observed that in 2021, US\$900 was paid as a token for one of the border assistants without any service level agreement.

The tendency exists for revenues collected to be mismanaged.

We recommended that the HoC should ensure that only diplomatic or local staff employed by the Embassy are allowed to collect revenue on behalf of the Embassy. Therefore, in the event of any revenue mismanagement, the Embassy will recover the revenue from the responsible officers.

### **Official Response**

*Management has noted this observation. However, it should be noted that during the peak period, we had to rely on these support staff to assist the Mission in the collection of revenue at Jendema and the Chancery temporarily, until the peak period elapsed. The official staff capacity is limited. Efforts are being made to have the required number of official staff at the Mission in this direction.*

### **Auditor's Comment**

Management's response is noted regarding the challenges with staffing in collecting consular fees. However, the Regulation requires that revenue collecting officers shall be permanent and pensionable employees of the Government of Sierra Leone. Therefore, the issue remains unresolved.

#### **4.7.2. Staff Social Security Contribution not Paid**

We observed that the Deputy Ambassador and the Ambassador's Secretary are registered with NASSIT. However, NASSIT deductions were not made on their behalf. The total unpaid NASSIT for the period under review in respect of these staff was US\$18,162.36

Furthermore, even though five Sierra Leonean local staff were registered with NASSIT and their social security contributions deducted from their salaries, we observed that 13 local staff from Sierra Leone were not registered with NASSIT, and no social security contributions deducted from their salaries. The total unpaid 15% NASSIT contributions for the period under review in respect of the 13 Sierra Leonean local staff was US\$33,113.90.

In addition, there were Liberians employed by the Embassy as local staff but were not registered with the National Social Security and Welfare Cooperation (NASSCORP) of Liberia.

The non-payment of social security contributions for the staff could affect their benefits when they retire from the Embassy.

We recommended that the The HOC should ensure that all Embassy staff are immediately registered into the NASSIT/NASSCOPR scheme and their statuses regularised.

### **Official Response**

*This is noted. Going forward, efforts are being made to have the concerned staff enrolled in the NASSIT/NASSCOPR scheme.*

### **Auditor's Comment**

Management's response is noted. However, as at the time of verification, staff registration with NASSIT/NASSCORP and the payment of staff social security contributions have not been addressed. Therefore, the issue remains unresolved.

#### **4.7.3. NASSIT Records not Submitted**

We observed that 5% employee NASSIT contribution totalling US\$2,177.28 was deducted from the salary of the Receptionist/Protocol Officer with pin code 228. Evidence to confirm that he was registered with NASSIT was not submitted for audit inspection. Social security contributions deducted on behalf of the staff could not have been paid to NASSIT.

We recommended that the HoC should ensure that NASSIT records regarding the Receptionist/Protocol Officer with pin code 228 are provided for audit inspection.

### **Official Response**

*This has been noted. Going forward, efforts are being made to reconcile the said anomaly with NASSIT being our external partner on the same.*



### **Auditor's Comment**

Management's response is noted. However, the NASSIT records of the Receptionist/Protocol Officer were not submitted for audit verification. Therefore, the issue remains unresolved.

#### **4.7.4. Use of Consular Funds to Settle Shortfalls in the Payment for Security Services**

We observed that the Embassy signed a contract with Exsecon Security Services to provide security services for the Embassy for a monthly fee of US\$1,200. However, the amount allocated to the Embassy for security services was US\$630 per month. As a result, the Embassy had to use the consular fees collected to cover the difference of US\$570 per month. For the period under review, the total sum of US\$20,520 (US\$570\*36 months) was paid by the Embassy to cover the shortfall.

Unapproved payment could have been incurred by the Embassy, resulting to loss of government funds.

We recommended that the HoC should provide justification backed by documentary evidence for entering into contract with Exsecon Security Services in excess of the amount allocated to the Embassy for security services. Furthermore, all contract that are entered into by the Embassy should be within the approved budget or allocations remitted to the Embassy.

### **Official Response**

*Management wishes to state that the cost of providing private security services to foreign missions in the host country is very expensive, and the Mission's security is paramount. The amount allocated for security fee service by Headquarters is low, and Management had to devise means to augment the shortfall. An approved minute paper on which the said issue was escalated available for verification.*

### **Auditor's Comment**

Management's response is noted. A minute paper dated 10th April, 2021 for the additional payment for security service was submitted during the audit verification exercise. It is however incumbent on the Embassy's management to seek approval from the Ministry of Finance through the MFAIC for the use of revenues generated to augment the shortfall, rather than taking unilateral decision. Therefore, the issue is partially resolved.

#### **4.7.5. Dilapidated Ambassador's Residence**

Physical verification of the Ambassador's residence revealed that the building was in poor condition and needed urgent repairs. We observed leakages, damaged doors, damaged ceilings etc. in the residence.

When the issue was brought up during the audit execution, we were provided with series of correspondence sent to the MFAIC for the rehabilitation of the building. However, as at the time of the audit verification in May 2024, the rehabilitation work had still not started. This is very demeaning for the image and reputation of the Ambassador in particular, and Sierra Leone in general.

To ensure that the Ambassador's residence is maintained in line with the accommodation requirement for Ambassadors as stated in Rule 9.6 of the Civil Service Code, we recommended that the HoC should collaborate with the MFAIC and Ministry of Works and Public Assets to ensure that the Ambassador's residence is immediately renovated.

### **Official Response**

*This is noted. However, the Ministry, together with other key GoSL stakeholders from the home country, has conducted a technical assessment on the said residence, and efforts are underway to have the residence of the Ambassador and Chancery Building completely renovated for same befitting the required diplomatic esteemed status.*

### **Auditor's Comment**

Our recommendations were not implemented; as a result, the issues remain unresolved.

#### **4.7.6. Lack of Segregation of Duty in the Collection of Consular Fees**

We observed a lack of segregation of duty in the collection of consular fees. We further observed the following:

- Revenue records, such as receipt books, were not managed by the Finance Unit. Also, revenue collection was done by the officers who undertook the assessment. For instance, the officers responsible for processing visa applications and vehicle clearance permits were also collecting revenue and issuing receipts.
- Contrary to Regulation 46(3b) of the PFMR of 2018, we observed that the Embassy did not issue official receipts for US\$28,510 collected as consular fees.

This could lead to abuse of the revenue collection system by dishonest officials, and it will be difficult to assess the Embassy's revenue generation performance during each financial year.

We recommended that the HoC should ensure that segregation of duties exists in the revenue collection system. The consular staff responsible for the revenue assessment is separated from the staff collecting the revenue. The staff in the Finance Unit of the Embassy should be responsible for the recording of revenue and issuance of official receipts. This should be separated from other consular staff responsible for the assessment and granting of vehicle permits and visas.

The HoC should also ensure that the Mission fully complies with the issuance of official receipts whenever revenue is collected.

### **4.8. SIERRA LEONE EMBASSY IN MOROCCO: 2021 -2023**

#### **4.8.1. Human Resources Management**

We observed the following:

- The employer's 10% and employee's 5% NASSIT contributions in respect of the Sierra Leonean staff members at both the Embassy and the Consulate offices were not paid to the National Social Security and Insurance Trust for the review period. These contributions amounted to US\$13,180 and US\$6,590 respectively. The non-payment of social security contributions for the staff could affect their benefits when they retire.
- The Embassy is staffed with both diplomatic staff, who are part of the Civil Service of Sierra Leone, and local staff who are directly employed in Morocco. Diplomatic staff members continue to be guided by the Civil Service Code, Regulations and Rules of the GoSL. We however noted that there was no written policy guiding the terms and conditions of local staff employed by the Embassy. As a result, there were no stipulated procedures guiding the recruitment, promotion, discipline, termination, reward, leave, resignation, and retirement of local staff. The procedures for recruitment, promotion, discipline, reward, leave, termination, and retirement of local staff may lack transparency in the absence of terms and conditions of service.

We recommended that the Finance Attaché and the HOC should ensure the following:

- (i) NASSIT contributions (both employee and employer) in respect of staff members are deducted and paid to NASSIT, and evidence of payment retained for accountability purpose.
- (ii) Terms and conditions of service for local staff which is in line with the rules and regulations of Morocco be designed and forwarded to the Ministry of Foreign Affairs and International Cooperation for approval. This will guide the operations of such staff in future.

### ***Official Response***

*Recommendation (i) is in progress, by the NASSIT authorities, while recommendation (ii) has been implemented with immediate effect by providing job descriptions to all locally employed staff. Recommendation (iii) is noted and in progress, while job description has been prepared for the locally employed staff.*

### **Auditor's Comment**

- Management's comment in relation to the NASSIT payment is noted. However, evidence of payment of the outstanding NASSIT contributions of US\$13,180 and US\$6,590 (for 10% and 5%) respectively, for the period under review was not provided for verification. Therefore, the issue remains unresolved.
- Terms and conditions, and Job descriptions for local staff were submitted and verified. However, these documents are yet to be approved by the Ministry of Foreign Affairs and International Cooperation. Therefore, the issue is partly resolved.

### **4.8.2. Non-current Assets**

Furniture and equipment amounting to US\$181,039.18, US\$41,750.64 and US\$6,293.40 for 2021, 2022 and 2023 respectively, as verified by the audit team were not marked with unique identification codes. Therefore, we could not determine whether these assets verified were owned and controlled by the Mission.

The assets could go missing without notice.

We recommended that the Finance Attaché and the HoC should ensure that all assets owned and controlled by the Embassy (inherited, procured, and donated) be marked with durable identification codes.

### ***Official Response***

*Recommendation is noted for implementation with immediate effect*

### **Auditor's Comment**

Management's comment for not coding assets is noted. However, the assets of the Embassy are yet to be marked with unique identification codes. Therefore, the issue remains unresolved.

## **4.9. SIERRA LEONE EMBASSY, CONAKRY, GUINEA: 2021 - 2023**

### **4.9.1. Documents to Support the Recruitment Process of Local Staff not Seen in Personal Files**

We reviewed the personal files of staff during the period and observed that there was no evidence in the form of application letters, interview sheets or other assessment records for local staff, and no policy document on the recruitment of local staff made available for audit inspection. Therefore, the recruitment process of local staff may not have been in line with the Civil Service Codes, Regulations and Rules 2011.

We recommended that the Head of Chancery should ensure that the personal files of staff are updated with the relevant information and that the updated file be submitted to the Audit Service for verification. In future, all recruitments should be guided by a policy document or by the Civil Service Codes, Regulations and Rules of 2011.

### **Auditor's Comment**

There was no official response from Management, and the recruitment records were not made available for verification. Therefore, the issue remains unresolved.

#### **4.9.2. Expenditure without Adequate Supporting Documents**

Upon review of the Embassy's management and control of disbursements, we observed that the sum of US\$36,350 (US\$11,350, US\$9,600 and US\$15,400) was expended in 2021, 2022 and 2023 respectively for which adequate supporting documents such as end-users request, budgets of activities, invoices, and receipt were not submitted.

This could cast doubt on the authenticity of these transactions, and there is the risk that these funds might not have been used for the intended purposes, thereby resulting in loss of funds.

We recommended that the Finance Attaché should ensure that the relevant supporting documents regarding funds disbursed as listed in the appendix are forwarded to the ASSL.

### **Official Response**

*User's requests, budgets for activities, invoices, delivery notes and receipts are now available for audit inspection.*

### **Auditor's Comment**

We received and verified supporting documents for payments totalling US\$30,450 leaving a balance of US\$5,850 unverified. This issue is substantially resolved.

#### **4.9.3. Inadequate Controls Over the Use of Vehicles**

Our review of the assets register and physical verification of assets revealed that the Embassy did not maintain vehicle log books for all its vehicles and thus, did not have a mechanism to track fuel usage and possible misuse of vehicles. Furthermore, the list of vehicles owned by the Embassy, life-cards and insurance certificates were not submitted for audit inspection. In addition, none of the vehicles was included in the fixed assets register.

There is a risk that the said assets could be converted into private use or may go missing without being noticed.

We recommended the Head of Chancery should ensure the following:

- (i) The Finance Attaché maintain a separate vehicle logbook for each of the Embassy's vehicles.
- (ii) The fixed assets register be updated to include details of all the Embassy's vehicles.
- (iii) The list of vehicles, life-cards, and insurance certificates for all the Embassy's vehicles be submitted to the ASSL.
- (iv) Evidence of action taken in addressing recommendations (i) and (ii) should be forwarded to the ASSL.

### **Official Response**

*Log books, life-cards etc. are ready for audit inspection by the audit team*

### **Auditor's Comment**

- The photocopies of vehicle log books were not made available for verification. Therefore, the issue remains unresolved.
- The Embassy's vehicles were not included in the fixed assets register submitted for verification. Therefore, the issue remains unresolved.
- The list of vehicles, life cards and insurance certificates for the Embassy's vehicles were not made available for verification. Therefore, the issue remains unresolved.

#### **4.10. MINISTRY OF HEALTH AND SANITATION (HQ) - 2023**

##### **4.10.1. Expenditure Returns not Submitted**

In contravention of section 64 (2b) of the PFM Act, 2016 and Regulation 100 (1b) (i) of the PFMR, 2018, we observed that a total of NLe17,087,713 transferred into the bank account of the Malaria Control Programme (NLe933,901 transferred on 17th October, 2023 and NLe16,153,812 transferred on 21st August 2023) was without expenditure returns.

Funds received by the Programme could not have been spent for their intended purposes.

We recommended that the Programme Accountant should submit to the ASSL, the concept notes and expenditure returns showing utilisation of the amount.

##### ***Official Response***

*Files are available for review by the auditors.*

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

Concept notes and expenditure returns were submitted and verified for funds transferred on 21st August, 2023 totalling NLe16,153,812 representing 95% of the queried amount were submitted and verified, leaving the balance of NLe933,901 transferred on 17th October, 2023 without concept notes and expenditure returns. Therefore, the issue is substantially resolved.

##### **4.10.2. Payments without Adequate Supporting Documents**

A review of sample payments in respect of bank withdrawals totalling NLe2,738,955, we observed that the payment vouchers were without adequate supporting documents, such as concept notes, receipts, back-to-office reports, and a signed list of beneficiaries.

We could not confirm whether monies were expended for the intended purposes, thereby resulting in loss of public funds.

We recommended that the Director of Financial Resources should provide the missing supporting documents for audit verification.

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

*All documents are available for audit review. The various programs have submitted their individual responses.*

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

From the total overseas training expenditure of NLe2,738,955, supporting documents amounting to NLe2,511,255, representing 92% of the queried amount, were provided and verified, leaving a balance of NLe227,700. The issue is substantially resolved.

##### **4.10.3. Non-compliance with Ministry of Finance's Recommendations**

The Ministry took over a construction project from the National COVID-19 Emergency Response Centre (NACOVERC). The contract valued at US\$3,984,014.96 (NLe39,840,149.60) was awarded on 5th March, 2021 to the Wealth Taylor Real Estate Development Limited for the construction of administrative and infrastructural facilities in Mathaska Village, Port Loko District.

During an audit field visit to the project site on 8th April, 2024 (approximately 35 months after the award of the contract), the construction work has not been completed.

As a result of the delays in completing the construction, the Ministry of Finance made the following recommendations to the Ministry of Health in a correspondence dated 13th July, 2023:

- (i) To reassess the entire scope of the project unto completion and cancel the previous addendum;
- (ii) To establish a Contract Management Committee comprising representatives from various stakeholder ministries to monitor the implementation of the project and report to management

with recommendations that will enhance the successful implementation of the works for necessary action.

In spite of the recommendations from the Ministry of Finance, evidence of the reassessment of the project's entire scope, cancellation of the previous addendum and the establishment of the Contract Management Committee was not submitted to the ASSL.

There is a risk that the delay to complete the construction of these facilities could cost the government additional funds to cover the inflationary impact on building materials, labour and other construction-related costs.

We recommended that the Minister of Health and Sanitation and the Chief Medical Officer should submit evidence of implementation of the recommendation from the Ministry of Finance.

Otherwise, action should be immediately taken to implement the recommendations and evidence submitted to the ASSL.

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

There was no Management's response or evidence that the recommendation was implemented. Therefore, the issue remains unresolved.

#### **4.10.4. Unplanned Procurement without Authority**

Contrary to Regulation 34(1) of Public Procurement Regulations, 2020, we observed that the actual amount for the procurement of diets and cleaning services exceeded the budgeted amount by NLe12,771,234. The total budgeted amount for the procurement of diets and cleaning services was NLe48,716,000, while the actual procurement was NLe61,487,233.84. Additionally, evidence of authority for this excess amount from the Ministry of Finance and the Procurement Committee was not submitted to the ASSL.

Unauthorized commitment of public funds could lead to overspending or budget overruns which could add financial burden on government meagre resources.

We recommended that the Senior Procurement Officer should submit to the ASSL, the authority from the Procurement Committee and the Ministry of Finance for the extra amount of NLe12,771,234 regarding the procurement of diets- and cleaning services.

#### **Official Response**

*The procurement method used for this activities was NCB and this method was also approved by the National Public Procurement Authority. Evident of approval of bidding document is also available for inspections.*

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

Management's response failed to address the audit issue. The concern was not on the procurement method used or approval from the NPPA; rather, the procurement activities were without approval from the Ministry of Finance, and as well not planned. The authority from the Ministry of Finance for the extra amount of NLe12,771,234 was however not submitted for verification. Therefore, the issue remains unresolved.

#### **4.10.5. Deviation from the Procurement Plan for the Procurement of Office Consumables**

The Ministry planned to procure consumables using the National Competitive Bidding (NCB) procurement method. We however observed that the procurement of these goods were done in piecemeal through Request for Quotations (RfQ) from various directorates and units totalling NLe1,438,160.

The Ministry could not have achieved value-for-money on the procurement of these office consumables.

We recommended that the Assistant Director of Procurement through the Procurement Committee entered into framework contracts for the supply of commonly used goods in future.

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

There was no Management's response or evidence that the recommendation was implemented. Therefore, the issue remains unresolved.

#### **4.10.6. Irregular Staff Attendance**

The audit team obtained and reviewed staff attendance records and observed the following:

- The staff attendance records at the Ministry's headquarters were compared to the staff list (nominal roll) and also to the staff movement record. A total of NLe230,316 was paid as salaries to 40 staff who were not regular at work. Of concern was that the absenteeism was not supported by approval of absence, or evidence of disciplinary action taken against defaulting staff.
- We could not get any evidence from the human resource directorate in the ministry to show that there was effective monitoring of staff attendance.

Failure by the HR Directorate to effectively monitor the attendance of staff could lead to healthcare services not effectively delivered.

We recommended that the HR Director should ensure the following:

- (i) Provide justification for the authorised absence of the 40 staff from work. Otherwise, the salaries paid to these staff during the days of absence should be recovered and paid back into the Consolidated Fund.
- (ii) Provide evidence of staff supervision and monitoring in the ministry, hospitals, and other health facilities.

#### **Official Response**

*The staff went on official duty to China in September for the number of days stated on the list of 40 staff, training on health related topics. They signed the staff movement book before they left and a copy of it was submitted to the audit team.*

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

Staff movement record was submitted and verified. Documents such as official invitation, course of studies or training specifics, and back-to-office reports were however not submitted to the ASSL. We further requested for the physical verification of these staff; but despite repeated requests, they did not avail themselves for verification. Therefore, the issue remains unresolved.

#### **4.10.7. Evidence of Competitive Recruitment not Submitted**

We observed that 333 staff were included in the nominal roll of the Ministry in 2023. Evidence that these staff were fairly recruited in a competitive and transparent manner was however not submitted to audit verification.

Individuals without the requisite expertise could have been recruited into the permanent and pensionable employment of the Ministry.

We recommended that the DHRH should submit evidence of a competitive and transparent recruitment process for these staff for audit inspection.

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

There was no Management response or evidence that the recommendation was implemented. Therefore, the issue remains unresolved.

#### **4.10.8. Operational Effectiveness of Hospitals and Other Healthcare Facilities in the Delivery of Services in the Western Area**

Our review of the operations of various health facilities revealed the following:

##### **Mortuary Services**

###### *(i) Connaught Hospital*

Only one of two cold rooms is functional, and cannot accommodate the demand of the hospital. The department is also constrained with adequate trays, trolleys and personal protective equipment.

###### *(ii) Princess Christian Maternity Hospital*

- The cooling system at the cold room is completely shut down.
- The outdoor of the cold room is damaged and needs urgent maintenance or replacement.
- The structure was poorly maintained and requires urgent maintenance and repairs.
- Cold room trays were not adequate, those available were not in good working condition. As a result, dead bodies were laid on the bare floor in the cold room.

We recommended that the Medical Superintendent in collaboration with the Chief Medical Officer and the Permanent Secretary should ensure that the challenges identified in the management of hospital mortuaries are immediately addressed to enhance effective service delivery.

##### **Ambulance Services**

###### *(i) Connaught Hospital*

The ambulance operation at the hospital was reviewed and the following were observed:

- Despite the size of the hospital and the number of patients serviced, the hospital currently had two ambulances being used for referral cases. There is no policy that guides the operations and maintenance of these ambulances.
- The management of the hospital charged a fee to transport patients in these ambulances as follows: NLe500 within the Western Area and NLe600 outside the Western Area. Evidence such as ambulance movement register, receipts, cashbook, deposit slips and bank statement of all revenue collected and banked in respect of the ambulance services were not made available to the ASSL.

###### *(ii) National Medical Supply Service (NEMS)*

During our verification of systems, processes and activities of the NEMS, we observed the following:

- NEMS has at least 100 ambulances and these could have exceeded their estimated useful lives as they were bought almost ten years ago at the time of the Ebola.
- The rate of accident of ambulance is huge as over 17 ambulances were involved in accident and under repair at the time of the audit.
- A total of 93 ambulances were with empty oxygen cylinders and 21 were without global positioning system (GPS).

###### *(iii) Jui Government Hospital*

We verified only one ambulance that was used for referral cases. In the event of a breakdown of the only available ambulance, the entire facility was left with none. It was further revealed that the utility vehicle was faulty, and the Hospital Secretary was using the ambulance for administrative purposes, and for his daily commuting to work.

We recommended that the Medical Superintendent in collaboration with the Chief Medical Officer and the Permanent Secretary should ensure that the challenges identified in the management of ambulance services are immediately addressed to enhance effective service delivery.



## Hospital Infrastructure

The following were observed:

No.	Healthcare Facility	Observation(s)
1	Connaught Hospital	<ul style="list-style-type: none"> <li>▪ The Connaught hospital has no sustainable power infrastructure to service its delivery needs.</li> <li>▪ In the dialysis unit, theatre and intensive care unit (ICU), the assigned generators have been faulty and non-functional for the past two years causing them to return patients or refer patients during period of power outages.</li> <li>▪ The Annex wards (Male and Female) lacked ventilation and no changing room for nurses.</li> <li>▪ There is no special isolation ward for patients with communicable diseases.</li> </ul>
2	Rokupa Government Hospital	<p><i>Emergency Room</i></p> <p>The Emergency Room lacks enough beds and most of the beds are faulty; some lack rails that guard the bed to prevent patients from rolling and falling off.</p> <p><i>Paediatric Ward</i></p> <ul style="list-style-type: none"> <li>▪ There are only three oxygen concentrators amidst the huge number of patients attended in the Paediatric Ward, and even though breathing difficulties are predominant among other ailments in kids. The nurses are left with no option than to use one oxygen machine on two or more children. In the event of increased cases of kids with breathing difficulties, the hospital would not be able to handle them.</li> <li>▪ The ward also lacked proper ventilation; the air conditioner was faulty.</li> </ul> <p><i>Labour Ward</i></p> <ul style="list-style-type: none"> <li>▪ There was only one delivery bed in the labour ward, the nurses had to convert some couch to fit the purpose. There was also one delivery kit and the nurses and mid-wives were challenged in dealing with multiple delivery cases.</li> <li>▪ There was no running water and facility for the nurses and mid-wives to clean themselves, the baby, mum, etc. after a delivery in the ward.</li> <li>▪ Uninterrupted electricity was a major concern, staff were forced to use their phone lights for midnight delivery during power outages.</li> </ul>
3	Psychiatric Teaching Hospital (Kissy)	<p>During a visit at the Psychiatric Teaching Hospital (Kissy) on 20th March 2024, the team observed that the hospital does not have water supply. We visited a nearby dam that supplies water to the hospital which was dried up. We were informed by one staff that the dam was only functional during the raining season.</p>
4	Ola Daring Children's Hospital	<p>The Resource or Emergency Room was constrained with mattresses and proper bedding. All of the mattresses and beddings were worn out. The wards lack oxygen concentrators causing the medical staff to use one oxygen on three to four children at a time.</p>
5	Psychiatric Teaching Hospital (Kissy)	<ul style="list-style-type: none"> <li>▪ Cleaning materials such as large trash bags, duty gloves, and cleaners' aprons, were not provided to the cleaners to enhance effective cleaning services</li> </ul>

No.	Healthcare Facility	Observation(s)
		<ul style="list-style-type: none"> <li>▪ The hospital does not have water supply. Further enquiries revealed that the dam that supplies water to the hospital is dried and only functional during the raining season.</li> <li>▪ Six of 10 hospital wards were in use and the remaining four wards were in bad shape and need serious maintenance or rehabilitation to bring them into use. This issue has led to serious overcrowding in the wards.</li> </ul> <p>The hospital had an incinerator facility that was not put in use. Medical and other wastes were burnt outside the Facility as there were no trained personnel to effectively operate the incinerator.</p>

We recommended that the Medical Superintendent in collaboration with the Chief Medical Officer and the Permanent Secretary should ensure that the challenges identified in the management of hospital infrastructures are immediately addressed to enhance effective service delivery.

### Human Resources Management

The following were observed:

(i) *Connaught Hospital*

- The number of doctors, nurses and other medical personnel is not adequate to meet demand of patients accessing health care services at the hospital. From a review of the monitoring and evaluation reports, 700 medical staff were needed for the period under review. However, only 544 were available. It was reported that 6,158 patients were admitted and treated during the period under review by this limited number of medical personnel
- The Dialysis Unit has no trained and qualified Sierra Leonean engineer capable of maintaining the dialysis machines as it is currently operated by an engineer from Nigeria. Further enquiries revealed that there has been no training conducted for Sierra Leonean medical practitioner for the use of the dialysis machine. Therefore, if the current staff (engineer from Nigeria) is not available, the entire unit will not function.
- From the review of the records submitted by the Human Resources Manager, a higher level of absenteeism was noted particularly among the nurses affecting the services provided by the hospital. There is no evidence of action taken on these staff in order to curtail this bad work ethics.

(ii) *Ola During Children's Hospital*

Forty-six pin-coded nurses, and 58 volunteer nurses in the facility failed to show up for the physical verification.

Salaries could have been paid to medical personnel for no work done, and to staff who do not exist.

(iii) *Princess Christian Maternity Hospital*

We observed the following:

- There was no evidence of effective collaboration between the in-charges at the various wards, the matron and the Human Resource Unit. Staff attendance registers to justify staff punctuality, and rendering of services was not made available for audit review.
- A review of the staff list and physical verification of staff revealed that a total of 108 nurses (making up 21% of the total nurses at the hospital) have been employed on voluntary basis for a long time and were yet to be approved and absorbed by the Ministry of Health and the Health

Service Commission. In addition, there were no stipends or compensatory allowances paid to them to support their daily personal expenses to and from work.

*(iv) Rokupa Government Hospital*

The ward was constrained with porters, the nurses mostly act as porters, because the hospital have only one porter.

*(v) Kingharman Road Government Hospital*

Staff attendance was not adequately monitored. From the review of the records submitted by the Human Resource Manager, a higher level of absenteeism was noted particularly among the nurses affecting the services provided by the hospital. There was no evidence of action taken on these staff in order to curtail this bad work ethics.

*(vi) Jui Government Hospital*

We observed the following:

- Poor control over the monitoring and supervision of nurses' attendance at the facility as there were several evidences of issues relating to staff regularity and punctuality at work. Out of the total number of 45 nurses that were to report to duty by 8:30 a.m. on 20th March 2024, only 17 staff signed the attendance on time, 13 came in late after 9am and 15 did not sign the register.
- Staff records were not maintained by the Human Resource Officer.
- A good number of the staff across the various unit are volunteers. They have served the hospital for number of years without been approved and absorbed by the Ministry of Health.

*(vii) Jui Government Hospital*

From the review of the records submitted by the Human Resources Manager, perpetual absenteeism was recorded particularly among the nurses, thereby affecting the services provided by the hospital. There was no evidence of action taken against these staff in order to curtail this bad work ethics. We recommended that the Matron should regularly inform the Medical Superintendent of absenteeism for corrective measures to be taken.

**4.10.9. Statutory Deductions not Paid to the Respective Authorities**

We observed that selected hospitals and other healthcare facilities did not pay withholding and PAYE taxes, and as required by Section 117(4) of the Income Tax Act, 2000 and as required by Section 25 of the NASSIT Act, 2001. A review of payment records in respect of the use of funds allocated to these hospitals and facilities revealed that unpaid statutory deductions for 2023 amounted to NLe3,997,403. Details of the withholding taxes unpaid are given below:

No.	Details	Withholding Taxes NLe	PAYE NLe	NASSIT NLe	Total NLe
1	National Emergency Medical Services (NEMS)	273,276	1,760,232	1,719,000	3,752,508
2	Connaught Hospital	244,895			244,895
	<b>Total</b>	<b>518,171</b>	<b>1,760,232</b>	<b>1,719,000</b>	<b>3,997,403</b>

There is a risk that:

- the non-payment of the withheld taxes to the NRA could have deprived government of its much-needed revenue, and
- the unpaid NASSIT contributions could affect the determination of staff pension contributions when due because of the gap in their contributions.

We recommended that the Senior Accountant at the Connaught Hospital should, with immediate effect, make payment of the outstanding withholding taxes to the NRA and proof of payment submitted for audit inspection.

The Chief Executive Officer at NEMS should ensure the statutory deductions are paid to the relevant authorities, and evidence of payment forwarded to the ASSL.

**Official Response**

*The Management of Connaught Hospital has now got a TIN Number from National Revenue Authority, Management has started payments of 6.5% withholding taxes to the National Revenue Authority, and receipts are available for inspection and verification.*

*Payment of withholding tax for project accounts of NEMS relating to the audit period has been done. However, withholding tax payment for the GoSL will be made when funding is available.*

*Payment for PAYE was delayed due to electronic challenge encountered during the electronic registration process. The process has now been completed and accumulated payment will be made when funding is available, in the range of 30% (Q4), 30% (Q1 2025) and 40% (Q2).*

*NASSIT payments from January to November 2023 amounting to NLe1,563,262.00 have already been made to NASSIT for the period under review. However, we will continue with the payment of the remaining amount of NLe155,738.00 outstanding for the month of December 2023. We have already engaged our local NASSIT office regarding this residual payment arrangement.*

**Auditor’s Comment**

- Evidence of payment of withholding tax amounting to NLe244,895 in respect of Connaught Hospital was not provided for audit inspection. The issue remains unresolved.
- NEMS’s Management comment regarding payment of withholding tax and PAYE is noted. However, evidence of payment of withholding taxes and PAYE totalling NLe273,276 and NLe1,760,232 respectively was not provided for our inspection. The issue remains unresolved.
- NEMS’s Management’s response in relation to payment of NASSIT is noted. Receipt for the payment of NASSIT amounting to NLe1,563,262.00 from January to November 2023 was submitted for audit inspection leaving balance of NLe155,648.00. The issue is substantially resolved.

**4.10.10. Management of Medical Drugs, Reagents and Equipment**

The following was observed:

No.	Healthcare Facility	Observation(s)
1	Connaught Hospital	<p><b>Hospital Wards</b></p> <ul style="list-style-type: none"> <li>▪ There was inadequate medical equipment for the examination and screening of patients. During on-the-spot verification at 10 wards and other Units within the hospital we observed inadequate supplies of BP machines, oxygen concentrators, gloves, aprons, thermometers, weighing scales, wheelchairs, stretchers, water heaters, suction machines, cartridges and accessories for ABG Analyser and Hemocue,</li> </ul>

No.	Healthcare Facility	Observation(s)
		<p>refrigerator, test kits, blood bags, microscope, test tubes, water distiller, and fridge.</p> <ul style="list-style-type: none"> <li>▪ In the wards, the bed linens and mattresses are very old, and some of the beds cannot wind which makes it difficult for some patients with conditions that require certain postures.</li> </ul> <p><b>Theatre</b> There is a lack of special surgical instruments limiting the specialty surgeon to do certain procedures.</p> <p><b>Triage</b> The Triage lacked adequate thermometers; there was only one BP machine and thermometer.</p> <p><b>Intensive Care Unit (ICU)</b> Of the 10 beds in the ICU, there is only six oxygen concentrators and no suction machines.</p> <p><b>Blood Bank Department</b> The blood bank department has one refrigerator purchased over 10 years ago. In the event of the breakdown of this refrigerator, the whole blood bank department will be down as there is no spare. Interview revealed that there are no centrifuge and Hemocue machines used for cross-matching.</p> <p><b>Laboratory</b> The laboratory lacked an automated chemical analyser which is key equipment recommended by consultants as a referral and teaching hospital to be able to do more advanced diagnostic tests.</p> <p><b>X-Ray Department</b> The Department lacks Computed Tomography (CT) and Magnetic Resonance Imaging (MRI) Scanning machines, hence patients with head trauma, cancer and stroke requiring such service for specific treatments are not having it. Patients requiring CT and MRI scans are referred to private service providers for this service.</p> <p><b>Dialysis Unit</b> We observed that consumables such as filters, salt, gloves, bloodlines, and special plaster were not enough to enhance effective operation of the dialysis unit.</p>
2	Rokupa Government Hospital	<ul style="list-style-type: none"> <li>▪ The Emergency Room only has one oxygen machine; this is a grave concern as there are instances where one concentrator is used on 3-4 patients.</li> <li>▪ There are only three oxygen concentrators amidst the huge number of patients attended to in the paediatric ward, and even though breathing difficulties are predominant among other ailments in kids. The nurses</li> </ul>

No.	Healthcare Facility	Observation(s)
		<p>are left with no option than to use one oxygen machine on two or more children. In the event of increased cases of kids with breathing difficulties, the hospital would not be able to handle them.</p>
3	Psychiatric Teaching Hospital (Kissy)	<ul style="list-style-type: none"> <li>▪ Vital drugs like Diazepam used to treat anxiety and relieve muscle spasms and for sedating patients before medical procedures, mood stabilizer drugs, and antipsychotics are not in adequate supply to meet the weekly medical needs of the hospital. Patients at the hospital could not be getting the required medical care because of the acute shortage of essential drugs.</li> <li>▪ The environmental condition was not conducive for the storage of drugs and reagents, which could affect their potency.</li> </ul>
4	Ola During Children's Hospital	<p><b>X-Ray Facility</b> The x-ray unit was not functional for the period under review.</p> <p><b>Special Care Baby Unit/ Kangaroo Mother Care Unit</b></p> <ul style="list-style-type: none"> <li>▪ Consumables such as gloves, sensors for pulse oximeters and thermometers were in limited supply.</li> <li>▪ The oxygen concentrator was inadequate. As a result, the "Y-connector" was used to enable oxygen connection to more than one baby at a time.</li> <li>▪ The team noted that the unit does not have a water supply and liquid soap to run the unit effectively. Further enquiries revealed that relatives of new-born babies have to fetch water outside the hospital or pay to rescue situation.</li> <li>▪ Essential Antibiotics like Cephotoxin, Meropenem and Nasal prongs were not available during our visit on 21st March, 2024.</li> </ul> <p><b>Infectious Disease Unit</b> The unit does not have Paediatric blood pressure machine and salter scale.</p> <p><b>High Dependency Unit</b> The Unit does not have gloves, and oxygen concentrators.</p> <p><b>Intensive Care Unit</b></p> <ul style="list-style-type: none"> <li>▪ The unit have only one thermometer to service patients.</li> <li>▪ There were only four oxygen concentrator for the eleven beds in the unit. Further enquiries revealed that if they have more than four patients, the staff will refer the other patients to other health facilities.</li> <li>▪ There is no sharp box in the ward for the disposal of sharp medical wastes and the facility lacked consumables such as gloves, scrubs and gowns for medical students/staff assigned to the unit.</li> </ul>

No.	Healthcare Facility	Observation(s)
5	Lakka Government Hospital	The x-ray machine at the hospital was not functional.
6	Princess Christian Maternity Hospital	<p>The Hospital's operation is challenged due to the unavailability or inadequacy of the following much-needed equipment:</p> <ul style="list-style-type: none"> <li>▪ Oxygen concentrator machines-insufficient</li> <li>▪ Reagent-Insufficient</li> <li>▪ Gloves-This has in fact caused nurses trading the product to patients in a much talked about free health care space.</li> <li>▪ Baby cot at post-natal ward and labour ward- A mother and her child have to share bed. It was strange to observe in the labour ward two mothers sharing the same bed with their children.</li> <li>▪ Delivery beds - It was strange to note that out of nine delivery beds at this unit; only three are in good working condition. Pregnant women who are transferred to this unit in an unstable condition are at risk of falling down from the delivery bed while on labour as a result of poor condition of these beds.</li> <li>▪ Cord clips- at the labour ward.</li> <li>▪ Washing machine and Dryer</li> </ul> <p>The following essentials drugs which are regularly prescribed were not available at the store; Flagyl IV, IV RL, IV DNS, Gauze, Cannula 18, 22 and 24, Ciprofloxacin tab, Micronazole, Examination gloves, Diclofenac injection. As a result, prescriptions were given to the patients to seek external retailer for purchase thus leaving the pharmacy inactive.</p>
7	Kingharman Road Hospital	<p>The Baby Care Unit lacked equipment such as a pulse oximeter, thermometer, burette set, suction machine, baby side monitor, examination light, breast pump, voltage controller, oxygen concentrators, and Infusion pump.</p> <p>Of three incubators, only one was functional at the Unit.</p>
8	Psychiatric Teaching Hospital (Kissy)	<p>The hospital lacked medical equipment such as blood pressure (BP) monitors to measure the blood pressure of patients, pulse oximeter, thermometers and weighing scales.</p> <p>Vital drugs like diazepam used to treat anxiety and relieve muscle spasms and for sedating patients before medical procedures, mood stabilizer drugs, and antipsychotics are not in adequate supply to meet the weekly medical needs of the hospital.</p>
8	Jui Government Hospital	<p><b>Special Care Baby Unit</b></p> <p>The following were observed:</p> <ol style="list-style-type: none"> <li>(i) The only Bilirubino meter which checks the jaundice condition of children, skin colour and brain cases is faulty.</li> <li>(ii) We visited the unit on 19th March 2024 and observed that five babies were without oxygen concentrating machines because there was only one oxygen machine attached to the unit. Enquiries revealed that the staff used the available oxygen machine based on the severity of the medical condition of the child.</li> </ol>

No.	Healthcare Facility	Observation(s)
		<p><b>Isolation Unit</b> The hospital has no designated isolated room to keep patients with critically ill conditions; instead, wards meant for emergency cases are alternated with isolated cases.</p> <p><b>Medical Ward</b></p> <ul style="list-style-type: none"> <li>(i) There was no water supply in the hospital as relatives of patients have to fetch water elsewhere or pay someone else to fetch water outside the hospital. This also makes the toilet not to be cleaned properly.</li> <li>(ii) Gloves, face marks, BP Machine, and pulse Oximeter were not adequate to run the unit.</li> <li>(iii) The oxygen machine was faulty.</li> </ul> <p><b>X-Ray Department</b> The facility was shut down to the public for six months in 2023 as a result of non-repair of the digital x-ray machine.</p> <p><b>Incinerator Facility</b> The Incinerator house was not in use. Discussion with the head of maintenance revealed that the facility had been shut down due to a fault on the burner attached to the machine. Physical inspection of the incinerator revealed that medical wastes were being disposed of in the incinerator room, while some were disposed around the incinerator house risking the health of nurses and other patients in the hospital.</p> <p><b>Public Health Laboratory</b> The Public Health Laboratory, one of the country's main referral laboratories for the testing and extraction of viral haemorrhagic fever samples, has been shut down. This is a result of a fault of the outdoor, AC and special fan that rotates the pathogen in the air to make it harmless. Discussion with the head of the unit revealed that after a series of requests, no effort has been made to restore this core area of the facility.</p>

We recommended that the Medical Superintendent in collaboration with the Chief Medical Officer and the Permanent Secretary should ensure that the challenges identified in the management of medical drugs, reagents, and equipment are immediately addressed to enhance effective service delivery.

#### 4.10.11. Revenue Management and Control

##### *Jui Government Hospital*

We observed that revenue amounting to NLe61,510 at the Jui Government Hospital in respect of x-ray services for the period under review was not deposited to the hospital and consolidated bank accounts. Evidence of receipt and use of amount collected during this period was also not submitted for audit inspection. Details of revenue collected is in the table below:



Date	Details	Amount (NLe)
January 2023	Total x-ray scan	19,690
February 2023	“ “ “	18,870
March 2023	“ “ “	10,950
April 2023	“ “ “	16,700
May 2023	“ “ “	3,300
<b>Total</b>		<b>61,510</b>

This could deprive the hospital of the much-needed revenue for service delivery. We recommended that the Medical Superintendent should ensure that all money collected for the x-ray services for the period under review are deposited into the hospital or consolidated account immediately.

### **Official Response**

*The hospital has a central revenue collection point where payments are made and all the cash collected are deposited to the bank for all the hospital daily records including the x-ray unit, and the receipt books for which payment are made are available as evidence of payment for the period.*

*A total sum of forty-one thousand, three hundred and ten Leones (NLe41,310.00) for x-ray scan for the period 1st January to 31st May 2023.*

*A copy payment records is available and bank statement for the period are attached for easy of reference.*

### **Auditor’s Comment**

The bank statement was submitted. However, we noted that other revenue streams were identified on the bank statement but there was no evidence that revenue amounting to NLe61,510 in respect of x-ray services were deposited into the bank account. The issue remains unresolved.

### **4.10.12. Stores Management and Control**

The audit team conducted a physical inspection of stores for drugs and reagents and observed the following:

#### **(i) Princess Christian Maternity Hospital**

- There was no designated store for the storage of stationery supplied to the hospital. Hence, stationery supplied was kept at the offices of the Monitoring & Evaluation Officer and the Accountant without any control over its usage because no record was maintained for the items and quantity of stationery kept at each office.
- The Allocated Store Ledger that records the total value, quantities and balances of items received and issued in and out of stores was not maintained.
- The stores were not inspected and supervised regularly by assigned senior personnel.
- The drugstore had two air conditioners that were not working
- There were only two refrigerators which are not enough for vaccines under a cold chain arrangement.

#### **(ii) Connaught Hospital**

- There are no shelves or pallets to store cartons of medical drugs and consumables. Hence, the medical drugs and reagents were packed on the bare floor at the time of our physical verification on 7th March 2024.

- Huge quantities of expired drugs were identified in the store; and there was no evidence that the Pharmacist requested the Medical Superintendent for these drugs to be collected for disposal. The expired drugs and unexpired ones are kept at the same store.

**(iii) Lakka Government Hospital**

- Two stores were without functioning air conditioning or cooling systems.
- The consumables store is also not conducive for the storing of medical consumable supplies (other than drugs and reagents) as there are leakages in the roof of the store and the consumables get moist during the rainy season.
- Potent and expired drugs were not separated and disposed of on a timely basis. There were instances where the drugs (potent and expired) were still at the same location, instead of being separated.

We recommended that the Medical Superintendent in collaboration with the Chief Medical Officer and the Permanent Secretary should ensure that the challenges identified in the stores management are immediately addressed to enhance effective service delivery.

#### **4.11. BO GOVERNMENT HOSPITAL – 2023**

##### **4.11.1. Unpaid Amounts for Services Provided by Contractors**

We observed the following:

- (i) From the review of contracts, correspondences and interviews conducted with the Hospital Accountant, we observed that, the hospital owed Tu-Jabs Enterprises (contractor for cleaning the Bo Government Hospital) the sum of NLe469,982.50 for six months (1st July to 31st December, 2023). Further enquires revealed that the client had threatened to stop the daily cleaning exercise, if the hospital did not honour its financial obligation. This could result in an increase in illnesses and death from hazardous chemicals within the hospital and its environs.
- (ii) The hospital entered into a contract with Nyava Enterprises for the supply of diet to the hospital for the period under review. During our audit, we observed that the contractor had supplied; but the hospital failed to make full payments to the supplier up to the time of writing this report (April 2024). However, the hospital management owed Nyava Enterprises and Alliance Enterprises a balance of NLe653,028.10 and NLe477,150 respectively, for the supply of inpatients facility (IPF) and special baby diets. The non-payments to these suppliers could result to stoppage of supplies, which could jeopardize the health of patients, especially those with special dietary needs.

##### **4.11.2. Poor Maintenance of Hospital Water Reservoir**

We observed that the hospital did not have adequate water supply to ensure clean and healthy environment for its staff and patients. Our inspection of the hospital compound, and interview with the hospital plumber revealed that, the reservoir which serves as a primary source of water supply for the hospital had been abandoned due to faults in its submersible and surface pump machines. These faulty machines were supposed to pump water from a borehole to the reservoir, for onward distribution to various functional units of the hospital. The said reservoir had five gigantic tanks (10,000 litres each) that could hold sufficient water for at least three days. Of concern is the fact that, there was no evidence to indicate that management had taken action to repair or replace the pumps in

order to remedy the water situation in the hospital. This could result in sanitation problems for both patients and staff of the hospital, thereby increasing chances of transmitting sicknesses among patients and staff.

#### **4.11.3. Inadequate and Faulty Medical Equipment**

We observed that, critical equipment such as blood pressure machines, clinical thermometers, oxygen machine, incubators and patient monitors at various units of the hospital, were in short supply. We further observed during verification of assets that, most of the equipment at various units of the hospital were faulty and had not been repaired or replaced to ensure effective health care service delivery. This could result in low quality of healthcare services provided to the public which could endanger the lives of people who visit the hospital. In addition, other items such as mattresses, wheel chairs, window curtains, bedside lockers, overhead fans, hanging scales, blankets and medicine cupboards were inadequate to meet the demand of the hospital.

#### **4.11.4. Management of the Mortuary**

##### *Faulty Mortuary Freezer*

We observed that, the largest of the three freezers that preserved corpses at the mortuary had been out of use due to a technical fault. This freezer had the capacity to contain nine corpses at a time. Due to the failure on the part of the hospital to repair the freezer, the mortuary relied on the two smaller freezers with a combined capacity to preserve 12 corpses for the entire Bo district. The preservation of corpses could not be effectively done in the absence of functioning freezers, which could result in corpses going bad.

##### *Inadequate Working Tools at the Mortuary*

We observed that trolleys and stretchers to convey corpses from wards to the mortuary were insufficient. We further observed that electrical fans at the mortuary were also faulty, thereby making the working environment not properly ventilated for the mortuary staff. This could lead to poor health conditions of mortuary staff, especially from chemicals used to embalm corpses.

##### *Lack of Adequate Space at the Mortuary*

We observed that the mortuary lacked adequate space for its personnel to work and house their equipment. The Ministry of Health and Sanitation donated two big freezers to the Bo mortuary; however, due to the lack of adequate space, the facility could not house the two freezers.

This could compromise the quality of service rendered by the mortuary to the public, thereby leading to poor undignified handling of corpses.

#### **4.11.5. M-Supply not Functional**

The Directorate of Drugs and Medical Supplies used a software called M-Supply, to record receipt and issue of drugs and medical consumables to all hospital stores within the country. This software is for recording of receipt and issue of drugs and medical consumables to the different wards and units in the Hospital. During our review of this system, we observed that the receipt and issue of items from the hospital store were not recorded in the M-Supply software for the period under review. As a result, the record of drugs and medical consumables at the hospital level, did not agree with the records held at central level in terms of stock balances. In addition, there was disagreement between the physical records and the software information. An interview with the Storekeeper and the Hospital Pharmacist revealed that, the M-Supply software was not updated for a long time, that is why there were reconciliation difficulties in the M-Supply software information and physical stock balances.

## 4.12. GOVERNMENT HOSPITAL MAGBURAKA - 2023

### 4.12.1. Payment without Adequate Supporting Documents

We observed that payments from the hospital account were made totalling NLe219,724.19 which were not adequately supported by relevant documentation. This contravenes Regulation 100(1) of the PFMR of 2018.

We recommended that the Finance Officer in collaboration with the Medical Superintendent should provide adequate explanation backed by evidence with respect to the withdrawals without adequate supporting documents in accordance with Regulation 100(1) of the PFMR, 2018.

#### **Official Response**

*Supporting documents for the said amounts are now available for audit review.*

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

Of the NLe219,724.19, the relevant supporting documents totalling NLe207,538.19 representing 94% of the queried amount were submitted and verified, leaving a balance of NLe12,186. The issue is substantially resolved.

### 4.12.2. Hospital Staff not Verified

We reviewed the December payroll voucher of the Hospital from the Accountant General's Department, staff list of the Hospital and did physical verification, and observed the following:

- 270 staff in the hospital receiving total salaries of NLe8,623,150, could neither be verified nor find in the staff list of the Hospital. Of the 128 verified staff on the Hospital staff list, only 65 staff were found on the Hospital payroll for 2023 with the remaining 63 staff not on the payroll. We could not verify 20 volunteer staff on regular stipend. They consist of 18 staff being paid by the MSF and two by the Tonkolili District Council.

We recommended that the Hospital HR should ensure that the 83 staff availed themselves for physical verification.

#### **Official Response**

*Management has the current staff list for onward submission to the MoHS for updating of the Hospital's payroll.*

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

- The 270 staff in the hospital receiving total salaries of NLe8,623,150 neither showed up for physical verification, nor were they included in the approved staff list of the Hospital. The issue remains unresolved.
- Evidence of action taken by the hospital management to include the 63 staff of the Hospital in the Accountant-General's payroll was not submitted to the auditors for verification. The issue is unresolved.
- We could still not verify the 19 volunteer staff on regular stipend who consisted of 18 staff paid by MSF and one staff paid by the Tonkolili District Council. Therefore, the issue remains unresolved.

### 4.12.3. Unpaid Staff Working at the Hospital

We observed that strategic units within the Hospital were manned by volunteer staff. These include the Human Resource Officer, the Transport Officer and Revenue Clerk. Of the 17 CHOs assisting the two medical doctors assigned at the Hospital, only one is pin-coded. The other 16 CHOs have been volunteering between two to six years. Other nurses have also been volunteering at the Hospital for

more than ten years. Of utmost concern was the fact that one nursing-aid staff has been serving voluntarily at the Hospital for over 21 years.

We recommended that the MS and the FO should ensure the following:

- (i) A wage payment plan is adopted for these staff to enable them receive wages or stipend within the shortest possible time.
- (ii) Plans are made for the backlog incentive to be paid to the affected staff.

### **Official Response**

*Recruitment of trained volunteers is ongoing at the MoH.*

### **Auditor's Comment**

- Management did not provide response on the issue relating to volunteer staff heading strategic units within the Hospital. The issue remains unresolved.
- Management's response was not provided on the issue relating to the 16 CHOs and other nurses serving as volunteers. Therefore, the issue remains unresolved.

#### **4.12.4. General Observations**

- The hospital lacked a functioning vehicle to facilitate easy movement and service delivery
- There was lack of basic equipment and facilities at the Hospital The following were observed in various units and wards:
  - (i) the main theatre lacks potent drugs such as cemimidime injection, buscopan injection, suxamethonium injection, pancuronium injection, vencuronium injection, atracuronum injection, neostigmine injection, thiopental injection, ketamine, propofol, thiopental, diazepam, lidocaine, atropine, morphine, bupivacaine, spinal needle gauge 22/25, etc. use for intubation of patients before surgery, sutures used for sewing/suturing.
  - (ii) Ceiling fans at the female and the male surgical wards were not functional. Six of the electrical sockets were not working and the lighting system was also faulty in both wards.
  - (iii) One of the air conditioners in the Pharmacy was not functional
  - (iv) The fans and switches in the in-patient facility were not working and the beds were without siderails.

We recommended that the MS in collaboration with the MoH ensure that the hospital is provided with the necessary drugs and facilities to enhance efficient and effective service delivery.

## **4.13. KENEMA GOVERNMENT HOSPITAL - 2023**

### **4.13.1. Operational Inefficiencies**

We observed the following:

- **Lack of Specialist Doctors** – We observed that, only one specialist, an oncologist was assigned to the hospital. Specialist doctors such as orthopaedic surgeons, paediatricians, gynaecologists are currently not available. There were however 16 medical doctors who are general practitioners.
- **Inadequate Electricity Supply** - Electricity supply to the hospital was a challenged due to frequent power outage and low voltage which affects the functioning of critical medical and office equipment like oxygen machines, x-ray machines and printers. This was because the Hospital did not have its own transformer and it is connected to a transformer that is being utilised by over 10,000 households and businesses.

- **Lack of Ambulances and Vehicles** - The hospital was challenged with utility vehicles and ambulances for the proper delivery of healthcare services. There were only one utility vehicle and two ambulances available for service delivery in the Hospital. In addition, the utility vehicle and the two ambulances are worn out and constantly have mechanical breakdowns.
- **Challenges in Admission Wards, Hospital Labs, and the Physiotherapy Unit** - Physical verification revealed that the admission wards, the laboratories, and the physiotherapy unit were in dire need of major renovation, and lacked basic equipment for effective service delivery.

#### **4.13.2. Contract Agreement for the Sale of Cost-recovery Drugs not Made Available**

The contract documents to ascertain the details of the agreement entered into, through a Public-Private Partnership agreement signed with the Ministry of Health and Sanitation for the sale of cost-recovery drugs was not submitted. As a result, we could not determine the basis on which the private enterprise is operating and what benefits should accrue to the Hospital.

#### **4.14. DISTRICT HEALTH MANAGEMENT TEAM, BO DISTRICT- 2023**

We observed the following:

- Records management at the Peripheral Health Units was poor. Waybills and inventory control cards for drugs and other consumables distributed to these PHUs were not properly recorded. In addition, Daily Health Commodity Dispensary Register and Treatment Register to account for the utilisation of drugs supplied to these PHUs were also not properly recorded.
- The PHUs lacked adequate basic medical equipment including delivery beds, post-natal beds, scales, blood pressure machines, suction machines, oxygen machines, proxy meter, etc. We also observed that most of the instruments used for delivery in the labour rooms were either obsolete or faulty. This continues to negatively impact the effective healthcare service delivery of PHUs.
- The PHUs lacked conducive storage facilities for drugs and medical consumables received from the Bo District Medical Store. In most instances, the drugs and medical consumables were placed in rooms under very high temperatures. This continues to affect the potency of the drugs.
- Waste management especially medical waste and toilet facilities at various PHUs were observed to be very poor. These PHUs also lacked incinerators and placenta pits. Also, burning pits locally constructed were not fenced.
- There was inadequate supply of electricity and water to PHUs. There was no back-up electricity such as solar power or standby generators. Also, staff of these PHUs had to fetch water from the community as they lacked boreholes. This continues to undermine effective healthcare service delivery to the public.

#### **4.15. DISTRICT HEALTH MANAGEMENT TEAM, KENEMA DISTRICT- 2023**

##### **DHMT's Mission Statement not effectively implemented**

We observed the following:

- Medical equipment such as delivery kits, refrigerators, conducive storage facilities for drugs were inadequate in these PHUs.
- The PHUs have inadequate accommodation for staff, lack of security, and inadequate water supply.

These anomalies may undermine the quality of healthcare services provided to patients and could result in the death of patients trying to access these facilities for treatment.

We recommended that the District Medical Officer (DMO) should ensure the following:

- (i) That the Chief Medical Officer, the Permanent Secretary, the Director of Drugs and Medical Supplies, the NMSA and health partners collaborate to provide adequate supply of delivery kits, refrigerators and providing conducive storage facilities to protect the potency of drugs and medical consumables.
- (ii) Engage community leaders to provide accommodation for health workers posted to their communities.

#### **4.15.1. Record of Store Items not maintained**

We reviewed the waybills from the central medical store, the stock cards, and the distribution vouchers to various peripheral health units (PHUs) and observed the following:

- Based on a sample of waybills/receipt vouchers selected, medical supplies and drugs received were not recorded in the store ledger, resulting in incorrect data balances recorded on the stock cards.
- There were differences between the electronic records maintained by the store IT Officer and the stock cards maintained by the storekeeper.

We recommended that the District Medical Officer (DMO) in collaboration with the District Logistics Officer (DLO) should ensure the following:

- (i) The Storekeeper maintain the Allocated Store Ledger in which all records of drugs and medical equipment as per individual store cards are updated regularly.
- (ii) The Storekeeper update the stock card regularly for each type of drug or store item.
- (iii) Collaborate with the Store IT Officer to ensure his records are in line with the electronic records maintained for similar items.
- (iv) Evidence of action taken to ensure that the Allocated Store Ledger has been instituted should be submitted to the Audit Service.

#### **4.15.2. Inadequate Control of Assets**

The following issues were served:

- The DHMT did not make available 64 out of the 72 new motorbikes and 51 old motorbikes for audit verification. We could not therefore confirm the existence of the 115 motorbikes.
- In addition, all 72 new motorbikes were neither licensed nor insured.

#### **4.15.3. PHUs not Provided with the Required Number of Trained and Qualified Staff**

At the Kpetema CHC, Hangha CHC and the DHMT, five staff had earned further qualifications, but were not reassessed or upgraded, and are still on the old salary scale.

Nineteen CHCs are headed by State Enrolled Community Health Nurses (SECHN), Maternal Child Health Aide (MCHA) and Midwives instead of Community Health Officers (CHOs). In addition, none of the CHCs visited had an Epidemiological Disease Control Assistant or an Environmental Assistant as stipulated in the National Primary Health Care Ordinance (NPHCO) Handbook.

#### 4.16. DISTRICT HEALTH MANAGEMENT TEAM, TONKOLILI DISTRICT- 2023

##### 4.16.1. Misplacement of Staff on the Payroll

We reviewed the payroll of the Tonkolili DHMT and observed that, the names and pin codes of some staff were found in other health facilities, even though they were working at the Tonkolili DHMT. There is high risk that the Accountant General might have been paying staff on behalf of the DHMT who might not exist.

We recommended that the DHRO and DMO should ensure that necessary actions are taken to harmonise the DHMT's staff list with the payroll and evidence submitted to the Audit Service for verification.

##### **Official Response**

*The DHMT cannot access or effect any change to the Ministry of Health's payroll. It is overseen by the Human Resources Management Office (HRMO), which has the right to effect the changes when staff are transferred from one duty station to the other. The only evidence we can produce is the posting letters of the personnel to the Tonkolili DHMT. I have however informed the Directorate of Human Resource Office (DHRO) to forward the aforementioned information to the HRMO for any necessary change.*

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

Evidence of action taken to harmonise the staff list with the government payroll was not submitted for verification. Therefore, the issue remains unresolved.

##### 4.16.2. Unpaid Staff Working at the DHMT

We observed that there were 22 contract support staff working for the Primary Health Care (PHC) Tonkolili, who were not regularly paid, and 73 volunteers who were not paid at all. This represent 27% of the PHC's work force. The 22 contract support staff were owed a total of NLe33,000 in 2022, and a similar amount in 2023 as incentives.

There is a risk that the unpaid staff might exploit the general public, by not committing themselves to effective service delivery; and could paralyse the DHMT if they decide to leave

##### 4.16.3. General Observations

We observed the following:

- Handing over and taking over procedures were not complied with by the incoming and outgoing District Medical Officers (DMOs)
- The fixed assets register was not updated. We could not verify three vehicles, and 28 other assets including computers and equipment owned and controlled by the DHMT.
- 40 motorbikes were not licensed.

##### 4.16.4. Inadequate Infrastructure/Facilities to Ensure Effective Service Delivery

We verified selected healthcare facilities within the Tonkolili DHMT and observed the following:

No.	Healthcare Facility	Observation(s)
1	Mabai CHP	There was no functioning water system for the entire health facility; nurses slept in rooms within the hospital that were to be used for medical service delivery.
2	Alim MCHP	This facility was opened in 2022 and housed in a residential building with no health facility structures such as water, incinerator and placenta burner. The facility also lacked bed linings, IPC materials, standing scale, refrigerator, blood



No.	Healthcare Facility	Observation(s)
		pressure machine and no means of transportation for outreach activities
3	<b>Matotoka CHC</b>	There was poor lighting system, as a result the solar system only provided dim lighting during the day and no light at night, as the solar batteries cannot retain charge to serve at night.
4	<b>Magbass CHC</b>	The facility had a faulty borehole, therefore, there was no water supply. For more than eight months, there was no light due to an ineffective solar system. There were leakages all over the building, with no staff quarter. Nurses had to leave the facility for accommodation within the township. Making it difficult for them to be punctual.
5	<b>Makrugbeh CHP</b>	There was no running water at the health facility. The solar system and waste incinerator were also faulty. There were no cleaners on duty.
6	<b>Malone MCHP</b>	The facility had no incinerator, refrigerator and a faulty water system, with the submersible not working. The observation bed was in a bad condition. There were leakages around the building including the labour room, waiting room and post-natal room. Furniture was inadequate and staff insufficient.
7	<b>Makali CHC</b>	The solar light system was faulty. Most of the beds were without mattresses, and there were no fans or air conditioners in the drug store.
8	<b>Mabum CHC</b>	During the verification exercise, there was no staff at the facility. Interview with the FMC chairman who confirmed that the CHO went for a training in Magburaka. According to other community stakeholders, the CHO was the only staff staying at the facility. The other nurses usually go there in the morning to work and returned to Magburaka daily. Therefore, none of them reported at the facility on that day.
8	<b>Makoni Line MCHP</b>	The labour room was not conducive, as there was just one delivery bed, and the labour room walls were cracked to near collapsing.
9	<b>Mamunta MCHP</b>	The nurse-in-charge was a 59-year old woman. She was the only paid nurse in the facility assisted by a non-pin coded nurse. There were leakages in the entire facility except the labour room. The facility had no standing scale, the beam scale was faulty and the water system was not working.
10	<b>Petifu Line MCHP</b>	We did not meet any nurse (and not even a caretaker) at the time of our visit. We only met two patients (all children) struggling. A newly delivered woman was met in the labour room; and there was no running water in the facility.
11	<b>Mayossoh MCHP</b>	The only nurse transferred to the facility was not at the facility during the verification. Therefore, we could not attain any information from her. There was a patient in Mayossoh which required medical attention from the facility. The patient had to be taken to Magburaka due to the absence of the nurse.
12	<b>Masingbi CHC</b>	There was no running water at the facility, due to a faulty plumbing. Nine beds without mattresses were counted by the audit team.
13	<b>Maborie</b>	The facility has no standing scale and no means of transportation for outreach activities. The facility building is dilapidated and not

No.	Healthcare Facility	Observation(s)
		fit for the purpose. The community started the construction of a building for a staff quarters, but could not complete it due to lack of funds.

#### 4.17. MINISTRY OF BASIC AND SENIOR SECONDARY EDUCATION (HQ) - 2023

##### 4.17.1. Failure to Supply Teaching and Learning Materials, and Installation of Beds and Accessories

The Ministry awarded a contract to Commission Enterprises in June 2021 for the supply of teaching and learning materials (TLMs) at a contract cost of NLe6,785,030. A 30% advance payment of NLe2,035,509 was paid to the supplier in September 2022 with the expectation that the TLMs would be supplied within three months after receipt of the advance payment. At the time of writing this report; more than 15 months after the advance payment was made, the supplier had still not supplied the TLMs.

Similarly, another contract was awarded to AKJ Enterprise in March 2021 to supply and install beds and accessories at the Government Secondary School – Jimmi, for a contract value of NLe1,449,478. A 30% advance payment of NLe434,843 was paid to the supplier in March 2022. As at the time of writing this report, more than 24 months after the advance payment, the contractor had still not supplied and installed the beds and accessories.

We further observed that the performance bonds and the advance payment guarantees submitted by these suppliers had expired and was not been renewed.

This could lead to loss of public resources.

Non-supply can halt service delivery to the beneficiary institutions. The Procurement Committee should ensure that the suppliers immediately execute the contract or the contract be terminated, and the total advance payments of NLe2,470,352 (NLe2,035,509 + NLe434,843) is immediately recovered and paid into the Consolidated Fund.

##### **Official Response**

*The Ministry had written to the said suppliers and copies of that letters are available for audit verification. The issue was also reported to the PAC for which PAC requested the Ministry to provide information which the Ministry did for further action. The Ministry is yet to have any information on the outcome of that engagement.*

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

As at the time of the audit verification, there was no evidence provided to confirm that the suppliers had executed the contract or the contract terminated, and the total amount of advance payment of NLe2,470,352 had been recovered and paid into the Consolidated Funds.

Therefore, the issue remains unresolved.

##### 4.17.2. Sale of Donated School Feeding Rice

In November 2022, the Ministry of Agriculture and Food Security (MAFS) on behalf of the Government of Sierra Leone, received a donation of 1,114 metric tons of rice (equivalent of 22,280 bags of 50kg) from the People's Republic of China, valued at US\$1,403,394. Subsequently, the rice was transferred to the School Feeding Programme of the Ministry of Basic and Senior Secondary Education (MBSSE) during the fiscal year 2023.

Our review of available records revealed the following:

- The statutory store procedures relating to receipt of donated items were not observed. The rice was not taken on ledger charge and then distributed or issued out of store using the necessary guidelines governing management of stores.
- The MBSSE had Service Level Agreements (SLAs) with four service providers for the school feeding program. The rice was however offered for sale to only one of the service providers, instead of all four of them in the school feeding programme.
- MAFS delivered 22,128 (50kg) bags of the donated rice to one of the service providers, Knight Investment, on behalf of the MBSSE on 24th April, 2024. MAFS valued each bag of rice at NLe325, and the total cost for the rice was NLe7,191,600 (22,128xNLe325). It was expected that the total cost should be deducted from the invoice(s) in respect of school feeding services rendered by the service provider as indicated in the SLAs and contracts that were already in existence with various service providers. As at the time of writing this report, there was no evidence that the amount was deducted from the accounts of the service providers.
- Of the 22,280 bags of 50kg rice donated, 152 bags were not brought to account by the MAFS.
- Irregularities were observed in the pricing of the rice by the MAFS. We were not provided with a justifiable basis to determine the price for which the rice was sold to the service provider; even though the total cost (cost price plus shipment costs) was made available to the Ministry. A further review of the National Public Procurement Authority (NPPA) price norm for the second quarter of 2023 revealed that the price for a 50kg bag of white grain long rice was NLe610. The invoices that accompanied the donated rice indicate that the price per bag was US\$62.99 equivalent to NLe1,451.84 (US\$62.99xNLe23.0487) using the Bank of Sierra Leone mid-rate of 17th May 2023. This clearly indicate that references were not made to these prices when the Senior Permanent Secretary of MAFS determined the price range for the donated rice.

We recommended the following:

- (i) In future, the Permanent Secretary, in collaboration with the School Feeding Programme Secretariat should ensure that proper processes and procedures are followed in the management of donated items as outlined in section 74(1) of the Public Financial Management Act, 2016.
- (ii) The Permanent Secretary should ensure that in future, there should be strict observance of store rules to account for all donated items. Those rules must be observed on receipt and issue / distribution of the store items for transparency, proper accountability and control.
- (iii) The Head of Nutrition should provide evidence that all four school feeding service providers were informed of the decision of the Ministry regarding the donated rice.
- (iv) With immediate effect, the Permanent Secretary should ensure that the total amount of NLe7,191,600 in respect of the 22,128 bags is deducted from future payments to the beneficiary service providers and contractors. The Permanent Secretary must ensure that the Ministry of Finance is adequately notified of this recommendation for necessary action.
- (v) The Permanent Secretary, MBSSE, should ensure that the 152 bags are collected from the Senior Permanent Secretary, MAFS, and used for the intended purpose.
- (vi) The Minister, MBSSE, and the Minister, MAFS, should immediately institute an investigation into the irregularities observed in the pricing used by the Senior Permanent Secretary, MAFS, for the sale of the donated rice.

### **Official Response**

- (i) *The audit recommendation is noted. All efforts were employed to ensure compliance with relevant rules and regulations. I will not relent going forward.*
- (ii) *The query has been officially communicated to the Director of Nutrition. Awaiting response which can be made available for audit verification. Evidence is available for audit verification.*
- (iii) *The Ministry has communicated the audit recommendation to the said supplier and the supplier has written to the Ministry in compliance with the audit recommendation in its future payment with the Ministry. Also, the Ministry of Finance and others are duly informed and evidence of that is available for audit verification.*
- (iv) *This has been communicated with the MAFS and the Ministry is waiting for their response*
- (v) *The Minister of MBSSE has indicated that he has initiated discussion with his counterpart in that respect and the outcome will be communicated during the verification.*

### **Auditor's Comment**

Management's response is noted regarding the donated rice. In addition, correspondence was submitted during the audit verification and the following were observed:

- (i) Evidence that all four school feeding service providers were informed of the decision of the Ministry regarding the sale of the donated rice was not submitted. We however sighted a correspondence from the Director and Head of Programme of the National School Feeding Programme to the Director of Plan International-Sierra Leone and the Chief Executive Officer-Knight Investment Sierra Leone informing them of the decision of the Ministry for the sale of the rice. A response by the Managing Director of Knight Investment to the offer of sale was also submitted and reviewed.
- (ii) In a correspondence dated 12th June 2024 from the Chief Executive Officer of one of the service providers for the school feeding, Knight Investment Sierra Leone, who accepted responsibility for the payment of NLe6,984,900 in respect of 21,492 bags of rice and that the amount be deducted from any future payment that will be made for services rendered. There was however no report provided to confirm that the boarding home schools' suppliers that received 666 bags of rice have made any commitments to pay for the rice. As at the time of writing this report, there was no evidence of deductions from the account of Knight Investment Sierra Leone and the suppliers to the boarding schools in respect of the 22,128 bags (valued at NLe7,191,600).
- (iii) A correspondence from the Permanent Secretary-MAFS to the Permanent Secretary-MBSSE stated that the shortage was recorded because damaged bags were discovered during the offloading of the consignment. The letter further claimed that the offloading was witnessed by the MBSSE and MAFS representatives; a claim MBSSE refused to confirm as there was no report on the offloading of the rice. Therefore, the 152 bags of rice still remain outstanding.
- (iv) During the audit verification, we received a correspondence dated 8th July 2024 from the Minister-MBSSE to the Minister-MAFS requesting a meeting to address irregularities in the pricing of the 22,280 bags of donated rice. As at the time of writing this report, there was however no evidence that the investigation has been conducted.

Therefore, the issues remain unresolved.

#### **4.17.3. National Basic Education Commission Placement of Pupils**

Placement exercise is an instrument used as an intermediary between the Ministry and the Principals of JSS1 and SSS1 to help place pupils that have sat and passed the transition examinations (National Primary School Examination (NPSE) or Basic Education Certificate Examination (BECE) to have a fair access to their schools of choice as the academic year unfolds. We were informed by the

Executive Secretary of the Basic Education Commission that the placement cut-off set by the Commission for the schools is compulsory and the school authorities must comply with it. The following were however observed:

- The Commission's budget for the year under review was seriously underfunded by 90%. The total budgeted amount of the Commission was NLe1,629,000 and the total funds received from GoSL for the year was NLe50,000, and NLe109,760 from the Sierra Leone Free Education Project. This seriously affected the operations of the Commission as there were series of planned activities that were not implemented. For instance, the Commission had budgeted NLe200,000 to undertake awareness raising on the effectiveness of continuous assessment scores management and timely submission to the West Africa Examination Council (WAEC). This activity was not undertaken due to lack of funding. Additionally, some of the heads of schools failed to submit to WAEC which affected WASSCE entry for pupils.
- Payments for activities (such as refreshment, and transport allowance) valued at NLe128,560 were made in respect of placement of pupils after the release of the NPSE and BECE results to their school of choice. Placement meeting was held and cut-off marks were agreed upon for various schools. There was however no evidence that school authorities adhered to the agreed cut-off marks for JSS1 and SSS1 admissions. There was also no evidence that the Commission monitored the admission process and identified the defaulting schools. As a result, the intended outcome or objective of undertaking the expenditure might not have been achieved and therefore value-for-money could not have been realised.
- The National Basic Education Commission did not have a policy or manual to guide the school authorities to effectively implement the placement of pupils in their school of choice after the publication of the NPSE and BECE results.

We recommended that the Permanent Secretary and the Chief Education Officer should engage the Ministry of Finance to ensure that adequate resources are allocated to the Commission to enhance effective operations.

The Executive Secretary should ensure that a policy or manual is developed to set guidelines for the placement of pupils in schools; and penalties for defaulting school authorities.

#### **4.17.4. Schedules not Submitted for Payment of WASSCE Fees**

In FY 2023, a total of NLe90,385,250 was paid to the West African Examinations Council (WAEC) as West African Senior School Certificate Examination (WASSCE) fees for 220,721 candidates in respect of the 2022/2023 academic year. Despite several engagements and requests, supporting information such as a comprehensive list of schools (including school name, location, category etc.) and a detailed list of candidates per school were not submitted to the ASSL.

The Permanent Secretary and the Ag. Principal Accountant should ensure that the supporting information justifying payments of WASSCE fees to WAEC are submitted to the ASSL.

#### ***Official Response***

*The comprehensive list of schools of 2023 WASSCE candidates was submitted to MoF in support of the said payments and this document is available for audit verification.*

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

The list of schools with the total number of candidates for the 2023 WASSCE was submitted during the audit verification. We however noted that the list accounted for 203,026 candidates; representing 92% of the total candidates for which WASSCE fees were paid by the Ministry. This resulted in a

difference of 17,695 candidates for which NLe7,246,102 was paid as examination fees. Therefore, the issue is partially resolved.

#### **4.17.5. Vehicles and Motorbikes not Available for Physical Verification**

We conducted physical verification of vehicles and motorbikes owned and controlled by the Ministry. In spite of repeated requests, two vehicles and 18 motorbikes recorded in the fleet register were not made available for inspection.

The vehicles and motorbikes not made available for physical verification could have been converted into personal use without being detected.

The Assistant Secretary in charge of fleet management should ensure that the two vehicles and 18 motorbikes are made available to the ASSL.

#### ***Official Response***

*The vehicles and motorbikes in question are available for your verification.*

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

Only two out of the 18 motorbikes were made available for physical verification, leaving the two vehicles 16 motorbikes not available to the ASSL. Therefore, the issue remains unresolved.

#### **4.17.6. Staff not Available for Physical Verification**

Contrary to Regulation 112 (2) of the Public Financial Management Regulations 2018, we observed that the names of three staff on the salary voucher were not available for physical verification. A total salary of NLe29,248 was paid to them in 2023.

Salaries could have been paid to non-existing staff resulting to loss of public funds.

The Director of Human Resources should ensure that the concerned staff make themselves available for physical verification. Otherwise, their names should be deleted from the payroll and the amount refunded to the Consolidated Fund

#### **4.17.7. Non-reconciliation of Payroll and Staff List**

There was no evidence of payroll reconciliation carried out by the Human Resources Directorate of the Ministry. We observed that a total salary of NLe1,238,474.92 was paid to 42 staff on the Ministry's payroll but those names were not included in the nominal roll for the period under review.

The Director of Human Resource (MBSSE) should reconcile the nominal roll (staff list) to payroll and confirm eligibility of staff. In addition, staff list and payroll should be regularly updated and the said amount paid should be justified with evidence or the amount refunded to the Consolidated Fund.

#### ***Official Response***

*Your recommendation is well noted, and necessary action will be taken going forward. A memorandum has also been sent to the AGDs Office for the release of monthly payroll for reconciliation.*

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

We note management's response. Evidence of reconciliation of the staff list and payroll was however not submitted for audit inspection to justify the salaries paid to these staff. Therefore, the issue remains unresolved.

#### **4.18. MINISTRY OF BASIC AND SENIOR SECONDARY EDUCATION, BO DISTRICT- 2023**

##### **4.18.1. General Operational Issues**

###### *(i) Teaching and Learning Materials not Provided to Schools with Special Needs*

We reviewed the receipt and distribution of Teaching and Learning Materials (TLMs) and observed that schools were not provided with TLMs needed for the effective running of the schools. This could undermine the effectiveness of teachers particularly in primary schools. Similarly, the school fee subsidies allocated to these primary schools are not adequate to procure these teaching materials by the school authorities.

###### *(ii) The District Education System not Effectively Monitored*

There was a clear indication that schools in the Bo District were not effectively monitored. There was no comprehensive monitoring plan adopted to guide the school quality assurance team to ensure equitable coverage of the 1,050 schools operating within the district. We further observed that school monitoring reports were not reviewed and approved by the Assistant Director of Education who is primarily responsible for the supervision of the activities of the School Quality Assurance Officers (SQAOs). In the same vein, the school inspection reports were not detailed with relevant information such as the timing of inspection visit, names and addresses of specific schools inspected, and findings of these inspection visits.

##### **4.18.2. Withholding Taxes not Deducted and Paid to the NRA**

We observed that withholding taxes totalling NLe13,198.35 were not deducted and paid to the National Revenue Authority (NRA). This could deprive the state from the much-needed tax revenue to fund the provision of basic social services.

We recommended that the Finance Officer (FO) should ensure that the queried withholding taxes of NLe13,198.35 are immediately paid to the NRA, and all pertinent documents such as NRA receipts, payment schedules, bank statements and deposit slips to support the payment of these withholding taxes to the NRA for FY2023 are submitted to the ASSL.

##### **Official Response**

*(i) Before now, we use to pay all withholding taxes at district level in Bo at the NRA office which made it easy and simple for us to maintain our payment records and documents. Two years ago, the NRA instituted the policy of all withholding tax payments to be done by the head office or the source of financial support for any activity.*

*It was on this background that we calculated the withholding taxes and made payment to the account department of the Sierra Leone Free Education Project Secretariat (SLFEPS), which have made full payment to the NRA Tax Return account. The MBSSE, Bo, total tax deduction for the activities of 14th December 2023 amounted to NLe12,893.10. Note that because the same service provider provided food in Bo and Pujehun (Geika) for this activity, the NRA combined the payment (#4 112,640 is made up of Bo: catering NLe22,570 + Hall Rental NLe7,000 and Pujehun catering NLe83,070 giving a total tax deduction of NLe7,321 (including Bo NLe1,626.35). When the NRA receipts are received through SLFEPS, MBSSE Bo, will ensure they are submitted to the ASSL for verification.*

*The stationery amount of NLe2,750 under PBF Refresher Training & Data Collection was for Regional Validation Training on SQAOs Standard Tools and Handbook. The amount received, withdrawn and disbursed amounted to NLe105,991. The expenditure of this amount was as follows: Stationery NLe2,750, Payment to Participants NLe103,241: (Bo NLe4,700, Pujehun NLe15,970; Bonthe NLe17,560; Moyamba NLe16,531; Kenema NLe19,420; Kailahun NLe18,060 and drivers NLe11,000. Withdrawal amount NLe105,991 and Disbursement NLe105,991. Photocopy of cheque book stump showing withdrawal amount for the activity and the net payment to the*

*stationery supplier of NLe2,598.75. The withholding taxes of NLe151.25 has been paid to SLFEPS account department for onward payment to the NRA. As soon as the receipt for this payment is received, Finance Officer will submit it to the ASSL for verification.*

*The hall rental of NLe2,800 was not paid to the MBSSE/DEO account. The said amount and the cost of food were paid directly by SLFEPS to the service provider after deduction of tax.*

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

Evidence of payment of the said NLe13,198.35 withholding taxes and their accompanying schedule were not submitted for review as recommended. Therefore, the issue remains unresolved.

#### **4.18.3. Inconsistent Preparation of Budget**

We reviewed the MBSSE Bo Sector Annual Work Plans (AWPs) maintained by both the Bo City Council (BCC) and the Bo District Council (BDC) and compared them with the respective cashbooks. Firstly, we observed that six projects (including four school rehabilitation projects) were budgeted for, but were not implemented. We observed another three school's rehabilitation projects implemented during FY2023 which were not included in the 2023 AWP's of the two councils.

### **4.19. MINISTRY OF BASIC AND SENIOR SECONDARY EDUCATION, KENEMA - 2023**

#### **4.19.1. Human Resources Management Issues**

We observed the following:

- Personnel files for eight staff were requested for, but not submitted. We could not ascertain whether these staff were rightfully employed, and have the required competence in terms of qualification and experience in executing their duties.
- The contract for the IT Statistical Clerk expired on 31st December, 2022. He worked for the ministry on a regular basis for the 2023 financial year. Upon review of the expenditure vouchers submitted, there was however no evidence that he was compensated. We understood that he was still being maintained because he played a key role in supporting the IT infrastructure, systems and processes of the ministry.
- From our review of the staff list and attendance register, we noted that 11 staff did not report for work during the whole period.
- There was no evidence of an annual leave roster showing schedules of intended leave dates for support, contract or core staff of the ministry. Enquiries from staff members further revealed that some staff did not go on leave. Further discussions with the Deputy Director revealed that permanent staff did go on leave, but evidence of this was not provided.
- From review of the expenditure vouchers revealed that four regular support staff were paid salaries below the national minimum wage. Instead of receiving NLe800 per month, they were only paid NLe500.
- We could not physically verify the existence of 18 staff from the approved staff list. It was difficult therefore to determine if these staff were bona fide employees and entitled to salary payments.

We recommended that the Deputy Director should ensure the following:

- (i) Files are opened for these staff and their contracts, and employment letters and qualifications filed in the respective files. These should be submitted to the ASSL.
- (ii) That the Permanent Secretary at the MBSSE, and the Director, Human Resource Management Office (HRMO) are contacted to take action to regularise the stay of the IT Statistical Clerk.



- (iii) That unauthorised absence is reported to the Permanent Secretary, MBSSE, and the Director-General, HRMO.
- (iv) That there is an approved annual leave plan for all permanent and regular support staff going forward. Heads of Departments should encourage staff to take their annual leave in accordance with the leave plan.
- (v) That monthly earnings of staff below the national minimum wage are in accordance with the national minimum wage requirement.
- (vi) That these 18 staff are made available for physical verification.

#### **4.19.2. Fixed Assets Management**

Evidence of fixed asset verification conducted during the year by the Ministry was requested for, but not provided. During our verification of the Ministry's assets, the following were observed:

- Forty-five assets of the ministry were without unique identification codes.
- Twenty assets were in seriously damaged condition.
- Forty-two assets were obsolete or unserviceable.
- Date of purchase and cost of 58 assets were not recorded in the asset register.
- Seven assets in the asset register were not seen during physical verification.

We recommended that the Deputy Director institute mechanism to ensure that assets owned and controlled by the Ministry are properly safeguarded.

### **4.20. MINISTRY OF DEFENCE (HQ) - 2023**

#### **4.20.1. Signed Contract not Submitted for the Supply of Armoured Personnel Carriers**

The Ministry of Defence signed a contract with the West African Distribution (WAD) Motors dated 8th February, 2023 at a price of US\$18,923,596 for the supply of Armoured Personnel Carriers to the Republic of Sierra Leone Armed Forces. In spite of repeated requests, a copy of the signed contract was not submitted for audit inspection.

The non-submission of the contract limits the scope of the audit.

The Assistant Director of Procurement should ensure that the signed contract is submitted for audit inspection.

#### ***Official Response***

*Kindly see attached a copy of the signed contract for your review.*

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

The signed contract was submitted. Upon review of the contract, we observed that the contractor should have delivered the Armoured Personnel Carriers within 210 days after signing the contract. However, as at the time of writing this report (over 567 days after signing the contract), there was no evidence of delivery. Therefore, the issue remains unresolved.

#### **4.20.2. Imprests not Retired**

We observed that monthly standing imprest totalling NLe55,300 and special imprest totalling NLe99,115 were without retirement details. Additionally, there was no evidence that the amounts were refunded into the Consolidated Fund at the end of the year for the standing imprest; or after the end of activity for the special imprest.

In the absence of retirement details and records, there is a risk that the funds were not utilised for the intended purposes.

We recommended that the Principal Accountant should submit the retirement details for the imprests. Otherwise the amounts should be paid back into the Consolidated Fund.

**Official Response**

*In respect of the above-mentioned imprests, relevant retirement details are available for your review.*

**Auditor's Comment**

Retirement details were submitted. Our review of these documents revealed the following:

- Of the NLe55,300 expended from standing imprest, retirement details were submitted for amounts totalling NLe17,500 (representing 32% of the total amount queried), leaving a balance of NLe37,800.
- Of the NLe99,115 expended as special imprest, retirement details were submitted for amounts totalling NLe70,000 (representing 71% of the total amount queried), leaving a balance of NLe29,115.

Therefore, the issue is partially resolved.

**4.20.3. Payment of Overseas Allowances without Adequate Supporting Documents**

A review of payment vouchers relating to overseas course allowances and daily subsistence allowances revealed that payments amounting to NLe10,256,185.30 and NLe2,238,168.71 for course allowances and daily subsistence allowances to personnel on overseas courses, training, conferences and meetings were without adequate supporting documentation such as post-course reports or certificates, and mission reports.

The absence of required mission reports and documentation hinders the ability to assess the effectiveness and outcomes of the missions, leading to inefficient use of resources and missed opportunities for improvement and that the overseas travel might not have occurred.

We recommended that the Director of Defence Training, Education and Recruitment (DDTER) should ensure that the responsible officials submit all the supporting documents for audit inspection.

**Official Response**

*The relevant supporting documentations are available for audit inspection.*

**Auditor's Comment**

Contrary to Management's response, the supporting documentation for overseas course allowances amounting to NLe10,256,185.30, and for daily subsistence allowances amounting to NLe2,238,168.71, were not submitted for audit inspection. Therefore, the issue remains unresolved.

**4.20.4. Non-submission of Bank Statements, Cashbooks and Bank Reconciliation Statements**

In spite of repeated requests, bank statements, cashbooks and bank reconciliation statements were submitted for only five bank accounts out of a total of 13 bank accounts leaving a balance of eight.

The audit team could therefore not ascertain whether funds channelled through these accounts were utilised for their intended purposes.

We recommended that the Principal Accountant, Director-General, and the Deputy Secretary in charge of Finance and Administration should ensure that the bank statements, cashbooks, and bank reconciliation statements of the eight bank accounts are submitted to the ASSL.

**Official Response**

*Bank statements for the two Horton Academy bank accounts are now available for audit verification. The remaining six accounts were created for specific purposes and have remained same for some years. However, management has written to*

*the Accountant-General as a custodian of all government accounts, to help us obtain the relevant bank statements from the banks.*

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

Of the eight outstanding bank accounts, bank statements, cashbooks and bank reconciliation statements were submitted for two accounts leaving a balance of six accounts.

Our review of the bank statements of these two bank accounts revealed the following:

- Both accounts were domiciled at the SLCB and owned by the RSLAF Horton Academy.
- The accounts were denominated in Leones (A/c No. 3015084903112140) and US Dollar (A/c No. 3015084903412161).
- Bank statements for the two bank accounts were incomplete. Statements for the period 17th November, 2023 to 31st December, 2023 were not submitted.
- Bank withdrawals to the tune of NLe4,183,156 and US\$5,819 were made from both accounts without any supporting documents.

Therefore, the issues remain unresolved.

#### **4.20.5. Over and Underpayment of DSAs and Course Allowances**

We observed deviations from the Government of Sierra Leone's 2021 Daily Subsistence Allowance (DSA) Policy and the Defence Council Instructions of 2004 for payments of allowances for overseas course/training. During a recalculation of a sample of DSA payments, we observed instances of overpayments amounting to NLe49,130.78 and underpayments amounting to NLe4,212.06.

There is a risk of inadequate reviews of payment processes and potential misuse of resources.

We recommended that the Staff Officer 1 (SO1), Budget and Finance should ensure that the NLe49,130.78 is recovered and paid back into the Consolidated Fund, and the NLe4,212.06 immediately paid back to the beneficiaries.

#### **Official Response**

- *We started using the policy referenced by the ASSL but soon realised that this policy does not relate or consider military personnel, and was not also in favour of GoSL and RSLAF especially for personnel going on courses for more than six months. The cost is huge when considering the total number of personnel sent on various courses. Therefore, it was agreed that we revert to RSLAF policy known as Defence Council Instructions (DCI), 2004. It was this DCI that was used to compute course allowances for RSLAF personnel.*
- *It must be noted that these allowances are outstanding payments, therefore, over and under payments are coursed by the exchange rate fluctuations at the time of payment to personnel, and also the policy used to compute the allowances of personnel.*

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

The policy in question should be applied, regardless of its favourability to the Government of Sierra Leone or the Republic of Sierra Leone Armed Forces.

The explanation for overpayments and underpayments due to exchange rate fluctuations is unsubstantiated, as the rate used in the Ministry's calculations was the same used in the auditor's recalculation of allowances. Consequently, evidence for the repayment of the over and under paid allowances was not submitted for verification. Therefore, the issue remains unresolved.

#### **4.20.6. Staff not Available for Physical Verification**

We conducted physical verification for 452 civilian staff in selected postings within the Western Area Urban who were on the civilian staff list and payroll of the Ministry. During this exercise, we observed

that the names of 97 staff on the payroll did not show up for physical verification. However, a total salary of NLe1,413,528 was paid to these staff in FY2023.

Salaries could have been paid to non-existing staff which could consequently lead to loss of government much-needed funds.

We recommended that the Assistant Director of Human Resources should ensure that the 97 staff avail themselves for physical verification. Otherwise, their names should be deleted from the payroll, and the amounts paid to them be immediately recovered and paid back into the Consolidated Fund.

### **Official Response**

*Management takes note of the query raised in respect of staff that were not available for verification during the audit of the Ministry of Defence for period FY2023, and wishes to inform that, 73 of the staff under consideration are now available for verification. The record shows that three staff had travelled out of the country, and the Human Resources Management Office (HRMO) was notified accordingly, seven have retired, one is on Study Leave, three have been transferred to the Ministry of Health, four are deceased and six were on annual vacation leave.*

*The necessary evidence is available for verification.*

### **Auditor's Comment**

We have considered Management's response on the issues raised, and a further audit review revealed the following:

- Documentary evidence was not submitted to support the claims in respect of three staff who had travelled out of the country, seven retired, one on study leave, three transferred to the Ministry of Health, four deceased, and six on annual vacation leave.
- A total of 42 staff, representing 43% of the total unverified staff were physically verified leaving 55 staff unverified. The total salary paid to the 55 unverified staff amounted to NLe834,804. Therefore, the issue is partially resolved.

#### **4.20.7. Joint Medical Units (JMU)**

- The Infectious Disease Prevention and Control Unit (IDPC Unit), at the 34 Military Hospital is frequently challenged with electricity supply from the general grid. The computers and other equipment were not functional.
- There was only one trolley, one stretcher and one oxygen canister in the Accident and Emergency Ward at the 34 Military Hospital. The ward does not have a standby ambulance for the referral of critical cases and the movement of patients.
- The 34 Military Hospital lacked a utility vehicle. Instead, the ambulance was used as a utility vehicle.

We recommended that the Director General should seek funds from the Ministry of Finance and take remedial actions to address the defects noted at the JMU.

#### **4.20.8. Joint Logistics Unit (JLU)**

During our visit to the JLU Medical Store at the 34 Military Hospital we observed that there was insufficient storage facility for drugs supplied to the Hospital. This was evidenced by the fact that most of the drugs were placed on the bare floor as opposed to them being on well organised shelves labelled for ease of identification and movement within the store.

We also observed that the Military's central medical store was without computers to maintain records of drug supplies.

We recommended that the Director General should seek funds from the Ministry of Finance and take remedial actions to address the defects noted at the JLU.

#### **4.21. MINISTRY OF DEFENCE (4TH INFANTRY BRIGADE) - 2023**

##### **4.21.1. Brigade Medical Inspection Room not Adequately Equipped**

We held interview with the Brigade Medical Officer (BMO) and conducted physical verification of the 4th Brigade's Medical Inspection (MI) Room to assess the general condition of the facility and observed that the MI Room did not have basic and modern medical facilities. For instance, the MI Room which is responsible for all referral cases from the 4th Battalion in Makeni, the 9th Battalion in Kono and the 12th Battalion in Kabala has only two wards with a capacity of five beds each. There is no water facility within and around the clinic, the MI Room lacks adequate nursing staff. There is no standby generator at the clinic in case of power outage. The Brigade and its battalions only have one ambulance used for referring patients from the battalions to the Brigade and from the Brigade to the 34 Military Hospital in Freetown. The MI Room lacks adequate space capacity for clinical duties, modern furniture like chairs, tables etc., and medical equipment such as oxygen concentrator. This is contrary to the provisions in section 4009 of the Joint Support Command in the Ministry of Defence White Paper. We recommended that the BMO in collaboration with the Brigade Commander (BC) liaise with the JFC to facilitate the supply of the required medical equipment at the facility.

##### **4.21.2. Forward Patrol Bases (FPBs) Constructed in Sanya and Sinkonia, not Put into Use**

We interviewed the BC and the Chief of Staff (COS), and observed that the Ministry of Defence headquarters signed a contract on 16th December, 2020 for the construction of a Forward Patrol Base (FPB) in Sanya, Lower Tambaka Chiefdom, Karene District and Sinkonia, Folasaba Dembelia Chiefdom, Falaba District. We however observed that the bases did not have facilities such as borehole water well, electricity (solar or generator), bedding, foams, and office furniture. Nonetheless, the FPB at Sinkonia had a borehole for water supply with a solar panel install on it, but was not functioning. As such, the two FPBs have not been occupied by personnel.

We recommended that the BC in collaboration with the JFC/HQ should ensure that the necessary facilities are provided for the serving personnel at the FPBs within the Brigade.

#### **4.22. MINISTRY OF FINANCE - 2023**

##### **4.22.1. Payment of Lease on Behalf of Bank of Sierra Leone**

The Ministry of Finance made a lease payment of NLe16,504,992 on behalf of the Bank of Sierra Leone, for a two-year lease regarding a property at 1 Scan Drive, in Freetown. Of concern is the fact that the lease is between the Bank of Sierra Leone and the landlord, not the Ministry of Finance. This situation suggests a lack of alignment in the contractual and financial processes. Although the Ministry of Finance disbursed the funds, it did so without being a formal party to the tenancy agreement. The cause of this situation could stem from an internal procedural oversight, where the Ministry of Finance, acting as the financial intermediary, may have assumed responsibility for the payment without directly holding the lease.

We recommended that the Deputy Financial Secretary-Administration, should refrain from making payments on behalf of autonomous bodies, and instead transfer funds to the relevant entities for them to fulfil their obligations. This approach will foster greater accountability and financial independence, ultimately improving their operational efficiency.

##### **4.22.2. Actual Expenditure Exceeding Budgeted Expenditure**

Despite recommendations in previous reports, we observed situations wherein actual expenditure exceeded budgeted expenditure.

- The amount budgeted for staff cost and other benefits during the period under review was NLe98,061,800 and the amount spent was NLe118,337,355 as per the payroll vouchers. This resulted in a budget overrun of NLe20,275,555. The table below gives an analysis of the overspending:

<b>Schedule of Overspending on Cost and Other Benefits for FY2023</b>			
<b>Details</b>	<b>Budgeted Payroll Cost (A) (NLe)</b>	<b>Actual Payroll Cost (B) (NLe)</b>	<b>Over Expenditure (A-B) (NLe)</b>
Basic Salaries	72,013,900	84,275,410	12,261,510
Transport Allowance	174,500	262,297	87,797
Allowances	25,873,400	33,799,648	7,926,248
<b>Total</b>	<b>98,061,800</b>	<b>118,337,355</b>	<b>20,275,555</b>

- Similarly, the amount budgeted for capital expenditure during the period under review was NLe11,900,000 and the amount spent was NLe34,369,088 as per the IFMIS. This resulted in a budget overrun of NLe22,469,088. The table below gives an analysis of the overspending:

<b>Schedule of Overspending on Capital Expenditures for FY2023</b>			
<b>Details</b>	<b>Original Budget (A) (NLe)</b>	<b>Actual Budget (B) (NLe)</b>	<b>Over Expenditure (A-B) (NLe)</b>
0404010246 Accountable Governance For Basic Service Delivery	200,000	2,554,926	2,354,926
0404010251 Support To Medium Term Expenditure Framework	3,700,000	12,851,000	9,151,000
0404010252 Support to Pubic Financial Management Unit PFMU	6,000,000	16,963,162	10,963,162
<b>Total</b>	<b>11,900,000</b>	<b>34,369,088</b>	<b>22,469,088</b>

This overspending indicates a lack of budgetary control and financial discipline, which could lead to financial instability and inefficiency in resource allocation.

We recommended that the Deputy Financial Secretary – Administration should implement stronger budget monitoring and control mechanisms to ensure adherence to budget limits and conduct a thorough investigation to identify the root causes of the overspending and take corrective actions to prevent future violations.

#### **4.23. MINISTRY OF PLANNING AND ECONOMIC DEVELOPMENT - 2023**

##### **4.23.1. Actual Expenditure Exceeding Budgeted Expenditure**

The amount budgeted for administrative and operational costs and overseas travelling for FY2023 was NLe6,446,764 and the amount spent was NLe9,714,543 as per the payment vouchers. This resulted in a budget overrun of NLe3,267,779 for the FY2023. See table below for details:

<b>Schedule Showing the Amount Overspent on Administrative Costs and Overseas Travelling</b>					
<b>Account Code</b>	<b>Activity</b>	<b>Implementing Division</b>	<b>Annual Budget (NLe)</b>	<b>Actual (NLe)</b>	<b>Variance (NLe)</b>
101-0806010901	Administrative and operating cost	Development Secretary	5,440,564	7,880,375	2,439,811
101-0806010903	Overseas Travelling - Meetings, Seminars and conferences	Development Secretary	1,006,200	1,834,168	827,968
<b>Total</b>					<b>3,267,779</b>

We recommended that the Principal Accountant should ensure that justification for the budget overruns is submitted to the ASSL. In future, the Principal Accountant should prepare a realistic budget, taking into consideration all the activities of the different divisions, and discourage the practice of undertaking activities that were not provided for in the budget.

### **Official Response**

*There was no overspending on our overall recurrent and development budget. The Ministry was able to stay within its overall budget estimate for the FY2023.*

*There was however an overspending on a few activity lines which was as a result of increase in the cost inputs which were used as a basis for costing the budget. Such as fuel which increased by more than 100% and also the new DSA policy which increased the local DSA rate by 100% and additional staff cost incurred for staff posted to the Ministry within the year after the budget had been prepared. These changes made it practically difficult to strictly stay within the planned budgeted amount for certain activities.*

### **Auditor's Comment**

We note management's response. However, it is important to highlight that there are established procedures to follow when requesting for additional budgets. These procedures typically require the submission of supporting documentation, such as a supplementary budget, to justify and authorise the additional spending. Unfortunately, in this instance, no such evidence was provided for verification. Therefore, this issue remains unresolved.

#### **4.23.2. Procurement Documents not Made Available**

We tested the Ministry's procurement transactions to assess whether goods and services were procured in line with procurement rules and regulations. We however observed that procurement transactions amounting to NLe551,679 were without any form of procurement documents.

We recommended the following:

- (i) The Assistant Director of Procurement should ensure that the missing procurement documents are made available to the ASSL for verification.
- (ii) In future, all procurement transactions should be supported by the relevant documentation in accordance with the public procurement rules and regulations.

### **Official Response**

*The supporting documents are available for audit verification. The necessary procurement documents for amounts totalling NLe551,679 such as RFQs, invoices and LPOs, etc. are available for audit inspection.*

### **Auditors' Comment**

Documents submitted and reviewed, revealed That, of the NLe551,679, procurement documents for NLe486,207 representing 88% of the queried amount, were submitted and verified, leaving a balance of NLe65,472.

Therefore, the issue is substantially resolved.

### **4.23.3. Unsupported Documents**

Withdrawals totalling NLe184,874 in respect of the National Commission for Civic Education (NaCCED) were not supported by payment vouchers and other relevant documentary evidence. In addition, amounts totalling NLe456,215 were expended by the NaCCED without adequate supporting documents such as receipts, reports, and other retirement documents.

We recommended that the Principal Accountant should ensure the following:

- (i) The relevant supporting documents in respect of the amounts expended by the Ministry (as stated in the finding) and NaCCED, should be forwarded to the ASSL. Otherwise, the said amounts involved should be refunded.
- (ii) In future, all transactions from initiation to completion should be supported by the relevant documentary evidence which must be retained for accountability purposes.

### **Official Response**

*The relevant supporting documents for the list of transactions highlighted in the appendix related to various operational activities and programs carried out by MoPED during the period under review are available for audit inspection.*

### **Auditors' Comment**

Documents submitted and reviewed, revealed the following:

- Of the NLe184,874, payment vouchers and relevant supporting documents totalling NLe116,986 representing 63% of the queried amount were submitted and verified, leaving a balance of NLe67,893. Therefore, the issue is partially resolved.
- Of the NLe456,215, the outstanding supporting documents totalling NLe248,785 representing 55% of the queried amount were submitted and verified, leaving a balance of NLe207,430. Therefore, the issue is partially resolved.

### **4.23.4. Registration and Renewal of Non-Governmental Organisations (NGOs)**

From a review of the Ministry's cashbook and other revenue records, we observed that fees amounting to NLe139,026.30 were received for the registration and renewal of NGOs during the period under review. We also observed that receipts were issued to the NGOs who paid these fees. We were however not able to trace these fees to the Ministry's bank statement.

We recommended the following:

- The Director of NGOs' Affairs should make available bank statement as evidence for the deposit of NLe139,026.30 into the Ministry's bank account (an account prescribed by the Accountant-General).
- In future, fees in respect of registration and renewal of NGOs and INGOs should be promptly deposited into the Ministry's bank account, and the banking documents together with the registration documents retained for accountability purpose.

### **Official Response**

*Bank statement showing payment amounting to NLe139,026.30 made by the three NGOs mentioned in the audit report is available for verification.*



### Auditor's Comment

The consolidated bank statement was provided during the verification and the monies were transferred to the account on behalf of these NGOs. However, the amounts deposited into the bank were different from the amount recorded in the Ministry's records. This has given rise to a variance of NLe28,720.02 between the amount recorded and in the bank statement and the amount recorded by the Ministry. Therefore, the issue is partially resolved.

#### 4.23.5. Poor Management and Control of Assets

We observed the following:

- The Ministry's fixed asset register was not prepared in the right format. Details such as date of acquisition, identification code, location, and status were missing.
- Some of the assets owned and controlled by the Ministry such as office equipment, motor vehicles and motorbikes, were not made available for verification.
- The Ministry's cashbook revealed that the sum of NLe168,719 was spent to acquire assets during the period under review. The details of these assets were neither entered in the register, nor were the assets made available for verification.
- The manner in which the NaCCED managed its assets was not adequate. On the one hand, we observed that some of its assets were not made available for verification, and on the other hand, the details of some of its assets were not recorded in the assets register.

We recommended that the Development Secretary and the Chairman of NaCCED should ensure the following:

- (i) Prepare the Ministry's fixed assets register in the correct format and update them with the details of all the assets inherited, procured, donated, transferred and disposed of. In addition, make the updated asset register available to the ASSL.
- (ii) Make available the assets which were not found during the fieldwork, to the ASSL.
- (iii) In future, put controls in place for assets to be managed in an efficient and effective manner.

### Official Response

*During the audit period, some of these vehicles/ motorbikes were in operation in the province but an effort has been made to make them available for verification.*

*The assets mentioned have been entered into the asset register and are now available for verification.*

### Auditor's Comment

- An updated fixed assets register, which should detail the location of assets, date of acquisition, and cost of assets, was not submitted during the verification exercise. The verification of office equipment was conducted; however, the verification of vehicles and motorbikes presented various challenges, as outlined in the table below. Notably, we are particularly concerned about the vehicle that remains unverified due to the assigned user having retired and continuing to use the vehicle for personal purposes. Therefore, these issues remain unresolved.

Registration Number
Motor Vehicle AKW 753
Motor Vehicle ANE 606
Motor Vehicle AKF 547
Motorbike APM 389

- There were no responses from the management of NaCCED regarding these issues. Documentation was also not presented during the verification period. Therefore, these issues remain unresolved.

## 4.24. MINISTRY OF TECHNICAL AND HIGHER EDUCATION, HQ - 2023

### 4.24.1. Expenditure Returns not Submitted

In contravention of Regulation 100{1b(i)} of the Public Financial Management Regulations 2018, and despite repeated recommendations in our previous audit reports, we observed the following:

- A total of NLe1,491,273.77 was paid to Sierra Leone foreign missions in respect of tuition fees for Sierra Leonean students pursuing different courses in foreign universities for which expenditure returns were not provided for audit inspection.
- Subventions to various Technical, Vocational and Educational Training (TVET) centres and Government Technical Institutions (GTIs) totalling NLe875,000 and NLe800,000 respectively, were without expenditure returns.

In the absence of expenditure details and returns, we could not confirm whether funds were used for the intended purposes.

#### **Official Response**

- (i) *We have sent a correspondence to the Ministry of Foreign Affairs and International Cooperation, requesting the progress reports, liquidation of student allowances, and all related supporting documents for Sierra Leonean students studying abroad on government scholarships for the 2022/2023 academic year.*

*It is worthy to note, that, the Ministry of Foreign Affairs maintains all relevant documentation, and we will ensure that copies of the payment vouchers, signed lists of beneficiaries, progress reports for continuing students, and certificates for completed courses are obtained and submitted for audit review. We have initiated correspondences with various GTIs and TVET Centres, soliciting the necessary documents, and have successfully obtained approximately 60% of the required supporting documentation. As part of our commitment to adhering to audit recommendations and ensuring prompt submission of all requisite documents, we will implement a policy to ensure that no GTI receives further subvention without first liquidating the previous amount provided. Evidence of this, will be provided for audit inspection.*

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

- From a total payment of NLe1,491,273.77 made to Sierra Leone foreign mission in Germany, United Kingdom, China, Ghana and Turkey in respect of tuition fees for Sierra Leonean students pursuing different courses in universities in these countries, retirement details were submitted for an amount totalling NLe809,554.92 (representing 54% of the total amount) leaving a balance of NLe681,718.85 without expenditure returns. The issue is partially resolved.
- From a total of NLe875,000 paid as subvention to various TVET centres; expenditure returns to the tune of NLe315,000 (which is 36% of the total amount) were submitted and verified leaving an outstanding balance of NLe560,000. Therefore, the issue remains unresolved.
- Evidence of expenditure returns totalling NLe800,000 in respect of subventions paid to various Government Technical Institutes (GTIs) were not submitted as recommended. Therefore, the issue remains unresolved.

### 4.24.2. TVET Institution and GTIs not on Track to Effectively Rollout the TVET Policy

#### **General Observations for TVETs**

The Ministry developed the TVET Policy of 2019 to ensure effective skills training courses that can enhance employment and self-reliance. This Policy is yet to be effectively rolled out to TVET institutions. We observed the following:

- TVET institutions approved by the Government are still struggling to implement programmes due to the unavailability of funds. In 2023, only NLe1.28 million (representing 64%) was

allocated to the Ministry out of budgeted funding of NLe2 million for TVET institutions. As a result of limited funds allocated to the Ministry, some TVET institutions lack the equipment and laboratory facilities needed to implement planned programmes to enhance technical and vocational training.

- Practical sessions were not effectively undertaken by GTIs due to a lack of sustainable electricity supply to the various institutions, with no evidence of actions taken to ensure they are effectively being run. As a result, some of the courses that heavily rely on electricity such as welding and carpentry, have been limited in rolling out their course materials. This could adversely affect the capacity of their graduates in practical job situations.
- There are also funding difficulties caused by limited subvention and the inability to generate internal revenue because the GTI students are unwilling to pay tuition fees. The institutions have to rely heavily on government subventions which are insufficient and there are delays to transfer these subventions which have adversely affected their service delivery initiatives.
- There is a risk to the sustainability of services rendered by the GTIs because of the limited funding from the central government, and the Skills Development Fund Project which provides substantial logistical support to them has closed. Therefore, there needs to be a sustainable financing strategy on the part of the Ministry to ensure that the GTIs remain fit-for-purpose in discharging the TVET mandate that calls for quality skills training courses in creating employment and ensuring self-reliance.

### **Specific Findings**

- The GTI at Sundu Town, Koidu, lacked instructors to handle all the designed programmes for the institution. The institution has six instructors on the payroll that provide tuition for six subjects even though the programme offers up to 13 subjects. The institution has to depend on contract instructors who initially show high commitment to work but eventually abandon their post because of the lack of monthly payment of stipend to them.
- The GTIs at Moyamba, Kambia and Dorma, in Koidu, have seen encroachment on their land. If nothing is done to prevent the community from encroaching further, the GTIs may lose their land spaces which could prevent future development at these GTIs.
- We also observed that the GTI at Masingbi lacked a functional workshop to conduct practical sessions. There was a clear indication of a contract to construct a multipurpose workshop which has long been abandoned. Enquiries revealed that this unfinished contract was inherited by the MTHE, and that the key players (the then Project Coordinator, and the then Minister of Education Science and Technology) are dead. There was no evidence of actions taken by the Ministry to ensure that they identify the other players who could be of help in reviewing the said contract and ensuring the building was completed and equipped with the needed equipment for the provision of practical sessions for students.

Failing to address these challenges could result in these TVET institutions and GTIs not being on track to effectively roll out the TVET Policy.

### **Official Response**

*Be it noted that several efforts have been made by the responsible ministry (MTHE) to source funds from the Ministry of Finance in respect of TVET operations. However, government is somewhat constrained in meeting such obligations due to tight fiscal space and other competing priorities.*

*In respect of the provision of sustainable electricity to conduct practical sessions in GTIs, MTHE through funding from the European Union had provided some GTIs with solar panels and other accessories to help ameliorate the state of electricity supply. The institutions are also provided with generators but the cost of running same is somewhat prohibitive.*

*The MTHE, with the help of donor partners, had provided some tools and equipment to some institutions. It is also in the process of soliciting same for the delivery of quality training*

*We note the issue for the provision of vehicles for GTIs as recommended in your report. This is laudable but does not fall within our jurisdiction.*

*The MTHE has made efforts in recruiting staff to service both higher and TVET institutions. The process is ongoing.*

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

The explanations to the audit recommendations are noted. The TVETs and GTIs are however still faced with the challenges highlighted above, therefore these issues remain unresolved.

#### **4.24.3. Operational Effectiveness of the MTHE's Kenema Regional Offices**

An assessment of the operational effectiveness of the regional office revealed the following:

- The Kenema Regional Office lacked a substantive Deputy Director. This position has been vacant for the past three years.
- The office is not given allocation or imprest for the day-to-day operations, and there was no vehicle or motorbike to facilitate the movement of personnel for monitoring and supervision in the district and that of Kailahun and Kono districts.
- There is a lack of printers and photocopiers. We noted that official documents are being printed and photocopied from public internet café.

This would adversely impact on the quality of services delivered by the Ministry.

#### **4.24.4. Government Technical Institute, Bo - 2023**

In spite of recommendations in previous reports, the institute is still faced with the following challenges:

- Inadequate allocations to support general operation of the institute
- Poor water facility
- Poor electricity supply
- Lack of vehicles and motorbikes
- Late transfer of allocation from government.
- No asset policy
- No library for research work
- No perimeter fence
- No ownership documents for GTI landed property

#### **4.24.5. Use of Government Counterpart Funding to the Sierra Leone Education Sector Support Project (SLESSP)**

##### *(i) NASSIT Contribution not Paid for Project Staff*

Section 30(1) of the National Social Security and Insurance Act, 2001 requires that when an employer fails to register his employees - he commits an offence and shall be liable on summary conviction to a fine not exceeding NLe5,000 or to imprisonment for a term not exceeding three months or to both, and there shall be immediate registration of all the employees concerned.

From the review of staff records and payroll, we observed that 12 project staff were not registered with NASSIT, and their NASSIT contributions were not deducted and paid. For the year under review, the total unpaid NASSIT contribution amounted to NLe724,267.33.

The non-payment of NASSIT contribution for the staff could affect their benefits when they retire from the project. In addition, the non-registration of the employees into the NASSIT scheme could incur penalties/fines leading to the loss of project's funds.

We recommended that the Financial Management Specialist of the project should ensure that all project staff are immediately registered into the NASSIT scheme. The sum of NLe724,267.33 are also paid to the NASSIT as staff social security contribution. Evidence of actions taken should be forwarded to the ASSL.

**Official Response**

*The supervising ministry – MoF, has taken a decision on this matter, but yet to be implemented. The relevant memo is available for your review.*

**Auditor’s Comment**

The relevant memo was not submitted during the audit verification.

Evidence to show that all project staff have been registered into the NASSIT scheme and onward payment of NLe724,267.33 to NASSIT as staff social security contribution were not submitted for verification. Therefore, the issue remains unresolved.

*(ii) Anomaly in Statutory Deductions from Staff Salaries*

We observed that 5.5% withholding taxes were deducted from staff salaries instead of PAYE taxes as prescribed in the Income Tax Act, 2000 (as amended). We computed the PAYE tax against the withheld amount (as 5.5% withholding tax) and noted that the sum of NLe1,141,858.46 was outstanding during the year under review.

The non-payment of the required rate of PAYE taxes could lead to penalties/fines, and could also lead to loss of revenue to government.

The Financial Management Specialist should ensure that the outstanding PAYE taxes are paid to the NRA, and evidence of payment submitted to the ASSL.

**Official Response**

*The supervising ministry – MOF, has taken a decision on this matter, but yet to be implemented. The relevant memo is available for your review.*

**Auditor’s Comment**

Evidence of decision taken by the MoF not submitted during the audit verification. Additionally, the outstanding PAYE taxes of NLe1,141,858.46 was not paid to the NRA. Therefore, the issue remains unresolved.

**4.25. MINISTRY OF LANDS, HOUSING AND COUNTRY PLANNING - 2023**

**4.25.1. Unpaid Withholding Taxes**

We observed that withholding taxes totalling NLe17,875 were deducted from payments for goods and works, but not paid to the NRA.

We recommended that the Principal Accountant should ensure that the above payment is made to the NRA and evidence of payment made available to the ASSL for verification.

**Official Response**

*Management also respects the opinion of the auditors with regards to the issues of taxes not deducted to the tune of NLe17,875. This is as a result of failure of the NRA not availing the Tax Identification Number (TIN) for the integrated tax system to the Ministry so that the deducted taxes would be paid. There are cheques drawn and presented to the BSL for payments of these withholding taxes but all are returned to the Ministry on the notion that taxes should be paid through the Integrated Tax System. Evidence of cheques, request for TIN, filled TIN forms are available as evidence of effort made by the Ministry.*

### **Auditor's Comment**

We note management's response in respect of unpaid withholding taxes and evidence submitted for audit verification has been reviewed. Though letter of request for TIN by the Ministry to the NRA was submitted for audit verification, no evidence of payment voucher and cheque copy as indicated in the management response was submitted as at the time of audit verification to justify payment at the BSL in respect of payment for unpaid withholding taxes. Therefore, the issue remains unresolved.

#### **4.25.2. Salaries Paid to Unverified Staff**

From a sample of 198 new staff whose names were on the nominal roll and payroll voucher of the Ministry, only 115 were physically verified, leaving 83 unverified. The total salaries paid to these unverified staff for the period under review amounted to NLe780,974.

We recommended that the Senior Human Resources Officer should inform the 83 unverified staff to make themselves available for physical verification. Otherwise, the names of these staff should be removed from the payroll and salaries paid to them be recovered and paid back into the Consolidated Fund.

### **Official Response**

*Management pleads on behalf of the Human Resources department for late verification of staff. Due to the hard-to-reach areas where some of these staff are posted. Management has however ensured that the 83 unverified staff have now been verified and evidence of verification list is available for further audit verification.*

### **Auditor's Comment**

In respect of the 83 unverified staff, nine still remained unverified. The total salaries paid to the nine unverified staff amounted to NLe64,436 This issue is substantially resolved.

#### **4.25.3. Verification of State Land and Other Infrastructure**

From a review of records and physical verification exercise with staff of the Ministry, we observed the following:

- There was massive encroachment on state lands at the Gloucester Saddle with massive illegal construction going on.
- The Ministry employed the services of land guards as permanent staff and deployed them to strategic locations as custodians at land banks/the green belt of government reserved lands in the Western Area. Their main task is to prevent land grabbing in reserved land banks. However, there was no structure erected like a guard post to accommodate land guards at their locations for effective monitoring of reserved lands. There was also no evidence to indicate that signposts were erected to distinguish between reserved lands, leases and freeholds.
- Building permits were not obtained from the Ministry for some of the construction projects that we verified. The lack of manpower and mobility also made it difficult for the Ministry to identify defaulters of building permits and monitor the construction of building projects

We recommended that the Senior Permanent Secretary in collaboration with the relevant Directors should ensure the following:

- (i) Investigate the encroachment of state land at the Gloucester Saddle and the massive illegal construction projects, and take the necessary legal actions to reclaim all state related land.
- (ii) Erect guard posts to accommodate land guards in their locations for effective monitoring of reserved land.
- (iii) Erect signposts on all state land to distinguish them from other types of land and prevent land grabbing.

- (iv) Liaise with the relevant authorities for more funding and the provision of mobility for the office, to enhance monitoring of building projects and identification of building permit defaulters.
- (v) Implement control procedures for the issuing of building permits for construction projects, and to take the necessary action against defaulters of building permits.

#### **4.25.4. Ineffective Management over Lease Rent and Sale of Land**

Regulation 44 (3) of the Public Financial Management Regulations, 2018 stipulates that the vote controllers of budgetary agencies shall be personally responsible for ensuring that adequate safeguards exist, and are applied for the assessment of such revenues and other public monies relating to their entities.

We observed that lease rental fee of NLe2,500 was charged for each residential development during the review period. This amount was collected by the National Revenue Authority and paid into the Consolidated Fund. However, during the course of the audit, the Ministry did not make available any evidence of lease rental records and the amount outstanding by the leasees. As a result, we could not determine how many lease rentals were given to beneficiaries and the revenue collected for lease rental. A total amount of NLe33,122,000 was recognised in the General Purpose Financial Statement as revenue collected for sale of land.

The Principal Accountant should make available the database of lease rental payments and amounts outstanding together with other supporting documents to the ASSL for inspection. Additionally, supporting documents together with the schedule in respect of the revenue reported for the sale of land in the GPFS should be submitted to the ASSL.

#### ***Official Response***

*Management note the opinion of the audit team in respect of the lease rental records or details of outstanding amount. However, Management vividly assures the team that all necessary documents relating to lease rental records and outstanding amount are now ready for further verification.*

*Moreover, the sum of NLe33,122,000 reported in the General-Purpose Financial Statement as mentioned in the audit report as proceeds for sale of land is a concern to management, but at the same time management is having some bottlenecks with regards to system problems in ensuring that the sale of land is harmonized right across the country. However, management wishes to inform the audit team that even when they still faced numerous challenges in improving on the system to sort out documentation right across the country, they still have some supporting documents even not all with regards to sale of land in the Western Area.*

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

We note management's response and review the evidence submitted. As at the time of the audit verification, the following were noted from database relating to state land leases and state land sale (freehold) for 10 months (January to October):

- (i) A total of 564 plots of land were leased out by the Ministry and the sum of NLe10,733,844.93 was computed to be revenue from the lease of state land. However, we noted that the NRA cashbook shows a total of NLe10,744,344.93 for both land leased and rentals from previously leased land. There is no evidence to indicate that the land leased to individuals followed the proper leasing process, or that the appropriate rental amounts were charged for the various plots. In some instances, individuals and companies leased more than one different plot of land. This implies that state land could have been distributed arbitrarily, thereby depriving other citizens who may have applied for them.
- (ii) A total of NLe15,248,184.48 was recorded as sale of land (freehold) from the ministry whilst the NRA cashbook shows a total of NLe16,190,159.98. However, from the sample of land

sold, we observed that there were no valuation reports, hence this may suggest that the land may have been undervalued and officials of the ministry collude with individuals to defraud the state.

- (iii) A variance of NLe17,470,225 was observed between the amount reported in the GPFS (NLe33,122,000) and the amount computed from the various transit bank accounts (NLe50,592,225) from the sale of land by the Ministry.
- (iv) An amount totalling NLe1,352,151 collected by various transit banks on behalf of the ministry, was not remitted to the Treasury Single Account for the period under review.

#### **4.25.5. Database not Submitted for Land Allocated and Regularised or Reclaimed**

In spite of recommendations in previous reports and contrary to the provision in Regulation 62 (1) of the Public Financial Management Regulations 2018, officers responsible for revenue collection failed to provide proper books of account. Despite the several requests made, we were not provided with the database of land allocated, regularised and /or reclaimed during the period under review. In addition, reports of revenue generated from such exercise was also not submitted.

We recommended that the Director of Surveys and Lands should ensure that the database of land allocated and regularised, and the revenue report generated from such activities are made available to the ASSL.

#### ***Official Response***

*In addition to the above, concerns relating to the database of allocated, regularised or reclaimed lands, records of survey bills and building permit, management also assures the audit team that the above-mentioned documents are all available for further audit verification.*

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

We note management's response in respect of database of land allocated and regularised. However, as at the time of the audit verification, no specific database for regularised and allocated land was submitted for audit verification. In addition, there was no evidence that the ministry followed the process of reclaiming state land as prescribed in sections 3 & 5 of Chapter 117 of the Crown Land Ordinance, 1960 (Unoccupied Land). We are therefore of the view that state lands reclaimed could not be fully accounted for and could have been converted to personal use. Therefore, the issue remains unresolved.

#### **4.25.6. Records of Survey Bills and Building Permit not Submitted**

We observed the following:

- A total of 765 survey plans were issued during the period under review. However, the accountable records register, and monthly or quarterly returns sent to Senior Management were not submitted for audit inspection.
- Records in respect of revenue generated from the issuance of building permits such as inspection and valuation reports were not provided for audit inspection. A total of 139 building permits were issued in 2023.

We recommended the following:

- (i) The Permanent Secretary should ensure that adequate supervision is provided on issues relating to survey bills and building permits and the accountable records in respect of these activities retained for reference and audit purposes.
- (ii) The Director of Surveys and Lands and the Director of Housing should make available all the accountable records in respect of survey bills and building permits, respectively for the review period to the ASSL.



### **Official Response**

*In addition to the above, concerns documents relating to the data base of allocated, regularised or reclaimed land, records of survey bills and building permit, are available for further audit verification.*

### **Auditor's Comment**

Requested documents were submitted. Our review of these documents revealed that:

- From the database of 564 plots leased, we computed NLe182,500 for survey charges for state land and NLe38,585 for survey charges for private land. However, the NRA records show a total of NLe1,285,741 for the survey bills which included both state and private lands.
- Our computation shows a total of NLe400,506.36 for building permits, whilst the NRA records show a total of NLe1,181,967.50. We therefore concluded that some permits were issued without evidence of NRA receipts.

Therefore, the issue is partially resolved.

## **4.26. MINISTRY OF TRANSPORT AND AVIATION – 2023**

### **4.26.1. Procurement of 241 Vehicles for Paramount Chiefs, Judges and Other Public Officials**

On 17th February 2023, a contract valued at US\$21,908,500 was signed between the Ministry and the West African Distribution Motors (WAD Motors) for the procurement of new vehicles for Paramount Chiefs, Judges of the Supreme and High Courts, and other public officials in Sierra Leone for a period between two to four months.

On 25th January 2023, the Procurement Committee held a meeting where they decided to use the restrictive bidding procurement method for the procurement of the vehicles. During this meeting, they identified five suppliers.

On 26th January 2023, a meeting was held between the Ministry of Transport, the Ministry of Finance, and the most responsive bidder (WAD Motors) to finalise the prices and agree on the contract and payment terms before signing the contract.

We observed the following:

- Minutes of the Procurement Committee meeting of 26th January, 2023 contained the names of six instead of the five suppliers identified during the Procurement Committee Meeting of 25th January, 2023. Strangely, except for WAD Motors, the names of five of the six suppliers were different from those initially identified by the Procurement Committee on 25th January 2023.
- In spite of repeated requests, no bidding documents were submitted for audit inspection.
- The technical evaluation report and the performance security were not submitted for audit inspection.
- The contract included specific delivery periods ranging from two to four months after signing of the contract. However, only 45 of the 241 vehicles have been delivered by the supplier, leaving a balance of 196 vehicles yet to be delivered as at the time of the audit in August 2024 (13 months after signing the contract).
- These vehicles were handed over to the Paramount Chiefs unregistered, without licenses and insurance.

The procurement process could not have been competitive, and the Ministry could not have achieved value-for-money in the procurement of these vehicles.

We recommended that the Chairman of the Procurement Committee should ensure the following:

- (i) justify the inclusion of the additional bidders that were not part of the initial Procurement Committee decision,
- (ii) make available the technical evaluation report and Performance Security to the ASSL for inspection, and submit the vehicle ownership documents and evidence of licences and insurance to the ASSL.

**Official Response**

- (i) *Management noted your finding, and however wants to let you know that the minutes of the Procurement Committee meeting referred to is different from the actual minutes drafted for the supply of 241 on 25th January, 2023 where five suppliers were clearly identified. The other procurement committee meeting referenced was for a different procurement for other MDAs including NEC, PPRC, the Minister of Justice and the Solicitor General which was also in the same file. The actual minutes relating to suppliers for the 241 vehicles is attached for your verification.*
- (ii) *Management noted your finding, and wants you to know that bid document for the Restricted Bidding of the 241 was in the file, but the cover page was not clearly identified during your review.*
- (iii) *The Ministry of Transport and Aviation delivered 45 vehicles to the Ministry of Local Government and Community Affairs supplied by West African Distribution Motors (WAD).*

**Auditor’s Comment**

Management’s response is noted. The following were observed:

Contrary to Management’s response, we reviewed the minutes of the Procurement Committee meeting submitted for audit verification and observed that it is not different from the minutes we reviewed during the audit execution; in which we observed that, except for WAD Motors, the names of five of the six suppliers were different from those initially identified by the Procurement Committee on 25th January 2023.

- Therefore, the issue remains unresolved.
- The technical evaluation report and performance security were not submitted for audit inspection. Therefore, the issue remains unresolved.
- The vehicle ownership documents and evidence of licences and insurance were also not submitted for audit inspection. Therefore, the issue remains unresolved.

**4.27. MINISTRY OF ENERGY - 2023**

**4.27.1. The 6MW Solar Park Freetown Project at Newton not Operational**

The Freetown Solar Park Project is a 6MW Photovoltaic (PV) solar plant connected to the national grid. It includes 1.2km of overhead line, a switchyard substation, and a distribution transformer. It is, however, not yet operational due to the following issues:

- The 6MW Solar Park Freetown Project did not make provision for energy storage batteries at the project design stage. This oversight means that the plant cannot provide electricity power at night or during insufficient sunlight, which limits the project's operational efficiency and sustainability.
- According to clauses 10.1 and 10.2 of the Engineering Procurement and Construction (EPC) contract, the contractor should produce an operational and maintenance manual (O&M), and also train EGTC personnel to adequately manage and operate the solar plant at the end of the project. It is worth noting that the O&M manual and training plan from the contractor were not submitted for audit inspection. We observed that the Ministry signed an O&M contract with SMRT Project and Energy Solutions Ltd. that will cost the GoSL US\$321,999.92 annually

for the maintenance of the solar plant, instead of EGTC performing the specific roles as part of their normal operations.

- Despite five lightning arrestors on site, the solar plant was struck by lightning in August 2023, damaging the springs connected to ‘inverter 23’.
- The facility's borehole and hydrants for cleaning the solar panels were not working due to a faulty pump. The solar panel array was covered in dust due to the lack of water, which could reduce energy production.

The lack of energy storage mechanism limited the project's operational efficiency and sustainability. The dependency on O&M contractors poses a risk of service disruptions and could lead to long-term financial obligations to external vendors.

We recommended that the Permanent Secretary (PS) and Technical Adviser should ensure the following:

- (i) Procure batteries for the solar plant to store energy.
- (ii) The solar project be transferred to the EGTC so that its staff can perform regular maintenance on the solar plant.
- (iii) The O&M manual and training plan should be submitted to the auditors as evidence that the contractor fulfilled its responsibility as required by the terms of the contract.
- (iv) Conduct an investigation into the lightning strike incident at the Newton solar plant to prevent recurrence.
- (v) Repair borehole and pump for continuous water supply for cleaning the solar panels.
- (vi) Regular maintenance schedules to prevent faults and ensure that electricity from the solar plant is distributed to citizens.

### **Official Response**

(i) *Lack of Energy Storage Batteries:*

- *The design and contractual agreement of this project are based on the concept of a GRID-CONNECTED SOLAR SYSTEM without a battery storage facility.*
- *During daylight, all the energy produced by the Newton Solar Power Plant is delivered to Freetown's 161KV substation at Kingtom through the 161KV O/H line interconnector and to the Newton community.*
- *During night time or when there is insufficient sunlight, the Bumbuna Hydro Power Station will supply electricity to the Solar Power Station at Newton and the Newton community. A special metering system is installed to allow for this arrangement.*

(ii) *Operation and Maintenance Manuals not in Existence, and EGTC Personnel not trained:*

- *Operations and maintenance manual will be available for audit inspection.*

(iii) *Ineffective Lightning Arrestors:*

- *Based on the EPC detailed project design, it was identified that the five lightning arrestors were sufficient to protect the entire area against lightning strikes.*
- *Furthermore, after completion of project works, the EPC contractor conducted ten (10) days test-run satisfactorily. During the pre-mobilisation of the O&M contractor, a re-run of the solar power plant was conducted, during which a short-circuit fault occurred because of the dampness of one of the surge arrester breakers.*
- *The faulty breaker will be investigated and replaced by the O&M contractor.*

(iv) *Hydrants and Borehole not Functional:*

- *Work is currently in progress by the O&M contractor to address this concern before commencing operation of the Solar Power Plant.*

## **Auditor's Comment**

The audit team observed the following during the verification:

- *Lack of Energy Storage Batteries:* Management's response regarding the lack of energy storage batteries is untenable, as the project is not leveraging the energy generated during sunny period for use during times of low sunlight or at night. Moreover, it is worth noting that the solar park project is still not operational, and at the time of the visit to the Newton site, there was no metering system in place, as per management's response.
- *Operation and Maintenance Manuals not in Existence, and EGTC Personnel not Trained:* Evidence was not submitted during the verification to justify the incorporation of in-house personnel (EGTC-trained staff) for the solar park's operations and maintenance, and the operations and maintenance manual was also not submitted during the verification.
- *Ineffective Lightning Arrestors:* The Ministry did not submit an assessment report on the effectiveness of the current lightning protection systems. Additionally, there is no investigation report on the work done by the O&M contractor regarding the cause of the burnt springs connected to 'inverter 23'. Furthermore, there was no mention or evidence of a regular maintenance schedule for lightning protection, to ensure the proper functioning of the facility.
- *Hydrants and Borehole not Functional:* There was no evidence of maintenance work done on the borehole.

Consequently, the issues remain unresolved in the absence of concrete action taken to operationalise the solar park project.

### **4.27.2. Seven Towns Electrification Project**

- *Electricity not Supplied to Communities*

Electrification of four towns - Kailahun, Moyamba, Pujehun, and Bonthe - was commissioned in June 2023 under the Seven Towns Electrification Project, costing US\$18,205,000.98. Visitation to the operational sites revealed that electricity was not supplied to the communities due to the absence of operation and maintenance operators. This delay in the distribution of light exposed the meters, cables, transformers and other ancillary equipment to abuse and theft, potentially impacting citizens' livelihoods.

- *Incomplete Projects*

We observed that the Kambia, Kabala and Mattru Jong electrification projects with an estimated total cost of US\$12,518,424 were still incomplete.

The non-electrification of the seven towns negatively affects the livelihoods of citizens in these communities.

We recommended that the PS and the Project Manager should ensure the following:

- (i) Use in-house resources (EGTC staff) for the completed project to distribute power to these communities.
- (ii) Liaise with the Ministry of Finance to provide the necessary funds to complete the project. This is expected to increase energy access to a range of 60% - 70% in line with Mid-Term National Development Plan.

### **Official Response**

- (i) *The EPC contractors for Kabala, Kambia and Mattru-Jong towns have not been completely paid to enable them complete the network.*
- (ii) *Utilising in-house resources to train EGTC personnel is in progress.*

- (iii) *Monitoring systems and security measures to safeguard power infrastructure including meters, cables and transformers in the seven towns is presently in progress.*
- (iv) *Work review of project timelines and budget allocation is currently in progress to identify potential bottlenecks and other issues to be addressed.*

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

- Prioritising the seven-town electrification project is crucial to achieving the national development plan for energy supply. The Ministry has to play its part by continuously prompting the Ministry of Finance to make these payments.
- A plan and minutes of meetings on how the EGTC staff would be utilised /trained was not submitted during audit verification to substantiate the ongoing process mentioned in the management response. Management's comments regarding the monitoring and security systems are noted. However, an action plan for implementation was not submitted, and there was no evidence of security measures to address further theft of cables, meters and transformers.
- Evidence to confirm the review of project timelines and budget allocation was not submitted during the verification.

Consequently, these issues remain unresolved in the absence of an action plan to operationalise the Seven Towns Electrification Project.

#### **4.27.3. Lack of Monitoring and Supervision by the Ministry of Energy**

The Ministry of Energy formulates and implements energy policies and provides oversight to the EGTC, EDSA and the Energy and Water Regulatory Commission (EWRC). We observed the following:

- *Direct Payment to Suppliers on behalf of EGTC*

During the review period, we observed that instead of the EDSA paying the EGTC for services rendered, the EDSA opted to rather pay the EGTC's suppliers directly. The practice of direct payments to suppliers could result in financial discrepancies and misallocation of funds, thereby weakening the financial stability of the EGTC. Furthermore, by circumventing established payment channels, the process becomes inefficient, potentially leading to delays in service delivery and increased operational costs. We recommended that, the Permanent Secretary should establish clear and efficient payment processes that mandate direct payments to the EGTC for services rendered to improve transparency and accountability. Thereafter, the Ministry of Energy should enhance its monitoring and supervision frameworks to ensure that all financial transactions comply with established protocols.

- *Non-establishment of the Energy Asset Unit*

In spite of previous reports on this issue, the Ministry had failed to establish an energy asset unit. This had caused problems in transferring assets to the EGTC and the EDSA, thereby impacting coordination and oversight.

We recommended the following:

- (i) The Permanent Secretary (PS) should ensure the settlement of debts owed by the EDSA to the EGTC. Timely settlement of these debts is essential for the sustainability of the power sector and consistent delivery of electricity to the citizens.
- (ii) The PS should formulate the Energy Asset Units to oversee the implementation of the unbundling of assets.

#### **Official Response**

- (i) *Non-payment of Energy bills/invoices:*

- a) *Non-payment of invoices issued to the EDSA by the EGTC*  
*The figure of query 5.4 (2) quoted as outstanding payment is on historical basis spanning over five years. The then two Boards of EDSA and EGTC had decided to meet and write it off because this was not achieved until the Boards were dissolved in April 2024. It was however agreed that going forward, the EDSA honours all current invoices from the EGTC. This has been the trend to date and payment documents are available for inspection.*
- b) *Non-payment of electricity bills by government ministries, departments and agencies.*  
*This has been a long outstanding problem between the ministry and MDA's. However, to address this, the ministry has written to the ministry of finance to institute an action to deduct MDA payment in respect of electricity bills from their quarterly allocation.*
- (ii) *Non-establishment of the Energy Asset Unit*  
*We note the recommendation by the ASSL. The Asset Unit will be set up following the reconstitution of the dissolved Board of the EDSA and the EGTC since some members of the Asset Unit will be chairmen of the two Authorities.*

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

(i) **Non-payment of Energy bills/invoices**

a) *Non-payment of invoices issued to EDSA by EGTC*

Documentary evidence in favour of the write-off of NLe618,975,288 approved by the board was not submitted for review; therefore, the amount is still outstanding in the absence of this document. The outstanding amount as at 30th June 2024 was Nle79,285,063. Therefore, the issue remains unresolved.

b) *Non-payment of Electricity Bills by Government Ministries, Departments and Agencies.*

The team was provided with the memo referenced No. OCM/DC01/191/01 from the Chief Minister to the Financial Secretary, Ministry of Finance, regarding MDAs' electricity bills. This issue will be kept in view for confirmation of deductions from MDA's allocations.

(ii) *Non-establishment of the Energy Asset Unit.*

The EGTC and EDSA Boards of Directors were not constituted. Therefore, the issue remains unresolved. This issue has been reported in previous Auditor-General's Annual Reports.

#### **4.27.4. Operational Inefficiencies at Bumbuna Watershed Management Authority**

(i) *Governance and Structural Gaps in the Authority.*

Section 3 (1) of the Bumbuna Watershed Management Authority Act, 2008 states that the governing body of the Authority shall be a Board, which shall be vested, subject to this Act, and the control and supervision of the Authority.

Even though the Act requires the establishment of a board structure, the BWMA did not have a Board of Directors to perform oversight or an Executive Director to ensure its operational effectiveness. In the absence of the board, the institution lacks direction and control.

(ii) *Inefficiencies in the Operations of the Bumbuna Authority*

Contrary to the provisions of section 12(1) of the Bumbuna Watershed Management Authority Act, 2008, we observed the following:

- ✓ Staff were without salaries for the financial year 2023. This delay in payment could result in labourers and technical staff not performing their maintenance work at the dams and protecting the turbines.
- ✓ There were no vehicles available for staff to monitor the operational areas of Bumbuna, nor to dispose of removed biomass from the reservoir.
- ✓ Lack of fuel for motorbikes and boats hinders monitoring of illegal mining activities around the 27km Bumbuna reservoir.

- ✓ There was no funding for the BWMA to conduct monthly water quality test for domestic community use and the electricity-generating plant, which is vital for the plant's operation.
- ✓ There were agriculture and other human activities close to the demarcated of the dam.
- ✓ There were inadequate modern alert systems, such as sirens, to alert communities prone to danger in the event of flooding, dam breaks, and other emergencies.

If government fails to fund the BWMA's conservation efforts, this may lead to costly turbine maintenance and electricity generation disruptions in future.

The absence of these crucial roles raises concerns about the potential for poor service delivery, which could adversely affect the operations of Bumbuna. Failure by government to provide funding to the BWMA to carry out monitoring and environmental conservation activities to protect the dam has the possibility to incur huge maintenance cost of the turbines and could disrupt future electricity generation.

We recommended that the PS should inform the Office of the President for the appointment of a Board of Directors. Furthermore, an Executive Director should be recruited to address the operational inefficiencies.

#### **4.28. MINISTRY OF WORKS AND PUBLIC ASSETS - 2023**

##### **4.28.1. Rental Value of Land included in the Rental Value of the Property, and Depreciation Costs Added Instead of Being Deducted from Cost of Property Rent**

During the review of the rent payment for properties occupied by Ministries, Departments and Agencies, we observed the following:

- An amount of NLe414,725 which represents the cost of the land associated with the property occupied by three MDAs, was included in the total rent payment of NLe2,395,152. The Ministry's decision to incorporate this land cost into the overall rent amount has resulted in an inflated total rent paid.
- According to the rent calculated by the Ministry of Works and Public Asset for the property occupied by an MDA, a total amount of NLe148,903.76 which represents the depreciation cost, was added to the total rent, instead of being deducted.

It is highly probable that public monies could have been utilised inappropriately.

We recommended that the Chief Director should ensure that the additional amounts of NLe414,725 and NLe148,903.76 are refunded to the Consolidated Fund.

##### ***Official Response***

*This is a standard property and rental valuation practice. The rental value of the land is included in the rental value of the property because the land space has to be utilised for various purposes, including car parking. The location of the land significantly affects the rental value, mainly because of its sensitivity and proximity to the Central Business District, recreational areas, and utility connections. Etc. For example, a prototype building may be located at two different geographical places of the same size and properties. However, their locations vary according to their costs as a result of differences in land purchase cost, access to construction materials, labour, etc. Therefore, the value of the land due to its location has to be added to every valuation to determine the property's total cost.*

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

- (i) The response to adding the portion of land to the cost of rent is not justifiable and not based on best practice. In a rental agreement, the tenant usually pays for using the building structure

and associated facilities, while the property owner retains the land value. The response did not address the audit recommendation. Therefore, the issue remains unresolved.

- (ii) We did not receive management responses for adding depreciation to the rent. Therefore, the issue remains unresolved.

#### **4.28.2. Payments for Work not Done**

##### *(i) Payment Made for Cleaning Service not Rendered*

In 2023, we observed that NLe580,500 was paid by the MWPA to Cassels General Cleaning for cleaning services. Included in this amount was NLe193,500 for cleaning of the Miatta Conference Centre. It should however be noted that the Miatta Conference Centre has been under rehabilitation since 2021 and has not yet been handed over to the Ministry.

The absence of adequate internal controls in the processing of payments has resulted in the loss of government much-needed funds.

We recommended that the Ag. Principal Account should recover the NLe193,500 from Cassels General Cleaning and pay to the Consolidated Fund, and evidence of payment submitted to the ASSL.

##### *(ii) Rehabilitation of Selected Government Quarters/ Building in Freetown and the Provinces*

Even though certificate of completion had been issued and full payment of NLe199,010 had been made to the contractor for the rehabilitation works carried out at Quarter B41 Brookfields, we observed that works outlined in the bill of quantities were not done.

Payments could not have been made for the intended purposes, resulting in the loss of public funds.

We recommended that the Chief Director should ensure that the uncompleted works relating to Quarter B41 at Brookfield's is carried out with immediate effect. Otherwise, the amount of NLe199,010. should be paid back and evidence of payment forwarded to the ASSL

#### **Official Response**

##### *(i) Payment Made for Cleaning Service not Rendered*

*The payment is processed after the submission of an assessment report signed by the Chief Director. The assessment is prepared based on certified work carried out in the contract, and it has no 'Miatta Conference Centre' on it. The scope of work is Youyi Building and Ministry of Works and not Miatta Conference Centre.*

##### *(ii) Rehabilitation of Selected Government Quarters/ Building in Freetown and the Provinces*

*Rehabilitation was done on the B41 government quarter, although the work done was not as that specified in the bill of quantities. There was a change of scope in the work done on the quarter due to emergency needs of the quarter. However, the amount of work done far exceeded the amount of work specified in the bill of quantities.*

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

##### ▪ *Payment Made for Cleaning Service not Rendered*

Based on the contract agreement and other relevant supporting documents submitted, such as payment vouchers and invoices, Miatta Conference Centre was among that which was contracted and paid for by the MWPA to the Cassel General Cleaning. Therefore, the issue remains unresolved.

##### ▪ *Rehabilitation of Selected Government Quarters/ Building in Freetown and the Provinces*

The change order and the revised BOQ were not produced for audit verification to determine the emergency needs that led to the contract revision. As a result, we could not verify the amount of work alleged to have been done. Therefore, the issue remains unresolved.

#### **4.28.3. Splitting of Procurements in a Bid to Avoid the NCB Procurement Method**

Contrary to section 37 (s) of the Public Procurement Act 2016, we observed that the Ministry artificially split the procurement of items worth NLe1,050,241 using the Request for Quotations (RFQ) method,



instead of the National Competitive Bidding method, with the aim of avoiding competitive procurement procedures. In some instance, we noted that contracts were awarded to the same supplier. These practices limit open, fair and transparent procurement processes resulting in value-for-money not obtained for public procurement.

We recommended that the Senior Procurement Officer should ensure the following:

- (i) In future, the Ministry should carry out proper procurement planning and ensure that activities undertaken are in accordance with the procurement method stated in the procurement plan.
- (ii) For commonly used items, a framework contract should be used to avoid splitting procurement activities into multiple orders. This will enable the Ministry to achieve cost savings through economies of scale, bulk purchases and other favourable pricing arrangements.

### **Official Response**

- (i) *The Ministry faces administrative challenges in implementing its Procurement Plan. The Ministry has no option but to resort in splitting to meet the demands of the urgent needs of the Ministry.*
- (ii) *The Ministry is encouraging contractors to accept a framework contract with the Ministry. Below are the challenges that result in splitting:*
  - a) *These supplies/works were not needed at the same time*
  - b) *Most times, these supplies or works are so urgent that an RFQ will be the best option, considering the time the National Competitive Bidding (NCB) procurement process will take.*
  - c) *This Ministry is in charge of some key governmental offices whose jobs are mostly very urgent and considering the thresholds involved.*
  - d) *With NCB procurement process, the advertisement process most times after receiving the 'No Objection' from the NPPA lasts for four weeks, before coming to Bid Opening, Evaluation, forwarding to the NPPA for approval, before the award of Contract.*
  - e) *Fourthly, splitting of procurement processes can be due in adequate availability of funds to facilitate the Procurement Process*
  - f) *Most Contractors/Suppliers favour RFQ more than NCB or ICB the reason is because in the cases RFQs payments are comparatively easily accessible.*
- (iii) *The Ministry is encouraging contractors to accept a framework contract with the Ministry. Though procurement splitting is difficult to avoid due to the above mentioned circumstances, after vividly studying this audit query, I promise this team to be practicing framework contract though sometimes some contractors also turn it down because of payment challenges but I think this might minimise these abnormalities.*

### **Auditor's Comment**

Management's response on the challenges faced in implementing a framework contracts in no way justifies the current practice of splitting procurement activities. Therefore, the issue remains unresolved.

#### **4.28.4. Staff in the Payroll not on the Ministry's Staff List**

The names of 19 staff (13 permanents and 6 contract staff) recorded on the payroll obtained from the Accountant General's Department were not on the Ministry's staff list. Moreover, these staff did not avail themselves for physical verification. The total salaries paid to these staff during the period under review amounted to NLe1,034,163. These staff could not have existed.

We recommended that the Assistant Director of Human Resources should ensure the following:

- (i) In future, regularly reconcile the staff list and the payroll from the Accountant General's Department.

- (ii) The 17 staff whose names did not appear on the Ministry's staff lists (together with their employment documents) make themselves available for verification; otherwise, the names of these staff should be removed from the payroll and amounts paid to them recovered.

**Official Response**

*The Human Resource Unit has formally informed the Human Resource Management Office and the Account General's Department about these current payroll anomalies.*

**Auditor's Comment**

The correspondence sent to the Human Resource Management Office and the Accountant General's Department was not submitted for verification. Copies of appointment letter, request for sick leave and sick report were however submitted for a permanent staff with pin code number 127876, who was paid a total salary of NLe11,652 in 2023. Meanwhile, no evidence was submitted to justify why the remaining 18 names paid a total salary of NLe1,022,511 were not on the staff list and did not avail themselves for verification. Therefore, the issue remains unresolved.

**4.28.5. Poor Management of Assets**

Assets valued at NLe421,382 procured in 2023 for the Provincial Secretary's Office in Bo were not available for audit verification. The Ministry's assets are susceptible to possible loss or theft, which may result in the loss of government funds.

We recommended that the Permanent Secretary should ensure that the assets worth NLe421,382 that were supplied to the Provincial Secretary's office in Bo, be made available for audit verification. Otherwise, the NLe421,382 should be refunded into the Consolidated Fund and evidence of payment forwarded to the ASSL.

**Official Response**

*All the assets in the delivery note were delivered to the Provincial Office in Bo by G's Construction, and evidence of the receipt voucher issued by the Provincial Secretary Office is available for verification.*

**Auditor's Comment**

We were unable to physically verify the assets at the Provincial Secretary's Office in Bo. Therefore, the issue remains unresolved.

**4.28.6. Carpentry and Mechanical Workshop**

We observed the following:

- The carpentry workshop primarily houses equipment owned by permanent staff members employed by the MWPA, who use the workshop for personal projects rather than the Ministry-funded projects. The Head of the Carpentry workshop did submit relevant records to determine the quantity of work carried out during the year. In 2023, the Ministry spent NLe3.5 million on the purchase of furniture. If the workshop had been used for its intended purposes, significant funds could have been saved. Maintaining the workshop and mechanic unit is not beneficial to government, as only NLe101,160 was generated compared to the total salaries of NLe415,808 paid to the staff working at the workshop.
- The carpentry workshop equipment uses electricity, and the Ministry reportedly covers the bills. However, evidence of payment of electricity bills was not submitted to the auditors. Using a post-paid meter instead of prepaid increases the risk of electricity theft, potentially reducing revenue for the EDSA.
- The garages at the mechanical workshop have been leased to private individuals without any documented contract agreements between the MWPA and the tenants. In 2023, NLe63,250,000

was paid to the NRA as revenue generated from the garage. However, without a contract agreement, it is difficult to determine the correct amount that should have been paid.

- The team also noted a welding workshop on the premises, which is privately operated.

We recommended that the Permanent Secretary should ensure the following:

- (i) Establish clear guidelines to govern the use of workshop equipment for official projects, thereby optimising the workshop's potential to contribute to cost-saving initiatives for the MWPA and the Government of Sierra Leone.
- (ii) Enforce the use of the carpentry workshop and the Mechanical Unit for projects aligned with the Ministry's funding to maximise cost savings and ensure efficient utilisation of resources.
- (iii) Conduct a comprehensive review of electricity consumption in the mechanical, welding and carpentry workshops. Install prepaid meters to accurately measure and track electricity consumption, prevent theft, and promote energy efficiency.
- (iv) The MWPA should formalise agreements with individuals renting garage spaces and operating workshops on its premises.
- (v) Encourage and incentivise staff members to utilise the carpentry workshop for the MWPA's projects.
- (vi) Provide necessary equipment, training, and resources, and other items required for the MWPA initiatives.

### **Official Response**

- (i) *Recommendation noted. A draft guideline will be developed to govern the use of workshop equipment for official projects.*
- (ii) *A letter has been forwarded to the Director General of EDSA to conduct a comprehensive review of electricity consumption in the Mechanical and Welding Units for the installation of the pre-paid meters. An effective monitoring team comprising officials from both the professional and administrative wings has been established to provide oversight with a view to enforce compliance and accountability.*
- (iii) *The rental agreements are available for inspection.*
- (iv) *Recommendation is noted and appropriate action will be taken in the form of sensitisation and discounts. The purchase of equipment and other required items will be captured in the 2025 budget estimate. We will also attempt to sell proposal to well-meaning partners to upgrade the works yard to increase quality production and revenue.*

### **Auditor's Comment**

- A draft safety guideline for use at the works yard was submitted during the audit verification. However, no clear guideline was established for the efficient utilisation of the carpentry and mechanical workshops. Moreover, no response was proffered to confirm management's action in optimising the workshop's potential to contribute to cost-saving initiatives for the MWPA, particularly when significant amounts have been spent by the Government of Sierra Leone in procuring furniture and maintenance of vehicles.
- The letter written to the Director General of EDSA was seen, but the waybook to confirm delivery of same to the Director General of EDSA was not submitted.
- No rental agreement was made available for inspection.

In the absence of concrete actions taken to address the ineffective and inefficient functioning of the carpentry workshop and mechanical units, these issues remain unresolved.

## 4.29. MINISTRY OF TOURISM AND CULTURAL AFFAIRS - 2023

### 4.29.1. Management of Government Leased Property

The Ministry leased out various hotels and other hotel facilities to private individual. Our review of the controls on the supervision of these facilities revealed the following:

- The fixed assets register was not updated to record information on these properties.
- There was no evidence of monitoring by the Ministry, as monitoring reports were not submitted to the ASSL.
- A database of all the facilities showing the lease amount, amount paid and amount outstanding was not maintained.
- The lease agreements for four of the hotels had not been reviewed, even though the stipulated review dates had elapsed. The current status of these hotels are as follows:
  - (i) *Bintumani Hotel* – The hotel was supposed to be rehabilitated and upgraded to a five-star hotel. The agreement should have been reviewed on a five-year basis. However, there was no evidence provided by the Ministry to confirm that the hotel was upgraded or the lease agreement reviewed. We further observed that the hotel had drastically depreciated in standard in spite of the fact that seed money of US\$500,000 was also provided as loan by government to Beijing Urban Construction Company (BUCG) for the upgrade of the hotel to a five-star hotel.
  - (ii) The lease agreements for the Bintumani Conference Centre, the New Brookfield Hotel, and the Lungi Hotel were not submitted to the ASSL.

There is a risk that these assets could have been used for personal gains, leading to loss of government revenue.

The Director of Tourism should ensure the following:

- (i) Update the fixed assets register with information on government lease property.
- (ii) Review the lease agreements for all property as per contract terms, and make available the agreements to the ASSL.
- (iii) Maintain a database of all the facilities showing the lease amount, amount paid and amount outstanding.
- (iv) Submit all monitoring reports to the ASSL.

#### **Official Response**

*We have inventory list for the Lungi and the Bintumani Hotels as their lease agreements were about to expire. In respect of the other hotels, they only occupied the building, but the furniture and other fittings were brought in by the hotel managements.*

*Review was done for the Brookfield's Hotel, Lungi Hotel, Radisson Blu Mammy Yoko.*

*The management of Bintumani Hotel refused to sign the review document. This has been communicated to the Office of the Attorney-General and the NRA.*

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

Management's response is noted. Monitoring report and inventory list for the Bintumani Hotel were submitted and verified. However, the reviewed lease agreements for New Brookfield Hotel, Lungi Hotel, and Bintumani Conference Centre were not submitted for verification. Therefore, the issue is partially resolved.

Management did not respond to the issue relating to the maintenance of a database that shows the lease amount, amount paid and amount outstanding. Therefore, the issue remains unresolved.

#### **4.29.2. Demolition of Structures Along the Lumley-Aberdeen Beach**

We observed that the Ministry of Tourism had demolished beach bars and other structures along the Lumley-Aberdeen beach which were constructed with the Ministry's approval. In spite of several requests, evidence of approval for the demolition exercise was not submitted for audit inspection.

We further observed that not all the structures were demolished; and reasons for stay of action for those undemolished structures were not given.



*Photo of demolition exercise at the beach*

We recommended that the Permanent Secretary should ensure that the authority for the demolition exercise is submitted to the ASSL.

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

There was no management's response or evidence that the recommendation was implemented. Therefore, the issue remains unresolved.

#### **4.29.3. Construction of a Mini Pavilion at the Forecourt of the Ministry**

On 27th November 2023, the Ministry signed a contract for the construction of a mini pavilion at the forecourt of the Ministry's headquarters for recreational purposes for a contract cost of NLe398,000. Based on the agreement, it was expected that the construction should be completed within six months from the date of signing the agreement. We observed that as at 31st December 2023, a total of NLe319,000 (representing 80% of the total contract price) had been paid to the contractor. During a site visitation on 6th August 2024 (10 months after the date of signing the contract), the work had not been completed. The cost of the uncompleted work was NLe81,500.

This could lead to loss of government fund.

We recommended that the Permanent Secretary should immediately engage the contractor to complete the work. Evidence of actions taken should be forwarded to the audit team for inspection.

#### **Official Response**

*Appropriate action has been taken by the Permanent Secretary in respect of construction of the mini pavilion at the forecourt of the Ministry.*

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

Management's response is not adequate to address the issues raised. The action taken to implement the audit recommendation was not explained, and there was no evidence that the construction has been completed. Therefore, the issue remains unresolved.

#### **4.29.4. Unsupported Payments**

We observed the following:

- Bank withdrawals from the Ministry's imprest account held at the Bank of Sierra Leone totalling NLe388,931 were without payment vouchers and other relevant supporting documents, and payment vouchers totalling NLe1,206,744 were without adequate supporting documents such as concept notes, back-to-office report, and receipts.
- An amount of NLe40,987 was withdrawn by the Cultural Division to carry out the UNESCO Film Project. However, payment vouchers and the relevant supporting documents were not provided to the ASSL.
- Expenditure returns were not submitted for two bank withdrawals totalling NLe400,000 and NLe120,000 for the implementation of phase two of 'meet the people tour' at regional level in respect of the Office of the Ambassador for Entertainment and Investment, and a two-day National Entertainment Dialogue Conference respectively.

In the absence of supporting documents for bank withdrawals, there is a risk that the amounts were not used for the intended purposes.

#### ***Official Response***

*The relevant supporting documents are now available for verification.*

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

Management's response is noted. During the audit verification, we observed the following:

- Of the NLe1,206,744, supporting documents amounting to NLe1,065,750 representing 88% of the queried amount was submitted during the audit verification, leaving a balance of NLe140,994 not submitted. The issue is substantially resolved.
- Of the NLe388,931, supporting documents amounting to NLe166,897 representing 43% of the queried amount was submitted during the audit verification, leaving a balance of NLe222,034 without no supporting documents. Therefore, the issue is partially resolved.
- Supporting documents in respect of the NLe40,987 withdrawn by the Cultural Division to carry out the UNESCO Film Project were not submitted. Therefore, the issue remains unresolved.
- Supporting documents in respect of the NLe400,000 for the implementation of phase two of 'meet the people tour' at regional level were not submitted. Therefore, the issue remains unresolved.
- Supporting documents in respect of the NLe120,000 for a two-day National Entertainment Dialogue Conference were not submitted. Therefore, the issue remains unresolved.

#### **4.29.5. Withholding Taxes not Paid to the National Revenue Authority**

During a review of expenditure records submitted by the Relics Commission, we observed that withholding taxes amounting to NLe20,087.20 deducted from payments to suppliers were not paid to the NRA. This could lead to loss of government's much-needed resources.

We recommended that the Accountant should ensure that the withholding taxes are paid to the NRA and evidence submitted to the ASSL.

#### ***Official Response***

*A copy of the letter and completed NRA form sent to the Commissioner General by the Permanent Secretary requesting for Tax Identification Number (TIN) on behalf of the Agency is available for verification. We are waiting for a response from the Commissioner General to pay withholding tax. The process is ongoing.*

### **Auditor's Comment**

We note management's response, and effort made for the acquisition of TIN from the NRA. However, the TIN had not been provided and withholding taxes of NLe20,087.20 are still outstanding. Therefore, the issue remains unresolved.

## **4.30. MINISTRY OF SOCIAL WELFARE - 2023**

### **4.30.1. Payment for the Provision of Hajj Services without Supporting Documents**

Our review of bank withdrawals and relevant payment records revealed that payments amounting to US\$3,392,000 for the provision of hajj services such as accommodation, catering, honorarium, and transportation were without supporting documents such as invoices, receipts, and delivery notes.

In the absence of supporting documents for bank withdrawals, there is a risk that the amounts could not have been used for their intended purposes.

We recommended that the Head of Hajj Committee should ensure that documentary evidence in support of the expended amounts is submitted for inspection; otherwise, the whole amount should be refunded and paid into the Consolidated Fund, and evidence of payment made available to the ASSL.

### ***Official Response***

*The Ministry of Hajj and Umrah has made a monopolised portal system available for all authorities representing countries during the Hajj Pilgrimage season to pay for accommodation, catering, transportation, and other essential services. Taxes, visas, catering services, and other essential services are all paid through the portal system that only has a few options for each service, and every nation going on pilgrimage has to pick one of these companies.*

*Consequently, the ALRAJHI Company was identified in the portal as a good option because of its long history of providing these services to countries in West Africa, including Guinea, Liberia, Senegal, and The Gambia. Due to its long-standing relationship with Sierra Leone, the company has always provided these services to Sierra Leone since 2018. The Audit Service Sierra Leone team will receive the above-mentioned documents on their return for verification, including the contract, invoice, delivery notes, and other supporting documents. Getting these services in Saudi Arabia can only be done through the portal, and its time-bound since the portal closes for such services before the actual hajj season begins. The Hajj Secretariat is happy to show the auditors the portal and how it works.*

### **Auditor's Comment**

From the payments of US\$3,392,000, supporting documents were submitted for payments totalling US\$409,031.75, representing 12% of the total queried amount leaving a balance of US\$2,982,968.25. Therefore, the issue remains unresolved.

### **4.30.2. Signed Contract for the Supply of Diets and Sundries not Submitted**

The signed contract for the supply of diet, fuel & sundry items to the Wellington Approved School valued at NLe1,621,440, the Remand Home in Bo valued at NLe1,238,160 and the Remand Home in Kingtom valued at NLe1,444,458, were not submitted for audit inspection.

There is therefore a risk of uncertainty regarding pricing, payment terms and financial liabilities. Suppliers may not feel bound to fulfil their obligations, leading to the risk of non-delivery of the goods.

We recommended that the Permanent Secretary should submit the signed contracts to the ASSL.

### ***Official Response***

*Management notes your recommendation, and the responsible officer has been advised accordingly to sign the contract documents.*

### **Auditor's Comment**

The signed contract documents were not submitted for verification. Therefore, the issue remains unresolved.

#### **4.30.3. Staff List Not Updated, and Staff not Available for Physical Verification**

We observed the following:

- (i) The names of 56 individuals on the Ministry's payroll were not on the Ministry's staff list. For the period under review, the total salaries paid to these individuals amounted to NLe2,345,393.76. The discrepancy between the payroll and the staff list suggests payroll mismanagement or administrative oversight. This situation could lead to financial loss to government and undermines the integrity of the payroll management system.
- (ii) We conducted a physical verification of staff that were on the staff list and payroll of the Ministry for the period under review. During the exercise, we observed that 12 staff whose names were on the salary voucher did not avail themselves for verification. A total annual salary of NLe196,402 was paid to these staff in 2023. Salaries could have been paid to non-existing staff, resulting in loss of public resources.

We recommended that the Human Resources Officer should ensure that the differences between the payroll and staff list are investigated and corrected, and the staff should avail themselves for physical verification. Otherwise, the names of these staff should be removed from the payroll, and the salary paid recovered and paid into the Consolidated Fund.

### **Official Response**

- (i) *The reason for the staff list not updated is because I usually copy the manpower plan of the previous year, work on it for the next manpower plan. After presentation at the manpower hearing, it immediately becomes a working document and all updating are done. That is what happens to the 2023 staff list. The 2024 manpower plan was done in 2023 therefore, all updates were done on the 2024 manpower plan. Also, some of these names highlighted on the Ministry's payroll are not staff of the Ministry.*
- (ii) *Most of the staff were later contacted and they showed up for verification but their names are still on the unverified list. Few of them could not be reached on phone, that is why they were not present for verifications. Others are in the provinces.*

### **Auditor's Comment**

- (i) Of the 56 staff names on the Ministry's payroll which were not on the Ministry's staff list, 19 staff were verified and updated in the Ministry's staff list with total salaries of NLe214,482.12 paid to them, leaving 37 staff that were not included in the Ministry's staff list. The total salary in respect of the outstanding staff amounted to NLe2,030,955.60. Therefore, the issue remains unresolved.
- (ii) Of the 12 unverified staff, eight were verified, leaving four unverified. The total salary paid to the four unverified staff amounted to NLe38,758.32. Therefore, the issue is partially resolved.

#### **4.30.4. Fixed Assets not Available for Physical Verification**

We observed that six vehicles and nine motorbikes were not made available for physical verification. The vehicles and motorbikes could be converted to personal use, or go missing without trace.

We recommended that the Permanent Secretary should ensure that the vehicles and motorbikes are made available for physical verification.



### ***Official Response***

*At the time of the audit, some of the officials were at the provinces for official duties, that's why their vehicles or motorbikes were not verified. They are now available for audit inspection. Also, the Transport Officer was also not around to take the audit team to location of the grounded vehicle or motorbikes. The Ministry has appointed a new transport officer.*

### **Auditor's Comment**

Four out of six vehicles, and seven out of nine motorbikes were made available for physical verification, leaving a balance of two vehicles and two motorbikes not verified. Therefore, the issue is partially resolved.

### **4.30.5. Operational Challenges at the Remand Home & Approved School**

The audit team conducted visits to two facilities which are; the Remand Home at Kingtom on 3rd September, 2024 and the Approved School at Wellington on 29th August, 2024. During these visits, we identified several recurring challenges that impact the provision of quality care services for offenders.

Significant shortcomings included, but not limited to:

- No medication available for the offenders. The facilities lack dedicated medical personnel such as nurses to attend to the health needs of the inmates.
- Basic necessities like tables, chairs, and bedding were unavailable.
- Severe overcrowding at the Remand Home at Kingtom. The home has only two suitable rooms for over 30 male inmates, with each room housing more than 15 individuals.
- The perimeter fence at the Remand Home has collapsed, and the overall condition of the buildings at both facilities is poor.
- During an engagement with the Management of the Approved School, we observed that the Approved School field was not under the control of the school management.

These issues are not new. However, despite previous recommendations for corrective actions, we are concerned that the relevant authorities have not taken steps to address the problems. The persistent disregard for these issues continues to undermine the welfare and rehabilitation of the inmates

We recommended that the Permanent Secretary should ensure that there is an effective engagement with key authorities including donor partners to address the issues identified. This will enhance effective service delivery to inmates of these facilities.

## **4.31. MINISTRY OF YOUTH AFFAIRS - 2023**

### **4.31.1. Advance Payment Made without Payment Guarantee**

A 30% advance payment of the total contract price, totalling NLe790,147.50, was made from the youth empowerment account of the Ministry to contractors, for the construction of 50 local fishing boats, and related fishing accessories, without obtaining advance payment guarantees.

We recommended that the Project Manager of the Youth in Fisheries project, should ensure that the advance payment guarantees are submitted to the ASSL .

In future, the Project Manager should ensure that advance payment is only made when advance payment guarantees are provided by bidders.

### ***Official Response***

*The Permanent Secretary acknowledged the auditor's comments on this matter. This was however an inadvertent omission, as the contractors were requested to submit performance bonds instead of an advance payment guarantee. The performance bonds were charged on the wholesome contract to similarly guarantee the contract execution. Furthermore, we wish to state*

*that all the contractors have executed the contracts to a very reasonable magnitude hence allaying any fears of potential breach of the contractual agreement. We would ensure that all future contracts have both advance payment guarantees and performance bonds.*

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

The advance payment guarantees were not submitted to the ASSL. Therefore, the issue remains unresolved.

#### **4.31.2. Use of RfQ Instead of NCB Procurement Method**

We observed that requests were made by the Component Manager for the procurement of goods (stationery and other items) and services (food and catering) for the National Youth Employment and Entrepreneurship Fair on 6th and 7th November, 2023, respectively. The total budgeted amounts were NLe193,400 and NLe227,500 respectively (within the threshold for the use of National Competitive Bidding method). We however observed that the procurement processes were split into smaller thresholds, paving way for the Request for Quotations method (RFQs) to be used, instead of the National Competitive Bidding (NCB) method. Of utmost concern was the fact that the bids relating to the procurement processes were sent to same supplies.

We recommended the following:

The Senior Procurement Officer (SPO) should provide a justification (including the relevant documentary evidence) why related procurement activities were split into smaller thresholds. This should be submitted to the ASSL.

In future, the attitude of splitting procurement activities should be prohibited. Procurement activities by the Ministry should be undertaken in accordance with the Public Procurement Act and Regulations.

#### **Official Response**

*The Permanent Secretary stated that based on the fact that disbursement and request are sent late and donors request liquidation on time, it has always been difficult for the Procurement Unit to follow the process required.*

*In line with the above, it was advised by the Procurement Committee that based on the liquidation period, we should do direct procurement instead of losing the allocations from the donor. Going forward, we will ensure that an early disbursement and request are made.*

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

We note the explanations proffered by management in response to splitting of procurement activities. This action however undermines the National Public Procurement Act and Regulations. Therefore, the issue remains unresolved.

#### **4.31.3. Activities not Carried out for Funds Disbursed**

The Ministry through the UNFPA component disbursed funds amounting to NLe112,025 to undertake the monitoring of activities implemented by FINE-SL, between 4th and 7th April, 2023. We however observed that the staff who were supposed to undertake the monitoring activities in the provinces during the period under review, were also signing the attendance register at the Ministry's headquarters in Freetown.

The signatures of the officers in the attendance register of the Ministry at the time when the monitoring exercise was being carried out in the provinces, could mean that the exercise did not take place. As a result, the Ministry resources could have been mismanaged.

We recommended that the Component Manager and Accountant (assigned to UNDP and UNFPA) should ensure that the NLe112,025 is recovered and paid into the UNFPA's Account and evidence of payment made available to the ASSL.

In future, activities budgeted for should be carried out and supporting documents retained for accountability purposes.

***Official Response***

*The Permanent Secretary stated that the activity in question was implemented with the full participation of the staff in question. The signing of the attendance register was however inadvertently done on their return. This will not be repeated again for further activities.*

**Auditor's Comment**

Evidence that the staff in question attended the monitoring activities for which they signed and received daily subsistence allowances (DSAs) was not submitted for ASSL.

Therefore, the issue remains unresolved.

**4.31.4. Statutory Deductions not Paid to the Relevant Authority**

We observed that the Livelihood Skills Centre project had an outstanding NASSIT contribution of NLe103,277.26 that had not been paid to the Trust. This could attract interest payment and litigation charges, thereby increasing the financial burden on the Ministry.

We recommended that the Finance Officer and the Director of the Livelihood Technical and Skills Centre project should ensure that the outstanding NASSIT contributions of NLe103,277.26 are paid to the Trust, and evidence of payment forwarded to the ASSL.

In future, the NASSIT contributions should be promptly paid to the Trust, and evidence of payment retained for accountability purpose.

***Official Response***

*The Permanent Secretary stated that the sector was enlisted with NASSIT on 7th December, 2023. An undertaking was however made to pay the sum of NLe103,277.26 into the Trust's fund effective at the end of February 2024. This was acknowledged by the institution and payment has however commenced.*

**Auditor's Comment**

The project has a payment plan with NASSIT for which an amount of NLe50,000.00 representing 48% of the queried amount has been paid, leaving an outstanding balance of NLe53,277.26. Therefore, the issue remains unresolved.

**4.31.5. Inadequate Controls over the Disposal of Assets**

We observed that 11 of the Ministry's vehicles were disposed of during the period under review., We however noted that disposal procedures (such as involvement of the Board of surveys, Advertisement/tender process, bidding document and awards letters) as stated in the Public Financial Management Act, 2016 were not followed.

Furthermore, we observed that five of the vehicles which were disposed of for a total amount of NLe19,100 were yet to be paid for by the beneficiaries. The Ministry's failure to adhere to disposal procedures may have created room for manipulation of the disposal process. As a result, the proceeds received may not have been commensurate to the value of the vehicles.

We recommended that the Transport Officer should ensure that disposal of the Ministry's vehicles should have been done in accordance with the Public Financial Act, 2016. The NLe19,100 should be

recovered from the buyers and paid into the Ministry's account, and evidence of payment forwarded to the ASSL.

**Official Response**

*The Permanent Secretary stated that of the 11 vehicles, eight had been paid for, and the remaining three vehicles valued at NLe10,600 are yet to be paid for. The people have however promised to pay very soon.*

**Auditor's Comment**

We concluded as follows:

- Evidence relating to the procedures for the disposal of the Ministry's 11 vehicles was not submitted for review. Therefore, the issue remains unresolved.
- Evidence of payment was submitted for two vehicles, leaving a balance of three vehicles valued at NLe10,600 still outstanding. Therefore, the issue is partly resolved.

**4.32. MINISTRY OF FISHERIES AND MARINE RESOURCES - 2023**

**4.32.1. Inconsistency in the Application of Fees**

From a review of records submitted for the export of fish during the review period, we observed inconsistency in the application of the fees charged for different companies. For instance, in the supplementary fees schedule in the Finance Act 2020, the export levy for companies that repatriate proceeds from the export of fish to the local economy/country through local commercial banks in foreign currency is \$1.5 per 20kg per carton for all types of fishery product; while companies that do not repatriate their proceeds pay a higher price of either \$3 or \$5 per 20kg for the different types of fishery products.

We observed the following:

- The normal or higher fees of \$3 and \$5 were used for a company (Sierra Fishing Company) that was repatriating its proceeds to the Sierra Leone; instead of the discounted fee of \$1.5 as stated in the Finance Act, 2020.
- The higher fee of \$5 for certain types of fish such as shrimps, lobsters, cuttle fish, squid, and snail was applied at a flat rate across the board for a company (Amstaishpat) that was dealing with other fishery products (such as sole fish, lady fish, record, gwangwan) that fell under the \$3 category. This therefore made it difficult to comprehend the rationale for the inconsistency in the application of the above rates.

The inconsistent application of fees could be attributed to the lack of supervision and monitoring of the revenue generation process.

We recommended the following:

- (i) The Senior Accountant should provide a justification together with the relevant supporting documents why charges were levied on companies that were repatriating their proceeds to Sierra Leone in excess of the required rates. This should reach the ASSL for verification.
- (ii) In future, the dictates of the Finance Act 2020 in respect of fees and charges for fisheries products should be fully adhered to.

**Official Response**

*Your recommendation has been taken into consideration. However, we have requested the mentioned fishing companies to submit evidence of their bank statements for the repatriation for the period under review and thereafter we will know which fishing company was charged more and why.*

### **Auditor's Comment**

No evidence was submitted to confirm action taken by the Ministry to address this finding. Therefore, the issue remains unresolved.

#### **4.32.2. No Evidence of Competitive Recruitment of Fishing Observers**

From the examination of records and interviews with personnel, we noted that the Ministry recruited 168 observers during the year under review and assigned them to fishing vessels at sea on a rotational basis. These observers were responsible to: (i) collect data on the daily catch of fishing vessels; (ii) monitor the compliance of fishing vessels with laws governing their operations at sea; and (iii) give daily report to the Ministry. These observers were paid an allowance of \$500 per month by the fishing vessels through a transit account controlled by the Ministry and the Association of Fishing Industries. Further investigation revealed the following:

- There was no evidence (such as advertisement of the vacancies, list of shortlisted candidates, notices for interviews, interview notes, appointment letters and acceptance letters) to indicate that the recruitment process of these observers was open, competitive and transparent. Moreover, the personnel files for these staff were not made available for inspection.
- A list indicating the period for which the observers were assigned on board fishing vessels, including their contract agreements/assignment and disembarkment slips were not submitted to the ASSL.
- The payment details and bank statements for the payment of allowances to observers including deductions for PAYE and NASSIT and evidence of payment of these deductions to the relevant authorities were not submitted to the ASSL.

An interview with the Human Resource Officer revealed that the Human Resource Unit was not involved in the recruitment process.

We recommended that the Assistant Director, Human Resource should ensure documents in respect of recruitment, employment letters and contracts with fishing companies, and evidence of deductions and payments of PAYE and NASSIT are submitted to ASSL.

#### **Official Response**

*The said documents are available for inspection. And in future, the HR unit will work with the Head of Statistics, Research and Policy unit to provide technical support on the recruitment of Observers and by so doing personal files for observers can be maintained and statutory deductions from their salaries can also be done and filed for audit purpose.*

### **Auditor's Comment**

Contrary to Management's response, the recruitment documents, contract agreements/assignment and disembarkment slips, payment details and bank statements were not made available for audit verification. Therefore, the issue remains unresolved.

#### **4.32.3. Absence of Agreement for the Provision of Vessel Monitoring System Service**

Fishing vessels that fish within the waters of Sierra Leone are required to pay for and install a vessel monitoring system (VMS) which is procured by the Association of Fishing Industry from a service provider in South Africa called Obcom on behalf of the Ministry. The VMS is used to monitor the activities of fishing vessels at sea by the Ministry in order to ensure that they comply with the laws and regulations governing illegal fishing in the Illegal and Exclusive Zone (IEZ). In spite of repeated requests, the agreement/memorandum of understanding between the Ministry, the Association of Fishing Industry and the service provider was not submitted to the ASSL.

We recommended that the Director of Fisheries should submit to the ASSL, the agreement(s) between the parties.

### **Official Response**

*The contract agreement/MOU with the service provider ObCom for the vessel monitoring system (VMS) is available and will be submitted for inspection.*

### **Auditor's Comment**

The subscription and service level agreement were submitted, and our review revealed that the agreement was not signed by any of the parties and there was no provision for the Ministry of Fisheries and Marine Resources as beneficiary of the services provided. Therefore, the issue remains unresolved.

## **4.33. MINISTRY OF TRADE AND INDUSTRY: 2022-2023**

### **4.33.1. Staff not Available for Verification**

We observed that the names of 49 staff on the salary voucher did not make themselves available for physical verification. A total salary of NLe37,915 was paid to them. We could therefore not ascertain whether these staff exist.

We recommended that the Assistant Director of Human Resources should ensure that unverified staff should immediately avail themselves for physical verification, failing which, their names will be communicated to the Director General, Human Resources Management Office (HRMO) to be deleted from the Ministry's payroll.

### **Official Response**

*The Assistant Director of Human Resources responded that the list of staff who did not avail themselves for physical verification are those posted to various districts across the country. The MTI Human Resources Unit has issued a memo instructing all district personnel to avail themselves for physical verification at the audit regional offices.*

### **Auditor's Comment**

Staff who were not verified did not avail themselves for physical verification. Therefore, the issue remains unresolved.

## **4.34. MINISTRY OF MINES AND MINERAL RESOURCES - 2023**

### **4.34.1. Employment Contracts not Submitted for Audit Inspection**

A total salary of NLe198,972 was paid to 15 contract staff in 2023. In spite of repeated requests, employment contracts were not made available for audit review.

There is a risk that salaries were paid to individuals who were not entitled to receive them, leading to loss of government's scarce resources.

We recommended that the Human Resource Manager should submit the contracts to the ASSL for verification. Otherwise, the names of the contract staff should be removed from the payroll, and the amount already paid recovered and refunded into the Consolidated Fund and evidence made available to the ASSL.

### **Official Response**

*The Ministry is fully aware of the fifteen (15) staff in question that has been on duty from January, 2023 to date. Following the management and functional review of the Ministry (MMMR), some Mines Monitoring Officers were adopted by the National Minerals Agency (NMA). The remaining were to be adopted by the Policy and Community Affairs Directorates in the Ministry. This requires regularization of the status of these officers from contract staff to permanent pensionable position in the civil service. The Ministry is in the process of making the Community Affairs Directorate up and running.*

### **Auditor's Comment**

Management response has been noted. However, the contract or integration letters of the 15 staff (mines monitoring officers) were not submitted to the ASSL. Therefore, the issue remains unresolved.

## **4.35. MINISTRY OF LOCAL GOVERNMENT AND COMMUNITY AFFAIRS: 2022 – 2023**

### **4.35.1. Differences between the Ministry's Staff Lists and Payroll**

We compared the Ministry's staff list and the Accountant-General's monthly payroll vouchers for the 2022 and 2023 financial years and observed the following:

- A total of 304 staff members on the Accountant Generals' payroll were not on the Ministry's staff list.
- The total salary paid to these staff members amounted to NLe13,526,757.06.

We recommended that the Human Resources Officer reconcile the Ministry's staff records with the Accountant General's payroll records, and report the outcome of this to the ASSL.

### ***Official Response***

*The Assistant Director of Human Resources had checked the Accountant-General's payroll voucher, and noticed the following: some officers were from the Local Government Service Commission; majority of the officers were from the various Provincial Secretary's Offices and Districts Offices; some have been transferred to other MDAs and others, we cannot find their work location.*

*A spreadsheet showing the work location of officers who were found in our headquarters' payroll voucher is available for verification.*

### **Auditor's Comment**

A spreadsheet prepared by the Ministry showing staff allocated to various Provincial Secretary's Offices and MDAs was submitted for audit inspection. There were however 10 staff with gross salaries of NLe788,827.27 in 2022, and 24 staff with gross salaries of NLe1,599,298.92 in 2023 who could not be traced in the Ministry's staff list. Therefore, the issue is partially resolved.

## **4.36. PROVINCIAL SECRETARY'S OFFICE, SOUTH - 2023**

### **4.36.1. General Observations**

- The Office lacked essential office equipment such as computers, printers, photocopiers. As a result, typing, printing and photocopying of classified documents were done in the open market. The processing and production of documents may be delayed; also, confidential documents of the Office may be leaked to the public at the expense of confidentiality.
- There were no motor vehicles for senior management, and motorbikes for other staff to run official errands such as the monitoring and verification of quarters. The effective and efficient functioning of the various divisions in running official errands may not be enhanced.

#### **4.37. PROVINCIAL SECRETARY'S OFFICE NORTH-WEST: 2022-2023**

##### **4.37.1. Renovation Work not Done**

Upon review of the payment vouchers and supporting documentation, we observed that a total payment of NLe70,000 was made in full to the contractor for the renovation of the Port Loko Senior District Office and the Kambia District Office building for 2023. Upon physical verification of the Port Loko Senior District Office building, we observed that there was no evidence of renovation done on the building even though payment was made in full.

We recommended that the Accountant should pay back the NLe70,000 into the account of the Provincial Secretary's Office, and evidence of payment submitted to the ASSL.

##### ***Official Response***

*It is true that money amounting to NLe70,000 was paid to the contractor for building maintenance in respect of the Senior District Office Port Loko and the District Office Kambia. Sadly, both officers in charge of these offices stopped the commencement of the project and demanded the physical cash which the Contractor refused to give.*

*Both the Senior District Officer, Port Loko and the District Officer Kambia said that such maintenance could only be carried out by the Ministry of Works and Public Assets which is not true because there is already a budget line for such activity. In the advent of the disturbances posed by the District Officer in Kambia preventing the contractor from carrying out his duties, the former Provincial Secretary wrote to the District Officer Kambia giving him a stern warning if he poses any problem for such project not to be carried out.*

*At the moment, the contractor has procured all the materials needed to carry out the project, the only stumbling block at the moment is the two district officers mentioned above, they have refused the commencement of the project.*

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

Upon physical verification of the SDO's Office at Port Loko, there were no materials at the site to carry out the project. Furthermore, at the time of verification, we could not confirm that work was done for the renovation of the Port Loko Senior District Office and Kambia District Office building for 2023. Therefore, the issue remains unresolved.

#### **4.38. PROVINCIAL SECRETARY'S OFFICE NORTH-EAST: 2022-2023**

##### **4.38.1. General Observations**

We observed the following:

- Vehicle log book/operating records, records of servicing and repairs of motor vehicles were not maintained.
- A written agreement with fuel dealers with regard to the supply of fuel was not in existence.
- Most of the government quarters were in a deplorable condition and need urgent repairs and maintenance.
- Staff attendance was not properly monitored. We observed that nine staff failed to show up for verification.



#### **4.39. PROVINCIAL SECRETARY'S OFFICE, EAST - 2022**

##### **4.39.1. Withholding taxes not deducted from payments made to Suppliers and Contractors**

A review of payment vouchers and supporting documents relating to funds disbursed to suppliers in the year under review revealed that NLe47,592 was deducted as 5.5% withholding taxes. Evidence of receipts justifying payments made to the National Revenue Authority (NRA) was not submitted to the ASSL.

We recommended the following:

- (i) The Provincial Secretary should ensure that the withholding taxes deducted are paid to the NRA and receipts justifying payment made be submitted to the ASSL.
- (ii) In future, funds deducted as withholding taxes should be promptly paid to the NRA, and evidence of payment retained for accountability purposes.

##### ***Official Response***

*The issues raised have been noted with great concern. We have however raised the issue with the Accountant-General, and are waiting his response.*

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

Our recommendation was not implemented. Evidence of receipt justifying payments made to the NRA was not submitted to the ASSL. Therefore, the issue remains unresolved.

#### **4.40. IMMIGRATION DEPARTMENT - 2023**

##### **4.40.1. Royalty not Paid to the Government of Sierra Leone**

According to section 1 (1.4) of the Contract Change Note, HID CID Limited is required to pay the Government of Sierra Leone a royalty of 9% per sale of each e-passport. During the period under review, the Government did not receive the royalty payment of US\$744,993 for 82,777 e-passports produced. This issue was also highlighted in the 2022 Annual Auditor-General's Report.

This could lead to a shortfall in government revenue.

We recommended that Netpage should pay the outstanding royalty due to government for the period under review into the Consolidated Fund, and submit evidence of payment to the ASSL.

##### ***Official Response***

*As at 31st December 2023, management did not receive any correspondence from NETPAGE as evidence of payment into the Consolidated Fund.*

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

Evidence was not submitted to the audit team to ascertain that the outstanding royalty has been paid. Therefore, the issue remains unresolved.

##### **4.40.2. Revenue from the Issuance of E-Visa by the Securiport not Brought to Account**

We observed that revenue collected from e-visa issued by the Securiport was not brought to account. A review of the printout submitted by Securiport showed that 4,827 e-visas were issued in 2023. The escrow bank statements and cashbook were however not submitted for audit inspection, making it difficult to ascertain the total revenue regenerated from the issuance of e-visas. Further verification at

the Immigration Department to confirm the number of e-visas issued proved futile, as the Immigration Department failed to submit the relevant documents.

We recommended the following:

- (i) The Chief Immigration Officer should submit the relevant documents to address the anomalies.
- (ii) The SLID should establish and maintain detailed records of processed e-visas to facilitate accurate reconciliations with the Securiport data and revenue estimation.

#### **Official Response**

- (i) *A total of 4,872 e-visas were issued as at 31st December, 2023 according to the data provided by Securiport.*
- (ii) *The Department does not have access to the cashbook of Securiport, nor the backend to ascertain the number of e-visas issued for the period under review.*
- (iii) *As against 25th June 2024, Securiport had paid a total of NLe7,434,387 into the Consolidated Fund for which the Department has requested for a breakdown of payment that includes but not limited to the number of e-visas paid for and for which period.*
- (iv) *The Department also held meetings with the General Manager and the Accountant of Securiport, requesting access to the back-end of their system.*

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

- The control surrounding the issuance of e-visas is completely lacking, as the Immigration Department did not provide independent information relating to the number of e-visas approved for issuance; making it extremely challenging for the audit team to determine the number of e-visas issued during 2023. Consequently, this issue remains unresolved.
- We note Management's responses that NLe7,434,387 was paid into the Consolidated Fund. However, bank statements and cashbook to confirm the payment of NLe7,434,387 into the Consolidated Fund were not submitted to the ASSL. Therefore, the issue remains unresolved.

#### **4.40.3. Challenges at the Jendema and Gbalamuya Border Crossing Points**

The following challenges were identified at the border crossing points:

- The Gbalamuya and Jendema border crossing points lacked surveillance equipment, hindering the monitoring of daily activities. The absence of surveillance equipment made it difficult for personnel to detect and address illegal activities at the various border crossing points.
- The lack of electricity at the Jendema border crossing point limits immigration officers from effectively performing their duties.
- The immigration offices at the Gbalamuya and Jendema border crossing points lack essential working equipment like printers, photocopiers, scanners, desktop or laptop computers, thereby hindering their ability to perform their duties efficiently and effectively.

We recommended that the Chief Immigration Officer should ensure the following:

- (i) Install surveillance equipment at the Gbalamuya and Jendema border crossing points, train staff to use them effectively, and establish a centralised monitoring centre for enhancing effective security and monitoring activities.
- (ii) Install solar panels at the Jendema border crossing point to address the critical issue of electricity unavailability. This would enable immigration officers to authenticate e-visas and carry out their other administrative activities effectively to enhance operational efficiency.

#### 4.40.4. Operational Inefficiencies in the E-visa System

We observed the following:

- During the joint verification with the head of the Immigration Department at the Freetown International Airport (FIA), we observed that the only machine for printing and affixing e-visa stickers was faulty. As a result, the Immigration Department resorted to the use of rubber stamp for the issuance of -visas. This will cause undue delay and loss of revenue.
- Furthermore, the machines required for issuing, reading and interpreting e-visa provided within the system were not at the Gbalamuya and Jendema border crossing points. As a result, the immigration officers at the border crossing points could not verify the authenticity of the e-visas presented by travellers. This deficiency could lead to forged or recycled e-visas being used.

We recommended that the Chief Immigration Officer should ensure the following:

- (i) That conditions in the contract agreement between Securiport and the Government of Sierra Leone are fully complied with.
- (ii) That Securiport should provide the required hardware, software and materials for issuing, reading and interpreting data at all designated border-crossing points.

#### 4.40.5. Staff not Available for Physical Verification

We observed that 27 staff who were paid a total annual net salary of NLe394,204 as at December 2023, did not avail themselves for verification. Therefore, we could not ascertain whether these employees exist. The absence of staff during physical verification can be interpreted to mean, they are illegal ('ghost') or non-existing employees being added to the payroll. This could have resulted in the loss of public funds.

We recommended that the Human Resources Officer should ensure that the 27 staff whose names did not appear on the Immigration Department's staff list make themselves available for verification.

#### **Official Response**

*Yes, salaries were paid to eligible staff. Staff whose names did not appear on the staff list will make themselves available during the audit verification. The undermentioned were the reasons why few staff did not avail themselves for verification.*

- (i) Two staff were on sick leave.*
- (ii) Two staff died during the period under review.*
- (iii) One staff was on suspension.*
- (iv) Four staff had abandoned their duties for the period under review and their salaries were withheld by the HRMO.*
- (v) One driver was transferred to another department.*

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

Three staff were physically verified, whilst documentary evidence to substantiate why four of the 27 staff did not avail themselves for physical verification was submitted and verified. We were however not provided with detailed information on the whereabouts of the remaining 20 staff, who were paid a total net annual salary of NLe279,524. Therefore, the issue remains unresolved.

### 4.41. HUMAN RESOURCE MANAGEMENT OFFICE - 2023

#### 4.41.1. Staff in the Payroll not in the Official Staff List

A review of the payroll system revealed that the Human Resources Management Office (HRMO) did not perform monthly payroll reconciliations between the official staff list and the payroll vouchers. In

this regard, we identified 55 names on the payroll vouchers that could not be traced to the staff list. They were paid a total salary of NLe5,505,776 in FY2023. There is a risk that these staff may not have existed.

We recommended that the Director of Corporate Strategy and Administration should regularly reconcile the staff list and payroll of the Accountant General's Department. The 55 staff whose names did not appear on the official staff lists (together with their employment documents) make themselves available for verification. Otherwise, their names should be removed from the payroll, and the amounts paid to them recovered.

#### **Official Response**

*These staff are part of the HRMO but not on the staff list because they are in other ministries carrying out the duties of the HRMO. Their salaries can show on the payroll, even though they are not on the staff list of the HRMO. Their names are on the staff list of the MDAs to which they are posted.*

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

Twenty-one staff however showed up during physical verification, leaving a balance of 33 staff in the payroll voucher not verified. Total annual salaries paid to these staff amounted to NLe3,067,911. Therefore, the issue remains unresolved.

#### **4.41.2. Poor Records Management**

We observed the following:

- Of the 125 staff files requested by the audit team for inspection, 54 files were not submitted for audit.
- We reviewed the files of 71 staff, and observed that, 59 were not updated with relevant employment documents such as birth certificates, NCRA registrations, copies of academic credentials and curricula vitae.

The lack of these documents in staff's personal files could lead to delays in the computation of staff terminal benefits. Inappropriate and insufficient information could be given about staff if their personal records are not regularly updated

The Director of Corporate Strategy and Administration should ensure that the remaining 54 files are submitted for verification, and staff personal files are regularly updated with the relevant staff records/ information, to facilitate the timely and accurate decision making on staff promotion.

#### **Official Response**

*We will ensure that the files are readily available for verification and the files are regularly updated with the relevant staff records/ information.*

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

- Of the 54 staff files, only one was submitted for audit inspection, leaving 53 personal files not submitted during the verification.
- Updated staff personal file was not submitted for audit inspection.

Therefore, these issues remain unresolved.

#### **4.42. SIERRA LEONE POLICE (HQ) - 2023**

##### **4.42.1. Recruitment Procedures not Followed**

In 2023, 1100 police officers were recruited. There were however no documents such as interview records, police clearance, personal files and final shortlisted applicants list for Police Training School

to ascertain that the recruitment process was in accordance with the procedures specified in the section 2.1 & 2. 2 of the SLP Recruitment Policy 2014. The recruitment process might not have been open, fair and competitive.

We recommended that the Director of Human Resources should ensure that the relevant documents in respect of the recruitment process for the new recruits are made available to the ASSL.

***Official Response***

*Documents (advertising stage, finger print and medical of recruit) related to the recruitment process for the new recruits for your review and verification.*

**Auditor’s Comment**

During the verification exercise, evidence such as interview sheets, personnel files, decision-making minutes and the final shortlisted applicant list were not made available for audit review. Therefore, the issue remains unresolved.

**4.42.2. Inconsistencies between the Payroll and Staff List**

A review of the payroll vouchers and staff list for FY2023 revealed the following:

- A total of 265 names on the payroll voucher could not be traced to the staff list. They were paid a total salary of NLe6,611,633.43 in FY2023.
- A total of 461 staff listed in the nominal roll (staff list) were not found in the payroll vouchers.
- Contrary to Regulation 114 (1) of the Public Financial Management Regulations, 2018, we observed that seven staff members of the force who departed due to death, discharge or retirement continued to receive salaries after their respective departure dates. They were paid a total salary of NLe130,475.18 in FY2023. These staff may not have existed.

We recommended that the Director of Human Resources in collaboration with the Accountant-General’s Department should investigate the inconsistencies in the payroll and regularise these anomalies.

***Official Response***

*Documents related to the breakdown of payroll staff who are active (amended mismatch for R1 2022 and R1 2023) and those for stoppage of salaries by the HRM and CDIID also those attritions for your review and verification.*

**Auditor’s Comment**

- (i) During the verification exercise, the breakdown to justify the variance of NLe6,611,633.43 indicating active staff, salary stoppage and attrition for staff on payroll but not on nominal roll was made available. Evidence for stoppages and attrition were not submitted, and personnel classified as active staff did not avail themselves for physical verification. Therefore, the issue remains unresolved.
- (ii) Evidence of reconciliation between the staff list and the payroll from AGD was not made available to the audit team for review. Therefore, the issue remains unresolved.
- (iii) Evidence to confirm that action had been taken to remove the seven personnel from the payroll who were paid a total salary of NLe130,475.18, was not submitted for verification. Therefore, the issue remains unresolved.

**4.42.3. General Observation**

- (i) *Outsourcing of SLP Vehicles to Private Garages*

Contrary to section 13(1) of the Public Financial Management Act, 2016 the SLP's human resources were not effectively utilised, particularly in the technical wing. Despite having 41 engineers, routine maintenance and repairs were outsourced at a cost of NLe369,970 in FY 2023. The expended amount could have been used to procure much need equipment such as diagnostic machines, air compressors, vehicle lift, which were lacking in the garage.

(ii) *Challenges in Community Policing*

Based on the community policing report of FY 2023 from the Director of Gender and Community Affairs dated 9th May 2024, several challenges in community policing that may affect the Mid-Term National Development Plan for 2023 were however highlighted. These include inadequate funds to effectively implement the 2023 work plan, lack of vehicles and motorbikes at all levels, and the transfer of trained personnel from the Community Relations Department (CRD) without proper replacement. Additionally, there was inadequate revamping of the Local Policing Partnership Boards (LPPBs), Zonal Policing Partnership Committees (ZPPCs), Area/Chiefdom Policing Partnership Committees (A/CPPCs), and Community Safety Volunteers (CSVs) at most divisions. This could lead to insufficient security information sharing from the public.

(iii) *Ineffective Delivery of Health Care Service*

The health care services at the Police Hospital at Kingtom were ineffective. There was no monthly imprest for its day-to-day operations. The hospital lacked a functioning ICU, a separate labour ward and an x-ray machine; while the air conditioners in the laboratory and pharmacy were non-functional. Additionally, there was no incinerator for waste disposal, and the roof at the surgical ward was leaking. As the hospital provides community service, we identified a lack of coordination with the Ministry of Health in providing support to the hospital. As a result, the hospital did not benefit from the free health care services provided by the Ministry, while lactating mothers and children under five years find it difficult to access the free health care through the police hospital.

(iv) *Lack of Equipment, and Financial Support to Various Police Stations and Divisions in the Western Area*

Police stations and divisions face numerous challenges including insufficient food for inmates, lack of basic equipment, inadequate facilities, and poor exhibit stores. Critical issues like the absence of imprest, inadequate equipment, and poor infrastructure would lead to compromise in operational efficiency and the welfare of personnel and inmates.

We recommended that the Inspector General should address the issues raise on various police stations and infrastructure within the SLP to ensure effective service delivery.

### **Auditor's Comment**

No management response was proffered for this issue. Therefore, the issue remains unresolved.

#### **4.43. SIERRA LEONE POLICE, EAST - 2023**

We observed the following:

- The police hospital lacked adequate equipment and facilities like laboratory testing equipment, pressure machines, scales, safe and clean water, IPC materials, resuscitation tables, and other essential medical consumables. In addition, the hospital faced electricity challenges, as funds for the payment of electricity bills were not forthcoming.
- There was no functioning ambulance, as such critically sick patients had to be transported to the hospital on motorcycles. In cases of emergencies for pregnant women, the hospital staff would

have to request an ambulance from either the Kenema Government Hospital or MSF which can be unfavourable to the patient in terms of providing timely and prompt medical care.

- Furthermore, certain essential drugs such as oxytocin, analgesics, and fleet enema that are required in the maternity ward were lacking in the hospital.

#### **4.43.1. Medicare not Timely Received and Liquidated**

- We observed that Clause 5.1 of the scheme stipulates the deduction of NLe20 from the salary of all serving personnel irrespective of rank that should be paid into a medical fund. The sum of NLe403,920 (i.e. 1,683 personnel @NLe20 @12 months) was to have been deducted at source from the salaries of personnel serving in the Eastern Region. Based on past practice, NLe39,000 is sent quarterly to the Eastern Region to meet the medical cost of personnel. For the period under review, funds for Medicare or drugs from headquarters in Freetown were however not received. The total outstanding Medicare for the four quarters in 2023 was NLe156,000 (NLe39,000@4).

We recommended that the Regional Support Officer and the Regional Commander should liaise with the Sierra Leone Police HQ to ensure the timely remittance of the NLe156,000 of the Medicare funds to the SLP – Eastern Region, to help ensure that quality healthcare services are delivered to personnel and their families.

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

There was no official response provided by the SLP Eastern Region on the timely receipt and liquidation of Medicare. Evidence of the Regional Commander liaising with headquarters for the provision of the outstanding Medicare funds for 2023 totalling NLe156,000 was also not submitted to the ASSL.

### **4.44. SIERRA LEONE POLICE NORTH-WEST - 2023**

#### **4.44.1. Fuel Utilisation Records not Submitted**

Upon a review of fuel records submitted by the Regional Headquarters, we observed that, a total of 75,619 litres of diesel valued at NLe1,812,784 was purchased for the North West region in 2023. Fuel utilisation records were not submitted by the Kambia, Port Loko, Lungi and Masiaka divisions. Utilisation records submitted by the Lunsar division were not updated, and inconsistent with the amount of fuel received.

We recommended the following:

- (i) The Regional Support Officer should collaborate with the station support officers to ensure that, fuel utilisation records are made available for fuel supply from January to June 2023.
- (ii) Fuel reconciliation records with all divisions and the regional headquarters are submitted to the team for fuel received from the depot at the regional headquarters from June to December 2023.

#### **4.44.2. Inconsistencies between Fuel Purchased and Received**

Records in respect of fuel transfers to regions revealed that a total of 78,094 litres of fuel was purchase for the SLP North-West Region. This was inconsistent with the fuel records submitted by the region, which showed a total of 75,619 litres, leading to a difference of 2,475 litres not accounted for.

We recommended that, the Regional Support Officer should collaborate with the Regional Commander to investigate and account for the difference in fuel purchased and received by the regional office.

#### **4.44.3. General Observations**

The regional office in Port Loko, and the various divisional offices across the north-west region encountered multiple challenges that affected effective operations in achieving the key mission of the SLP. These challenges include, but are not limited to:

- Lack of sufficient office space for the personnel to perform their duties effectively and efficiently, especially the regional headquarters. In addition, the regional headquarters lacked stores, garage and adequate personnel to fully handle their areas of operation.
- There were insufficient vehicles to carry out the operations of the SLP North-West. The number of vehicles in the region is not commensurate to the area covered by the police. Therefore, the SLP North-West cannot fully cover the whole region regarding patrols and response to crimes/distress calls. For example, there was no vehicle for the OSD Regional Coordinator.
- Lack of information technology (IT) equipment in the region. Five divisions in the region namely: Kambia, Port Loko, Lunsar, Lungi and Masiaka lacked computers, printers and photocopiers to help execute police duties. Most office work is done at private computer cafes, which could expose classified security information to the public.

We recommended that the Regional Support Officer and the Regional Commander, North-West should liaise with Sierra Leone Police headquarters in Freetown and other authorities to ensure the following:

- (i) That there is an appropriate office accommodation for the regional headquarters in Port Loko to ensure good working condition and a conducive working atmosphere for personnel.
- (ii) Operational and command vehicles and motorcycles be procured for the region, and the OSD Coordinator to facilitate movement of personnel to attend to distress calls and crime scenes as quick as possible.
- (iii) Appropriate office equipment, stationery and the required support are provided to the regional headquarters and all divisions in the North-West Region.

#### **4.45. SIERRA LEONE POLICE NORTH-EAST - 2023**

##### **4.45.1. Lack of Proper Furniture and Equipment for effective operations of the SLPNE**

During the audit, we observed the following challenges at the Makeni and divisions in the northeast region:

- Lack of sufficient office space for personnel to perform their duties effectively and efficiently. Additionally, the Crime Units lacked adequate personnel to handle their areas of operation.
- There were insufficient vehicles to carry out the operations of the SLPNE. Vehicles in the region were not commensurate to the area covered by the police. The SLPNE cannot patrol the whole region regarding and respond to crimes and distress calls.
- Cells at the Makeni, Kabala, Magburaka and Pamalap divisions cannot detain large number of suspects under investigations. The facility at the Makeni division was built to accommodate 25 inmates.
- Lack of information technology (IT) equipment in the region. Divisions of the SLPNE lacked computers, printers, and photocopiers to help in the execution of police duties. Most office work was done at public computer cafes, which could expose classified security information to the public.



We recommended that the Regional Support Officer and the Regional Commander North-East should liaise with the SLPHQ and other authorities to ensure the following:

- (i) Operational and command vehicles, and motorcycles should be procured for the SLPNE to facilitate movement of personnel to attend to distress calls and crime scenes as quick as possible.
- (ii) To build additional cells at various police divisions to accommodate suspects.
- (iii) To provide the office with the appropriate office equipment, stationery and support required to carry out its functions efficiently and effectively.

#### **4.46. SIERRA LEONE CORRECTIONAL SERVICE (HQ) – 2023**

##### **4.46.1. Lack of Monitoring System**

We observed that there was no biometric recording system to automatically track the identity and data of inmates through fingerprints upon arrival at the detention facility. This has resulted in the recurring misidentification of repeat offenders of the law. Similarly, there were no body or handheld scanners to physically detect hidden weapons, smuggled items, or prohibited substances, usually hidden under the clothing or inside body cavities of persons, posing a threat to prison security.

We recommended that the Director General should ensure that monitoring biometric system is installed at the centres for better security operations.

##### ***Official Response***

*The procurement process of the corrections management system includes digitalising the information management of officers and inmates through an integrated corrections management system which includes fingerprint scanners, biometric recording systems, drones, phones, jammers, communication/interconnection equipment is in progress.*

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

We note management response on the issue of digitalizing the information management of officers and inmates through an integrated Corrections Management system which includes fingerprint scanners, biometric recording systems, drones, phones, jammers, communication/interconnection equipment. The relevant documents to confirm concrete actions taken to address the anomaly were not submitted to the ASSL. Therefore, the issue remains unresolved.

##### **4.46.2. Welfare of Inmates at the Correctional Centres**

We observed the following:

- (i) *Overcrowding at the Freetown Male & Female, and the Waterloo Correctional Centres*

The male correctional centre was intended to house around 324 inmates but it is now holding 1,624. The same is true for the female correctional centre at New England which was built to hold 18 inmates now holding 67 inmates, and the pre-trial correctional centre originally built to hold 110 inmates, now holding 271.

This overcrowding at these centres could result in the following problems:

- Inmates could be exposed to increased health risks, especially from infectious or communicable diseases, which could easily spread among these inmates, putting their lives, staff and other stakeholders at risk.
- Due to the huge number of inmates, disorderly behaviour or violence could be difficult to contain with the small number of staff.

(ii) *Non-segregation of Inmates in Correctional Centres in the Western Area*

Contrary to Rule 11(a, b, c) of the United Nations Standard Minimum Rules for the Treatment of Prisoners (the Nelson Mandela Rules) of 2015, we observed that inmates convicted for serious offences, those for minor offences and those on remand were not segregated. Additionally, repeated offenders or those with a criminal history were kept together with first-time offenders. Furthermore, female inmates were not separated from the male inmates at the facility in Waterloo.

(iii) *Sanitation Challenges*

Contrary to Rule 15 of the United Nations Standard Minimum Rules (the Nelson Mandela Rules) of 2015 the toilet facilities at the Freetown Male Correctional Centre continues to be of major concern as indicated from past audit reports. Based on discussions and sampled verification of some cells which hold at least six persons, we observed that the in-built toilets were not in these cells, except for the Clarkson Block. At night, the occupants will, in turn, take a plastic bucket into the cell and use it as toilet for the whole night, and in the morning, it is taken out and cleaned. The inmates sleep in these same cells with buckets containing their faeces and urine. We also observed that, during the day, inmates defecate in open pits around the compound, thereby exposing inmates and officers within the immediate environment to systemic illnesses. This situation is dehumanising, and poses lots of health hazards to officers and the community as a whole.

(iv) *Lack of Vocational /Recreational Facilities and Tools*

The centres audited within the Western Area had ill-equipped vocational facilities, and were not fit for purpose. These facilities catered for tailoring, baking, carpentry, shoe-making, mechanical works, artistry, and bead-making activities. There is a need for a total overhauling of the facilities as most of the correctional centres did not have convenient structures to host these activities, making it difficult for an effective learning environment with a very small number of inmates benefitting from the training, compared to the total number of inmates as well as the lack of option of choosing their areas of interests, skills or speciality. There were also inadequate tools at all of the centres, with the ones available appearing obsolete and non-functional.

- At some of the centres visited, there was no provision for television and satellite entertainment for detainees, where they can watch sports activities, listen to news and watch other educational programmes.
- The lack of vocational and recreational facilities made it difficult for effective reintegration interventions, as inmates may not be well equipped upon discharge. The lack of recreational activities may also impact on mental and emotional well-being of inmates.

We recommended that the Director-General should ensure the following:

- (i) Consult the stakeholders in the judiciary system to make reforms in terms of remand and sentencing, with the aim of depopulating the prison centres.
- (ii) Institute control measures and request for the needed resources to help segregate inmates who are the worst criminals from those who committed less serious offences, and those on remand, as well as, segregating female from male inmates.
- (iii) Engage the necessary stakeholders such as the Ministries of Internal Affairs, Finance, and Works and Public Assets to remedy this sanitary situation by providing proper sanitary facilities in the various centres with immediate effect.
- (iv) Engage the relevant stakeholders to make available diverse skills learning and education centres to meet the interests, skills and speciality of inmates to capacitate them to integrate into communities. He should also ensure these recreational facilities are put in good working order.

### **Official Response**

- (i) *The Male Correctional Centre which was built in the 1800s did not make provision for in-built toilet facilities except for Blyden Block. In this regard, the SLCS has requested the relocation of this facility which is no longer fit for purpose. All recent correctional facilities are now constructed with in-built sanitation facilities.*
- (ii) *To curb the challenge of overcrowding, the institution is currently expanding on the existing correctional facilities and/or constructing new ones at Waterloo, Moyamba, Karene and Falaba. When completed, they will offer new detention facilities to reduce the overcrowding of the existing correctional facilities. These facilities are also of modern standards with the requisite ablutions facilities.*
- (iii) *All vocational facilities and tools were destroyed in 2020, this notwithstanding, the SLCS has acquired some tools and also received carpentry masonry tools from the UNDP. The SLCS will continue to work with partner institutions to provide support for rehabilitation of inmates. The FMCC has a football field for recreation and inmates often organise football tournaments.*

### **Auditor's Comment**

Management's response on decongesting the various correctional centres is noted. This issue will be followed up in subsequent audits.

#### **4.46.3. General Observations**

- **Ineffective Council Functionality** – During the review period, we observed that, there were no minutes from the SLCS council meetings. This resulted in a lack of oversight and communication of important matters to the appropriate authorities.
- **Lack of Regulations/Policies** – The SLCS has an enabling Act, but however lacked regulations and policies to guide its implementation. It did not have an independent human resource guideline which made it challenging to operate at its best. This affects issues like staff welfare, promotion, recruitment and training.
- **Lack of strategic plan** – There was no strategic plan, which can impact decision-making, risk management, and opportunities for growth and innovation.
- **Lack of annual operational plan** – There was no yearly operational plan to guide the implementation of activities. However, policies in line with the strategic plan were not developed and made available by the SLCS for audit inspection.

We recommended that the Acting Director General should ensure the following:

- (i) Inform the Office of the Vice President for setting up the Council committee to provide oversight and proper discharge of the SLCS functions.
- (ii) That relevant regulations and policies are developed to operationalise the SLCS Act, 2014.
- (iii) Establish a committee that would be charged with the responsibility to develop a strategic and operational plan for the SLCS.

### **Official Response**

*The Ministry of Internal Affairs coordinates the affairs of the SLCS Council which is headed by the Vice President and Permanent Secretary being the Secretary of the Council. The SLCS Act, 2014 is currently under review by the Law Officers Department.*

*However, the following policy documents have been developed awaiting SLCS Council approval: Standing Order, Performance Appraisal Policy, Career Management Path, Gender Policy, Job description and Specification of all SLCS posts, Internal Complaints and Discipline Policy, Transfer/Posting Policy, Fleet Management Policy, Retirement Policy, Recruitment and Training Policy, Study Leave Policy. Other policies are being developed.*

*A committee to work on the Strategic Plan 2024-2029 headed by the Director Corporate Services has been constituted and work on it is in progress, and by the next session of audit the Strategic Plan would have been validated and available.*

*Development of an annual operational work plan hinges greatly on the strategic plan. Immediately the strategic plan is developed and validated, yearly operational plans would be developed and made available in the next audit session. Copies of all policies, work plan and strategic plan will be available for review.*

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

The draft policy documents to confirm action has taken to address the issues were not submitted to the ASSL. This issue will be followed up in subsequent audits.

#### **4.46.4. Withholding Tax not Deducted and Paid to the NRA**

Contrary to section 117 (4) of the Income Tax Act 2000, the SLCS did not deduct and pay withholding taxes of NLe1,772,768.96 from suppliers' payments to the NRA.

This could lead to loss of revenue to government, which is essential for the provision of much-needed services to citizens.

We recommended that the Senior Accountant should ensure that the withholding taxes due to the NRA are paid and that evidence of payments is presented to the ASSL.

#### **Official Response**

*All withholding taxes retained by the SLCS have been paid to the National Revenue Authority (NRA). Evidence of all payments of withholding taxes is now available for audit inspection.*

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

Evidence of the payment of the withholding tax of NLe1,772,768.96 to the National Revenue Authority was not submitted to the ASSL. Therefore, the issue remains unresolved.

#### **4.46.5. Inconsistencies between the Payroll and Staff List**

A review of the payroll vouchers and staff list for FY2023 revealed the following:

- Nine names on the payroll voucher could not be traced to the staff list. They were paid a total salary of NLe167,830.32 in FY2023. This could lead to 'ghost workers'.
- A total of 53 staff listed in the nominal roll (staff list) were not found in the payroll vouchers.

We recommended that the Director of Human Resources, in collaboration with the Accountant General's Department, investigate the payroll inconsistencies and regularise these anomalies.

#### **Official Response**

*The HR Directorate receives this query with the awareness of the existing issue. The officers mentioned therein left at the time the institution rolled over from MDA to the Sierra Leone Correctional Service. Several engagements have been made with the HRMO to transfer their names from the MDA to SLCS. However, the officers are serving personnel and management will continue to engage the HRMO in a bid to reconcile the SLCS staff list and payroll.*

*In that regard, the officers have been invited to be at CHQ on 13th September, 2024 for verification as recommended by the auditors.*

*Going forward, payroll reconciliations between the staff list and the payroll vouchers from Account General's Department would be carried out quarterly as recommended by the auditors.*

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

Management's response is noted. The nine affected staff were however not verified, as they did not avail themselves for physical verification. Therefore, the issue remains unresolved.

In the absence of a detailed reconciliation and the whereabouts of the 53 individuals. Therefore, the issue remains unresolved.

#### **4.46.6. Absence of Bonding Agreement and Progress Report**

During the review period, we observed that, there were 52 staff members on study leave with pay. However, there was no bonding agreements between them and the SLCS. In the absence of a bonding agreement, there is a risk that the staff will leave after completing their studies. Additionally, progress reports and offer letters were not maintained in the personal files of 13 staff on study leave with pay.

We recommended that the Acting Director of Human Resources should develop a training policy that includes among other things bonding agreement for staff who benefit from study leave spanning more than a year.

#### ***Official Response***

*There is an existing bonding document for officers with the intention and qualification to go on study leave. This has been the perpetual practice in the institution, however in the recent past there have been some officers on study leave without written bond with the institution. In that light, the Human Resource Directorate in sync with the Records unit will ensure that all officers on study leave sign the bonding agreement with the institution.*

*More so, a training policy including bonding agreement for staff who benefits from the study leave spanning more than one year will be developed in due course.*

*Essentially, progress reports of staffs on study leave will be demanded from them for onward submission as recommended by the auditors.*

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

Our recommendations have not been implemented. Therefore, the issue remains unresolved.

### **4.47. SIERRA LEONE CORRECTIONAL SERVICE, KENEMA– 2023**

#### **4.47.1. Inadequate Accommodation and Poor Condition of Cells**

- We observed from our visit to the male correctional centre that the issue of overcrowding in the cells had worsened in the current year. This was reported in the previous year and no remedial action was taken to address this issue. In one cell for instance, there were 10 inmates accommodated in it. The number of inmates had increased from 782 to 952 when compared to the previous year inmate population. The four correctional centres in the Eastern Region should hold 455 inmates. This resulted in a total increase of 497, which is 109% more than the normal capacity.
- The cells had no floor mats; and the mattresses were badly worn out. Inmates were usually exposed to cold temperature during the rainy seasons. Adequate protection from cold weather during the rainy season was lacking in the cells.
- We further observed that both male and female cells had no form of ventilated light within. Inmates are usually in the dark from dawn to dusk daily. This contravenes the right to a minimum standard of living.
- Uniforms by which various categories of inmates are categorised (for example green for inmates on remand, red for convicts and blue for inmates on trial) were lacking. This made it difficult to identify and differentiate the various categories of inmates in the correctional centre.

We recommended that the Regional Commander - East should ensure the following:

- (i) That the Director General in Freetown adopt measures to address overcrowding at correctional centres within the Eastern Region. Inmates should be relocated to other correctional centres where there are extra spaces. In addition, plans should be developed to

expand the current facilities at the correctional centre to accommodate the rising number of inmates.

- (ii) That appropriate measures are taken towards providing floor mats, high quality and long-lasting mattresses, supply of light and ventilation within the cells; and appropriate clothing/uniforms for the various categories of inmates.

#### **4.48. SIERRA LEONE CORRECTIONAL SERVICE NORTH-WEST- 2023**

##### **4.48.1. General Observations**

We observed the following:

- A copy of contract agreements, invoices and schedule of requirements for the supply of condiments, cooking gas and toiletries to the Port Loko and Kambia correctional centres for the year under review were not submitted to the ASSL.
- The male correctional centre in Port Loko was overcrowded with inmates and challenged with staffing to manage the centre effectively. For instance, the male correctional centre in Port Loko has fifteen cells originally established to hold 120 inmates, with a capacity of 8 inmates per cell. At the time of our verification, the facility held more than 270 inmates, which is far over the number of inmates the centre was originally built to accommodate. The cells of the male correctional centre in Port Loko were poorly ventilated.
- We physically inspected the Port Loko quarters of the SLCS North-West and the office of the Medicare, and observed that besides the block of the Regional Commander and the Manager of the Port Loko Correctional Centre, the officers' quarters at the Port Loko Correctional Centre were insufficient to house their staff. Only four blocks with a total of eight rooms were built to accommodate more than 57 officers attached to the Regional Headquarters and the centres. Officers who could not be accommodated in the quarters seek accommodation in the neighbouring communities on rental basis at their own expense.

#### **4.49. SIERRA LEONE CORRECTIONAL SERVICE NORTH, EAST - 2023**

##### **4.49.1. Inadequate Facilities at the Makeni Correctional Centre**

We observed that the male correctional centres of Makeni was overcrowded with inmates and had staffing challenge to effectively manage the centre. For instance, the male correctional centre in Makeni has five cells, originally established to hold 83 inmates, with a capacity of 16 inmates per cell. At the time of our verification, the facility held more than 260 inmates, which is way over the number of inmates the centre was originally built to accommodate. The cells of the male correctional centre in Makeni were poorly ventilated.

##### **4.49.2. General Observations**

###### *Insufficient Officers' Quarters*

We physically inspected the Makeni quarters of the SLCS North-East and the office of the Medicare, and observed that besides the block of the Regional Commander and the Manager of the Makeni Correctional Centre, the officers' quarters at the Makeni Correctional Centre were insufficient to house their staff. Only four blocks with a total of 16 rooms were built to accommodate more than 60 officers attached to the Regional Headquarters and the centres. Officers who could not be accommodated in the quarters seek accommodation in the neighbouring communities on rental basis at their own expense.

#### **4.50. JUDICIARY OF SIERRA LEONE (HQ) - 2023**

##### **4.50.1. Lack of a Centralised Automated Case Management System**

Contrary to Policy Action 6 of Cluster 4.5 of the Medium-Term National Development Plan (MTNDP) 2019-2023, we observed the High Court, the Court of Appeal, the Supreme Court, and other specialised courts still operate manually, without an automated case management system.

This could lead to delays in processing cases, difficulties in tracking the status of cases, potential errors in record keeping, and challenges in accessing and sharing case information.

We recommended that the Master and Registrar should establish a centralised automated case management system to address these issues and enhance judicial performance.

##### ***Official Response***

*The Judiciary has made a lot of effort to install automated case management software. In 2023, the Judiciary advertised in several newspapers to source a service provider for the Judiciary Justice App (an automated case management system for the Judiciary). The process was not completed as only one bidder responded with high cost. This warranted the procurement committee's recommendation to re-advertise. All documentation related to the process is available for audit verification.*

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

Procurement documents in relation to the procurement of the Judiciary Justice App, such as advert and bidding documents as stated in the management response were not submitted to the ASSL. In addition, there was no evidence of management's action to acquire or develop a centralised and automated case management system for the Judiciary. Therefore, the issue remains unresolved.

##### **4.50.2. Non-submission of Data for Magistrate Courts**

The audit team requested data from the Justice App on judicial cases at the Magistrate Courts to evaluate progress in meeting the strategic objective of the MTNDP 2023. The data were however not submitted, resulting in a lack of transparency about the number, type, status and processing times of cases.

This could undermine public trust in the Judiciary's efficiency and fairness.

We recommended that the Master and Registrar should submit the requested case data from the Magistrate Courts for verification.

##### ***Official Response***

*There were IT issues on the Justice App for Magistrate Courts during the audit period. The case data from the Magistrate court is however available for audit verification.*

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

Data relating to cases in the Judiciary were submitted for verification. The data did not include the dates cases were filed in the various magistrate courts, which would have enabled the audit team to determine the duration of the case and assess the effectiveness of the courts in the timely dispensation of justice. Therefore, the issue remains unresolved.

##### **4.50.3. Lack of Monitoring and Evaluation System**

The Judiciary lacked a monitoring and evaluation (M&E) system or unit, thus impacting the effective and efficient management of the court. Implementing a reliable M&E system would help identify and address inefficiencies, and as well improve the administration of justice.

The lack of a monitoring & evaluation system could lead to delays in the dispensation of justice.

We recommended that the Master and Registrar should work with relevant authorities to establish a robust M&E system, to enhance court management processes and boost public confidence in the judicial system.

**Official Response**

*The Master & Registrar is seeking approval from the Ministry of Finance for the recruitment of Monitoring and Evaluation Officers among others. All documents related to that process are available for audit verification.*

**Auditor's Comment**

There was no documentary evidence of communication with the Ministry of Finance relating to the transfer or recruitment of M&E officers, or the establishment of an M&E Unit. Therefore, the issue remains unresolved.

**4.50.4. Withholding Taxes not Paid to the NRA**

Withholding taxes totalling NLe259,546.73 were deducted from the Judiciary's imprest account and the UNDP Support to the Rule of Law Project Account. However, no evidence of these payments to the National Revenue Authority (NRA) was provided for audit inspection.

Non-payment of withholding taxes may deprive government of much-needed funds to meet its obligations as and when they fall due.

We recommended that the Principal Accountant should ensure the payment of these taxes to the NRA and submit the paying-in slip and NRA receipt to the ASSL.

**Official Response**

*The Judiciary will however pay all the withholding tax deducted, amounting to NLe259,546.73 for the period under view. Delay in disbursement to the judiciary account from the GoSL are some of the challenges. Evidence of payment of withholding tax is available for audit verification.*

**Auditor's Comment**

Supporting documents for withholding taxes which amounted to NLe259,546.73 were not submitted to the ASSL. Therefore, the issue remains unresolved.

**4.50.5. Revenue Collected not Banked**

We observed that the Law Courts at Pademba Road and Ross Road Magistrate Courts collected a total of NLe27,259 in non-tax revenue, which could not be traced in the Sub-Treasury Account at the Sierra Leone Commercial Bank (SLCB). Furthermore, the Waterloo Magistrate Court deposited non-tax revenue totalling NLe42,300 into an ECOWAS Levy Treasury Account at the United Bank for Africa (UBA), instead of the designated SLCB account. The amount was however not traced in the bank statements.

There is a risk that the revenue collected could not be used for its intended purpose.

We recommended that the Master and Registrar should collaborate with the Commissioner of Non-Tax Revenue to investigate and provide evidence to the ASSL. If unresolved, responsible parties should refund NLe69,559 into the Consolidated Fund and submit evidence of payment to the ASSL.

**Official Response**

*With reference to the amount of NLe42,713 and NLe42,300, bank slips, credit advice and bank statements have been made available for verification.*



### **Auditor's Comment**

Bank slips, credit advices and bank statements were not submitted to the ASSL, to account for the NLe69,559. Therefore, the issue remains unresolved.

#### **4.50.6. Fees Charged not in Accordance with the Finance Act**

We observed that the fees charged for services such as court orders, affidavits, writs of summons, and notices of motion are inconsistent with the schedule of fees outlined in the Finance Act, 2021. The Judiciary was evidently charging clients higher fees for services provided, which contradicts the specified schedule of fees in the Finance Act, 2021. Charging fees above the stipulated amount increases reputational risk.

We recommended that the Master and Registrar, along with relevant stakeholders, should develop and publicly display a service charter aligned with the Finance Act for clarity and transparency.

#### **Official Response**

*Judicially will ensure that the Service Charter which is in line with the Finance Act is displayed to the Public, but the Judiciary will start displaying it on all notice boards and registries.*

### **Auditor's Comment**

During the verification exercise, there was no evidence of a service charter being developed and publicly displayed or fees for court services being displayed on notice boards in the Judiciary. Therefore, the issue remains unresolved.

#### **4.50.7. Revenue Returns not Submitted for Inspection**

We observed that the Registrar of the High Court's Criminal Registry and the Registrar of the Court of Appeal's Registry failed to submit revenue returns for the period under review. Consequently, we were unable to ascertain the revenue collected by these registries.

We recommended that the Master & Registrar should ensure that the Registrars submit their revenue records, including original NRA receipts and payment advice slips, to the ASSL.

#### **Official Response**

*The Registrars from all the courts with the exception of the Appeal Court, submitted their Revenue Return booklets, including the NRA receipts and payment advice slips during the audit period. The same documents as well as the Appeal Court's document will be available for audit verification.*

### **Auditor's Comment**

The registrars of the Criminal Registry of the High Court and the Court of Appeal Registry did not submit their revenue returns to the ASSL. Therefore, the issue remains unresolved.

## **4.51. OFFICE OF THE ADMINISTRATOR AND REGISTRAR GENERAL (HQ) - 2023**

### **4.51.1. Revenue Reconciliations not Performed between the NRA and the OARG**

The Office of the Administrator and Registrar General did not provide revenue reconciliations between the revenue returns records maintained by the institution and the General Revenue Account held at the Sierra Leone Commercial Bank (SLCB), as well as the Smart Kopor money transfer system. Upon review of the documentation, we observed that the OARG records indicated a total revenue of

NLe4,457,110.34, whilst NLe4,958,048.00 was in the NRA records, resulting in a variance of NLe500,937.66. This variance was not investigated and corrected for the period under review.

We recommended that the NRA Revenue Officer should ensure that the variance is investigated and corrected, and evidence of correction submitted to the ASSL.

#### **Official Response**

*Management noted the auditors' comments and reiterates that the General Revenue Account (Transit Account) and Smart Kopor money transfer system are controlled and operated by the National Revenue Authority (NRA). Therefore, advise that such query be referred to the NRA.*

*Management also noted the variance of NLe500,937.66. This occurred as a result of the OARG's records showing exactly what is in the Finance Act for the different revenue streams, while the NRA records show the figure in the Finance Act for the different revenue streams plus extra charges for using the Smart Kopor money transfer system for payments. These extra charges account for the variances showed by the reconciliation between the OARG and the NRA different revenue streams for January to December, 2023. Evidence of sampled order to pay for OARG and NRA receipts and revenue reconciliation performed between the OARG and the NRA are available for audit verification.*

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

Management's response on the service charges paid for transactions processed by Smart Kopor is noted. A general review of the monthly collections from the bank statement and the NRA showed inconsistencies in the monthly collections. Therefore, the assertion that the extra charges could have led to the variance is untenable. Moreover, further review of the bank statements submitted during the verification exercise showed that, of the NLe4,457,110.34 collected and recorded in the NRA cashbook, the bank statements revealed that NLe6,238,019.70 was deposited into the designated bank account. This resulted in an unexplained variance of NLe1,780,909.36. Therefore, the issue remains unresolved.

#### **4.51.2. Staff on Sick Leave without Medical Report**

We observed that an employee with pin code 131530 received a total salary of NLe162,377 from January to December 2023, while reported to be on sick leave. We were not provided with a copy of the leave letter, the medical report and the personnel file to verify this claim.

We recommended that the Senior Human Resources Officer should submit evidence to support the sick leave claim; otherwise, his name should be removed from the payroll, and the amount paid as salary should be recovered and paid into the Consolidated Fund.

#### **Official Response**

*Management notes the auditors' concerns with respect to staff on sick leave and reiterates that, this was a case I inherited at this department, but nevertheless, a letter had been drafted for the attention and necessary action of the Director-General, Human Resource Management Office, in respect of the said staff, a case we considered to be abandonment of postings, since there is no evidence to justify his actions.*

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

The request to the HRMO for the removal of the staff name from the payroll was submitted for audit review. There was however no additional evidence indicating that the name had been deleted from the payroll. Therefore, the issue remains unresolved.

#### **4.52. OFFICE OF THE ADMINISTRATOR AND REGISTRAR GENERAL, KENEMA: 2022-2023**

##### **4.52.1. Operational Inefficiency**

The following were observed:

- There was no official vehicle to facilitate effective and efficient operations within the Eastern Province.
- The Regional Office lacked the required number of personnel to carry out its day-to-day operations. Functions and responsibilities of the four major departments of the office (Legal Instrument, Business Registrations, Marriage registrations, and Estate Administration) are carried out only by an Assistant Registration Officer and one volunteer who is supervised by the Regional Head.
- The office lacked adequate computers and printers for the processing of legal instruments, business registrations, marriage registrations, and estate administration. We observed that the office had only one Hewlett-Packard (HP) printer that had been in use since 2012; it had worn out due to regular breakdowns and no proper maintenance. The two available computers were also very old and lacked proper IT maintenance.
- The OARG annual report revealed that there was a delay in the facilitation of estates for deceased persons. The preliminary process is done at the Kenema regional office. The banks and the Estate Department at the head office however take considerable time in the probate and banking process before the beneficiaries can receive their monies. For instance, most banks will take one month before they can respond to a letter sent to them by the OARG, which caused delays in administering the estates.

#### **4.53. OFFICE OF THE ADMINISTRATOR AND REGISTRAR GENERAL, NORTH-EAST: 2022 - 2023**

We observed the following:

- The marriage certificate registers maintained by the OARG North-East Region were not detailed enough. They lacked key information such as serial numbers of marriage certificates. This makes it difficult to retrieve such information upon request.
- The OARG North East did not perform fuel reconciliation with fuel dealers to ascertain the opening and closing balances of fuel with the dealer.
- Supporting documents such as fuel chits were not submitted for the utilisation of fuel balances for 739 litres in 2023.
- Upon review of the fixed asset register and physical verification conducted, we observed the following:
  - (i) The fixed assets register maintained by the OARG North East was not comprehensive enough to include the office motorbike with registration number APY 693 attached to the office.
  - (ii) The life-card and insurance for the motorbike were also not submitted for audit inspection to show ownership of the said motorbike.
  - (iii) The license of the motorbike was not renewed at the time of the audit.
  - (iv) The office equipment such as “a 32-inches LG plasma TV, a ceiling fan and UPS regulator” supplied were not made available for physical verification. In the same vein, an interview with one of the Assistant Registration Officers revealed that these items were stolen while

in the store before they were coded and put to use. A police/incident report of the theft was however not submitted to the audit team for verification.

- (v) An official vehicle was not attached to the OARG North-East to facilitate the day-to-day operations of the office. This has limited the movement of staff in the exercise of their operation.

#### **4.54. OFFICE OF THE CHIEF MINISTER - 2023**

##### **4.54.1. Withholding Taxes not Paid to the NRA**

A review of the cashbook and payment vouchers revealed that withholding taxes totalling NLe503,154.80 were deducted from payments made to suppliers and service providers, for which evidence of payments to the NRA was not submitted for audit inspection.

##### ***Official Response***

*Management has taken steps to ensure that the Director of Finance pay the deducted withholding taxes to the NRA and retain the receipt for your verification upon receiving our fourth quarter allocation, and the NRA receipts will be ready for review.*

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

As at the time of verification (two months into the fourth quarter), there was no evidence of payment of withholding taxes totalling NLe503,154.80.

Therefore, the issue remains unresolved.

##### **4.54.2. Staff not Available for Verification**

In a bid to ensure that salaries were paid to eligible employees for FY2023, we requested for the verification of staff whose names were on the staff list and payroll for the period under review. During the exercise, we observed that in spite of repeated requests, the names of 14 staff on the staff list did not make themselves available for verification. Of utmost concern is that the staff personal files containing copies of the employment records, and payroll vouchers were also not submitted for audit inspection.

##### ***Official Response***

*We take your recommendation with seriousness and have engaged the staff in question to be ready for verification. The records and payroll vouchers of the staff are ready for review.*

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

Staff records and payroll were submitted. During a review of the records and verification of the staff we observed that of the 14 staff, 13 were verified. The remaining one staff, an Executive Assistant, was not available for verification. A total salary of NLe230,616.00 was paid to the staff for the period under review. Therefore, the issue is partially resolved.

#### **4.55. OFFICE OF THE VICE PRESIDENT - 2023**

##### **4.55.1. Salaries Paid to Individuals not on the Office of the Secretary to the Vice President Approved Staff List**

During the review of the payroll vouchers and staff list submitted for FY2023, we observed that three names recorded on the payroll obtained from the Accountant General's Department were not on the

Office of the Secretary to the Vice President (OSVP) staff list. The total salaries paid to these staff during the period under review amounted to NLe55,424.

We recommended that the Assistant Director of Human Resources should ensure that the three staff whose names did not appear on the OSVP's staff lists make themselves available (together with their employment documents) for verification. Otherwise, the names of these staff should be removed from the payroll, and the amounts paid to them recovered.

#### **4.55.2. Assets not Recorded in the Fixed Assets Register**

We observed the following:

- (i) The Office did not maintain an updated assets register. This was evidenced by the fact that assets procured in 2023 worth NLe312,160, were not recorded in the assets register.
- (ii) During the year under review, the Public Private Partnership Unit (PPPU) and the Sierra Leone Extractive Industries Transparency Initiative (SLEITI) did not maintain a Fixed Asset Register.

We recommended that the Accountants and other heads of agencies should update their asset registers, incorporate details of all procured assets and ensure that these assets are coded with unique identification marks.

### **4.56. OFFICE OF THE PRESIDENT-2023**

#### **4.56.1. Lack of Documentation in Respect of Arrears for Vehicle Repairs and Outstanding Debts**

In 2023, the sum of NLe3,046,748 was paid for vehicle repairs and maintenance, but the payments were related to 2022 arrears. Despite repeated requests, adequate supporting documents for these arrears or a list of outstanding debts for 2023 were not provided for audit. This lack of documentation could raise doubt over the authenticity of the claims submitted.

We recommended that the Assistant to the Secretary to the President should ensure that the necessary documents for the 2022 arrears, and the 2023 outstanding debts are submitted to the ASSL.

#### ***Official Response***

*The arrears list as at 31st December, 2023 in respect of debt owed to the garages, and the relevant supporting documents are now available for audit inspection.*

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

Despite Management's response, the supporting documents for the 2022 arrears, and the 2023 arrears list were not provided during the audit. Therefore, the issue remains unresolved.

#### **4.56.2. Discrepancies between Fuel Records Maintained by the Office and the Fuel Dealer**

We observed discrepancies between the fuel records maintained by the Office and those of the fuel dealer. The Office fuel register recorded a total of 291,306 litres of fuel valued at NLe7,244,688.50, while the fuel dealer recorded 620,286 litres, amounting to NLe15,514,629.50. This resulted in a difference of 328,980 litres, valued at NLe8,269,941.

The discrepancies between the two records indicate a lack of proper reconciliation and oversight, which could lead to significant loss of public funds.

We recommended that the Assistant to the Secretary to the President should ensure that a detailed reconciliation is performed between the fuel records maintained by the Office, and those maintained

by the fuel dealer. In addition, all necessary actions should be taken to resolve any identified discrepancies.

**Official Response**

*The updated fuel register is now available for audit inspection.*

**Auditor's Comment**

The updated fuel register was inspected. Reconciliation of the records submitted revealed a difference of NLe2,259,787.50 between the fuel records maintained by the Office and those maintained by the dealer. Therefore, the issue is partially unresolved.

**4.56.3. Lack of Supporting Documentation for Payments**

Payments totalling NLe920,522 were without adequate supporting documents, such as LPOs, receipts, invoices, delivery notes, and activity reports.

In the absence of these supporting documents, we could not confirm whether the monies were expended for the intended purposes.

We recommended that the Accountant should provide the missing supporting documents to the ASSL.

**Official Response**

*The missing supporting documents are now available for audit inspection.*

**Auditor's Comment**

During the audit verification, documentary evidence was submitted for NLe754,586, representing 82% of the queried amount, leaving a balance of NLe165,936 without supporting documents. Therefore, the issue is substantially resolved.

**4.56.4. Assets not Available for Physical Verification**

A review of the assets records revealed that NLe310,500 worth of assets procured in 2023, and 95 different assets recorded in the Assets Register were not available for physical verification. These assets could be converted to personal use, or go missing without trace.

We recommended that the Director of Estate, and the Assistant to the Secretary to the President should ensure that the assets are made available for verification.

**Official Response**

- (i) The updated assets register for State House and NAMED, are now available for audit inspection.*
- (ii) The visit to the regional offices in order to update their assets information to assets register, and the coding of the assets of the Office will be done when funds are available.*
- (iii) The assets that were not physically verified will be made available for physical verification.*

**Auditor's Comment**

Of the NLe310,500 worth of assets, NLe102,000 were verified, leaving NLe208,500 worth of assets unverified. Additionally, 37 assets in the Fixed Assets Register were verified, leaving 58 unverified. Therefore, the issue remains partially resolved.

## CHAPTER V - LOCAL COUNCILS

<b>MAIN POINTS .....</b>	<b>216</b>
<b>5.1. FINANCIAL REPORTING .....</b>	<b>218</b>
<b>5.2. FINANCING OF LOCAL COUNCILS .....</b>	<b>220</b>
<b>5.3. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS .....</b>	<b>222</b>
<b>5.4. WEAKNESSES IN INTERNAL CONTROLS .....</b>	<b>223</b>
<b>5.5. SPECIFIC FINDINGS AND RECOMMENDATIONS .....</b>	<b>224</b>
<b>5.6. COMPLIANCE AUDIT ISSUES .....</b>	<b>228</b>
<b>5.7. OTHER COMPLIANCE ISSUES IDENTIFIED IN VARIOUS LCs.....</b>	<b>230</b>

## **MAIN POINTS**

### **INTRODUCTION**

The accounts of the 22 Local Councils (LCs) were audited for the financial year ended 31st December 2023, in accordance with section 88(2) of the Local Government Act, 2022.

As in previous years' reports, a combined audit (financial and compliance) was carried out on the 22 LCs for FY2023. The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) and in line with the existing legislative and administrative guidelines in Sierra Leone.

### **Objectives of the Audit**

The objectives of the financial audit were as follows:

- To express an opinion on the 2023 Financial Statements of the 22 LCs, whether they give a true and fair view of the state of affairs of the councils, and whether they were prepared in accordance with the International Public Sector Accounting Standards – Cash Basis - and other relevant legislation.
- To form an understanding on whether the financial documents and books of account were a reasonable representation of the results of the activities for the year.
- Whether applicable internal control procedures necessary for sound financial management were in place and working effectively in the councils during FY2023.

The objective of the compliance audit was to obtain reasonable assurance on whether the councils' procurement activities undertaken in 2023 were in compliance with the Public Procurement Act 2016, the Public Procurement Regulations, 2020 and terms of the contracts.

### **What We Did**

The financial audit was conducted in accordance with the Audit Service Sierra Leone (ASSL) Manual which is based on the International Standards of Supreme Audit Institutions (ISSAIs). These standards require that in the conduct of our work, we carry out risk assessments to focus resources on areas of high audit risks. During this engagement, we held discussions with key staff of the councils, reviewed key documents, tested key controls and performed tests on a sample of financial transactions.

The compliance audit was a direct engagement, as the subject matter evaluated against the criteria were selected by the auditor who produced the subject matter information; using the principles of ISSAI 100, 400 & 4000. A risk-based audit approach was adopted throughout the process by focusing audit resources on areas of high risks of material non-compliance.

### **Why It Is Important**

Section 88(3&4) of the Local Government Act, (LGA) 2022 requires the Auditor-General to submit a report of the audit to the local council concerned and the Minister; and to draw attention to any irregularities in the accounts.

Section 88(8) of the LGA, 2022 also requires the Minister to lay the report of the Auditor-General and a report of actions taken thereon if any, before Parliament. This has not been done over the period and as such, a summary of irregularities identified in LCs are included in the Auditor-General's Annual Reports submitted to Parliament every year.

In addition, the Financial Statements of local councils are key instruments through which an account is given on the stewardship of the councils' administration. The public will therefore be interested in knowing whether the information disclosed in the councils' Financial Statements presents a true and fair view of their stewardship.



### What We Found

Significant findings from the audit of the 22 LCs were discussed with the Management of the LCs, and the responses they provided formed the basis for putting this Chapter together. Our audit of the 22 local councils revealed irregularities totalling NLe4,764,882.60 for FY2023 in the following areas: Procurement and contract management, statutory deductions, expenditure, revenue, Assets and payroll management.

The table below gives a summary of significant irregularities with financial impact, identified during the audit.

<b>Category of Irregularities</b>	<b>Amount</b>
	<b>NLe</b>
Unsupported Payments	688,624.80
Taxes (Withholding taxes and PAYE )	1,966,867.75
Contract Management	1,071,550.55
Salary and Payroll Administration	291,019.50
Revenue Management Control	105,000.00
Assets Management and Control	641,820.00
<b>Total</b>	<b>4,764,882.60</b>

## **DETAILED FINDINGS AND RECOMMENDATIONS**

### **5.1. FINANCIAL REPORTING**

#### **5.1.1. PETRA Accounting System not Effectively Utilised**

In spite of our recommendations in previous audit reports, much has not been done on the PETRA accounting system in the Local Councils. The PETRA system in most LCs is not fully functional and user-friendly. In most, if not all of the LCs, only the Accountant and the Finance Officer have direct access to the PETRA system.

Our concern is that government pays an annual licence fee for at most 10 users, even though eight of them are not making use of the PETRA system.

The system is also not networked to allow connectivity for the other users, and the PETRA application is installed in one laptop computer that is used at various intervals by the Accountant and the Finance Officer.

On the user-friendliness of the system, problems dealing with the correction of mistakes/errors, troubleshooting, roll forward of balances, and transactions pending approval will require the submission of the PETRA database to the Public Financial Management Reform Division (PFMRD) at the Ministry of Finance for onward submission to the developers for remedial action. There is the risk that internal controls over financial recording and account preparation using this accounting system are not adhered to.

We recommended that the Director of PFMRD and the Chief Administrators (CAs) should ensure that access is granted to the other users in the councils; if not, licence fees should be paid for only the two users.

#### **5.1.2. Quality of Financial Statements Submitted**

As in prior years, all 22 LCs submitted Draft Financial Statements that contained material misstatements in one or more areas.

Twenty-one councils were given ‘unqualified opinion’ because they used the opportunity provided by the ASSL to correct all material misstatements identified during the audit. The only council that was unable to correct all material misstatements was issued a ‘modified opinion’. The main areas that were misstated in the Financial Statements of the council that received a ‘modified opinion’ were as follows:

- Misstatement of expenditure in the Financial Statements
- Inconsistency of cash balances in Statements 1 and 4
- Inconsistency in total payments between Statements 1 and 2

The poor quality of the Financial Statements submitted for audit could question the credibility of the council’s yearly financial reporting.

We therefore recommended the following:

- (i) The CAs should be more involved in the monitoring of internal controls and hold officers accountable for poor performance.
- (ii) Mayors and Chairpersons should hold officers accountable for not implementing the audit recommendations.

#### **5.1.3. Audit Opinions on the Financial Statements of Local Councils**

The audit of the Financial Statements of the 22 LCs aimed at giving an opinion on whether the accounts were fairly presented in all material respect.

**Table 5.1** below shows an increase in the number of **Unqualified Opinions** from 19 LCs in 2022 to 21 LCs in 2023. We however noted that three councils improved from a ‘modified (unsatisfactory) opinion’ in 2022 to an ‘unqualified (satisfactory) opinion’ in 2023.

The Bonthe District Council’s performance declined during the year; from an unqualified opinion in 2022 to a qualified opinion in 2023.

The issuance of a qualified audit opinion to a council indicates a worrying situation in the management of resources. This means that the council did not manage and account for its finances to achieve the best results.

<b>Table 5.1 Councils’ Opinions</b>				
<b>No.</b>	<b>Name of Council</b>	<b>Opinion 2023</b>	<b>Opinion 2022</b>	<b>Comment in Movement from 2022 to 2023</b>
1	Bo District	Unqualified	Unqualified	Unchanged
2	Bombali District	Unqualified	Unqualified	Unchanged
3	Bonthe District	Qualified	Unqualified	Retrogressed
4	Bo City	Unqualified	Unqualified	Unchanged
5	Bonthe Municipal	Unqualified	Unqualified	Unchanged
6	Falaba District	Unqualified	Unqualified	Unchanged
7	Freetown City	Unqualified	Unqualified	Unchanged
8	Kailahun District	Unqualified	Unqualified	Unchanged
9	Kambia District	Unqualified	Unqualified	Unchanged
10	Kenema District	Unqualified	Unqualified	Unchanged
11	Koinadugu District	Unqualified	Unqualified	Unchanged
12	Karene District	Unqualified	Unqualified	Unchanged
13	Kono District	Unqualified	Adverse	Improved
14	Kenema City	Unqualified	Unqualified	Unchanged
15	Koidu New Sembehun City	Unqualified	Unqualified	Unchanged
16	Moyamba District	Unqualified	Unqualified	Unchanged
17	Makeni City	Unqualified	Unqualified	Unchanged
18	Port Loko District	Unqualified	Unqualified	Unchanged
19	Pujehun District	Unqualified	Unqualified	Unchanged
20	Port Loko City	Unqualified	Adverse	Improved
21	Tonkolili District	Unqualified	Qualified	Improved
22	Western Area Rural District	Unqualified	Unqualified	Unchanged

<b>Movements</b>	<b>Key:</b>
Retrogressed	
Improved	
Unchanged	

Although the expected target of all councils to achieve 100% unqualified opinion was not met in 2023, the results are however encouraging. Nineteen LCs retained their unqualified opinion status. These

councils improved the quality of their Financial Statements and substantially provided supporting documents for activities undertaken during the period under review.

## 5.2. FINANCING OF LOCAL COUNCILS

In accordance with section 49 of Part VII of the Local Government Act 2022, local councils are financed through the following sources: central government grants, own-source revenue including donor funds, and transfers for services devolved from government ministries.

During our review of the Financial Statements for the 22 LCs, we identified the following:

### 5.2.1. Central Government Budgeted Grants not Fully Received

The local council grants and transfers include three broad types of transfers: Administrative Grant, Devolved Functions Grant, and the Local Government Development Grant.

Grants for devolved functions are key to LC service delivery. Section 50(1) of the LGA, 2022 makes provision for transfers in the form of tied grants for each devolved function, in an amount that is necessary to continue the operations and maintenance of the devolved function at its pre-devolution level. In 2023, a total of NLe416,338,251 was the budgeted grant for the 22 LCs for administrative and devolved sector functions which included both recurrent and capital expenditures. We however observed that NLe213,160,793 was the actual grant transferred to the councils. This transfer represents 51.19% of the total budgeted grant; leaving a shortfall of NLe203,177,458 (48.81%).

Details are in **Table 5.2** below:

<b>Council</b>	<b>Actual Grant Received in 2023</b>	<b>Total Budgeted Grant</b>	<b>Shortfall in Budgeted Grant /(Increase)</b>	<b>% Shortfall or (Increase)</b>
	<b>NLe</b>	<b>NLe</b>	<b>NLe</b>	
Bo District	9,220,380	23,152,242	13,931,862	60.18%
Bombali District	16,783,292	19,795,469	3,012,177	15.22%
Bonthe District	5,716,592	11,027,011	5,310,419	48.16%
Bo City	2,706,283	15,010,459	12,304,176	81.97%
Bonthe Municipal	6,754,276	15,403,679	8,649,403	56.15%
Falaba District	7,625,408	31,504,842	23,879,434	75.80%
Freetown City	27,298,947	39,398,618	12,099,671	30.71%
Kailahun District	13,958,892	15,598,750	1,639,858	10.51%
Kambia District	13,459,068	22,730,296	9,271,228	40.79%
Kenema District	18,685,084	23,754,904	5,069,820	21.34%
Koinadugu District	5,377,337	8,360,226	2,982,889	35.68%
Karene District	10,546,345	8,076,677	(2,469,668)	-30.58%
Kono District	4,795,413	13,219,531	8,424,118	63.72%
Kenema City	13,747,313	64,571,605	50,824,292	78.71%
Koidu New Sembehun City	5,877,575	12,679,550	6,801,975	53.65%
Moyamba District	5,205,885	11,756,882	6,550,997	55.72%
Makeni City	1,111,775	6,311,528	5,199,753	82.39%
Port Loko District	10,291,880	15,348,675	5,056,795	32.95%
Pujehun District	4,164,390	12,047,095	7,882,705	65.43%
Port Loko City	10,027,920	13,792,192	3,764,272	27.29%
Tonkolili District	4,927,718	13,511,535	8,583,817	63.53%

<b>Table 5.2</b>				
<b>Grants Transferred to LCs</b>				
<b>Council</b>	<b>Actual Grant Received in 2023</b>	<b>Total Budgeted Grant</b>	<b>Shortfall in Budgeted Grant /(Increase) NLe</b>	<b>% Shortfall or (Increase)</b>
	<b>NLe</b>	<b>NLe</b>	<b>NLe</b>	
Western Area Rural District	14,879,020	19,286,485	4,407,465	22.85%
<b>Total</b>	<b>213,160,793</b>	<b>416,338,251</b>	<b>203,177,458</b>	<b>48.80%</b>

### 5.2.2. Own-source Revenue Below Budgeted Figure

Section 49(2) of the LGA, 2022 requires that local councils should make adequate efforts to collect revenues from their own-sources.

Contrary to the above, we observed that the 22 LCs budgeted to collect a total revenue of NLe133,986,701 from internal sources, but were only able to collect NLe69,047,255, representing 60.57% of the budgeted amount. This resulted in a shortfall of NLe44,939,446, representing 39.43%.

Details are in **Table 5.3**

<b>Table 5.3</b>				
<b>Revenue Generated by LCs</b>				
<b>Council</b>	<b>Actual Revenue Generated in 2023</b>	<b>Total Budgeted Revenue</b>	<b>Shortfall in Budgeted Revenue (Increase) NLe</b>	<b>% Shortfall or (Increase)</b>
	<b>NLe</b>	<b>NLe</b>	<b>NLe</b>	
Bo District	920,236	1,855,740	935,504	50.41%
Bombali District	1,433,231	2,435,108	1,001,877	41.14%
Bonthe District	1,804,774	1,622,276	(182,498)	<b>-11.25%</b>
Bo City	4,240,538	7,310,155	3,069,617	41.99%
Bonthe Municipal	153,063	271,400	118,337	43.60%
Falaba District	166,602	730,800	564,198	77.20%
Freetown City	35,106,639	51,585,359	16,478,720	31.94%
Kailahun District	773,239	1,607,355	834,116	51.89%
Kambia District	1,098,463	2,695,305	1,596,842	59.25%
Kenema District	1,200,347	2,233,971	1,033,624	46.27%
Koinadugu District	1,507,426	2,062,292	554,866	6.64%
Karene District	171,221	344,362	173,141	50.28%
Kono District	707,743	1,169,150	461,407	39.47%
Kenema City	3,888,573	7,957,749	4,069,176	51.13%
Koidu New Sembehun City	1,662,111	3,107,271	1,445,160	46.51%
Moyamba District	2,367,416	4,493,631	2,126,215	47.32%
Makeni City	2,261,371	4,344,039	2,082,668	47.94%
Port Loko District	2,767,249	2,027,116	( 740,133 )	<b>-36.51%</b>
Pujehun District	1,686,518	2,000,982	314,464	15.72%
Port Loko City	170,658	614,720	444,062	72.24%
Tonkolili District	747,263	2,884,670	2,137,407	74.10%
Western Area Rural District	4,212,574	10,633,250	6,420,676	60.38%
<b>Total</b>	<b>69,047,255</b>	<b>113,986,701</b>	<b>44,939,446</b>	<b>39.43%</b>

One of the reasons for the shortfall according to the LCs was the defect in the CADASTRE system. The challenges they encountered in extending the assessment of dwelling and business property within the villages, towns and chiefdoms, was also stated as another reason for the shortfall. We also observed that some councils issued demand notices late during the second half of the year and that their revenue projections were not informed by data to confirm their reasonability. These led to poor revenue inflows and over-reliance of the councils on central government transfers. In as much as LCs have not been able to mobilise their own-source revenues or receive the budgeted grants from the Government on a timely basis, we are concerned that the sustainability of services delivered in their localities will be negatively affected.

The LCs should therefore judiciously use resources received in the best interest of their communities to impact the living standards of the people.

As the non-receipt of budgeted revenue negatively affects the implementation of planned activities, we recommended the following:

- (i) *The Management of LCs should embark on robust revenue mobilisation drive;*
- (ii) *Government should ensure the timely release of funds to councils;*
- (iii) *The Managements of LCs should develop a proper database to enhance their own-source revenue mobilisation and take appropriate measures to efficiently collect the required revenue; and*
- (iv) *LCs should also liaise with each other, to replicate good measures adopted by their colleagues in boosting revenue mobilisation and collection.*

### 5.3. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

#### 5.3.1. Expenditure Management and Control

##### ***Unsupported Payments***

We observed that payments totalling NLe688,624.80 for various expenses were without payment vouchers and other relevant supporting documents. Details are in the table below:

Name of Council	Amount
	(NLe)
Freetown City	76,197.00
Kono District	136,638.80
Kambia District	445,089.00
Kailahun District	30,700.00
<b>Total</b>	<b>688,624.80</b>

Additionally, we observed that payments totalling NLe1,845,189.19 were without adequate supporting documents such as delivery notes, invoices, receipts, back-to-office reports and beneficiaries lists.

#### 5.3.2. Statutory Deductions not paid to the relevant authorities

##### ***Withholding Taxes not Paid***

Withholding taxes totalling NLe1,283,865.09 from suppliers were not paid to the National Revenue Authority by nine LCs.

##### ***NASSIT Contributions not Paid***

NASSIT contributions of NLe1,173,346.30 was not paid to NASSIT by eight LCs.

Section 25 of the NASSIT Act, 2001 states that the Council is obliged to pay NASSIT contributions that was withheld within 15 days of the end of the month, in which it was or should have been withheld. Failure to pay NASSIT contributions increases the risk of penalty on the Council.

### ***Pay-As-You-Earn (PAYE) Taxes not Paid***

Section 116 of the Consolidated Income Tax Act, 2008 mandates the withholding of tax by employers at source. The audit revealed that four LCs failed to withhold PAYE taxes on employment income totalling NLe683,002.66.

**Table 5.4** gives details of non-compliance with statutory deductions

<b>Table 5.4 – Non-Payment of Statutory Deductions</b>				
<b>Name of Council</b>	<b>Withholding Taxes not Paid (NLe)</b>	<b>NASSIT not Paid (NLe)</b>	<b>PAYE not Paid (NLe)</b>	<b>Total (NLe)</b>
Bombali District	327,520.37	-	13,845.00	341,365.37
Falaba District	92,005.00	-	-	92,005.00
Kambia District	210,842.93	-	-	210,842.93
Karene District	3,302.97	6,120.00	1,120.00	10,542.97
Port Loko City	4,160.75	8,400.00	-	12,560.75
Kenema District	1,365.89	-	-	1,365.89
Kailahun District	52,773.79	169,510.00	-	222,283.79
Koidu New Sembehun City	261,818.00	774,032.30	-	1,035,850.30
Freetown City	330,075.39	-	624,555.66	954,631.05
Kono District	-	9,552.00	-	9,552.00
Kenema City	-	80,970.00	-	80,970.00
Bonthe District	-	17,266.00	-	17,266.00
Western Area Rural District	-	107,496.00	43,482.00	150,978.00
<b>Total</b>	<b>1,283,865.09</b>	<b>1,173,346.30</b>	<b>683,002.66</b>	<b>3,140,214.05</b>

## **5.4. WEAKNESSES IN INTERNAL CONTROLS**

### **5.4.1. Internal Audit not Effective in the Councils**

Internal audit is vital for promoting transparency and accountability in local council administration. Effective internal audit functions contribute to better governance by promoting ethical practices, enhancing service delivery, and increasing public trust in local councils.

Our review of the internal control systems and internal audit functions at the local councils revealed the following:

- A risk management and fraud policy not in existence.
- Planned audits not fully executed and reported as stipulated in section 91(2) of the Local Government Act, 2022
- Reports issued to Management were not always responded to.
- The Internal Audit Committee not functional
- In some Councils, the Internal Auditor reported directly to the Chief Administrator, instead of the Audit Committee.
- Audit working paper files were not maintained in a standard format.
- The Internal Audit Unit was understaffed. In most councils, the internal auditor is the only staff in the Unit

We recommended for an immediate action to address the challenges and implementing best practices. By doing so, internal audit work can significantly improve governance and service delivery in the various LCs.

## 5.5. SPECIFIC FINDINGS AND RECOMMENDATIONS

### FREETOWN CITY COUNCIL

#### *Revenue not Collected*

A total of NLe1,198,468 was owed to the Council by 90 occupants of landed property and NLe316,850 by institutions who are displaying billboards and banners for the FY2023. The Council however, failed to collect these monies from defaulting occupants. This could deprive the council of its much-needed revenue for operation and service delivery.

#### *Revenue not Banked*

Revenue from billboards advertisement amounting to NLe50,000 and conference room booking of NLe16,000 were not deposited in the Council's bank accounts, and no document of utilisation was made available for audit inspection. These funds could have been misappropriated leading to a loss of public funds.

#### *Inadequate Control over Fixed Assets*

- A total of 83 assets such as office furniture and equipment, motorbikes, tricycles and laptop computers were not seen at the stated locations or traced to other offices.
- Despite several requests, the Estate Officer failed to provide ownership documents of 62 assets purported to be the freehold properties of the Council.
- The council leased out 17 landed properties to various individual and businesses within the municipality. Lease agreement detailing the terms of the lease between the council and the lessees were not submitted.

### KAMBIA DISTRICT COUNCIL

#### *Fixed Assets not Available for Verification*

Assets procured in 2023 valued at NLe234,000 were not available for verification. There is therefore a risk that these assets could have been converted into personal use, resulting in loss of government assets. Details of the assets are in the table below:

Details of Unverified Assets	Value (NLe)
One Yamaha motorbike	140,000
One HP Laptop Computer	50,000
One LaserJet Printer	44,000
<b>Total</b>	<b>234,000</b>

We also observed that six computers (four Dell laptop and two desktop computers), and one Toyota Hilux vehicle, recorded in the fixed assets register were not produced for physical verification.

#### *Lease Rent Council Guesthouse and Resource Centre not Paid*

The Council outsourced a guesthouse in Kambia II to ALKUPS Enterprise, and a resource centre in Kambia 1 for an annual fee of NLe20,000 and NLe35,000 respectively. There was no evidence of payment and banking of these amounts.

#### *Title Deeds/Conveyances not Made Available for Audit*

During our visit to several locations where the Council claimed to own and construct markets, stores, and transit facilities, we discovered that titled deeds to prove ownership of the land were not provided for audit. Of utmost concern was that private structures have been built on the land at the Kambia Lorry Park. We further observed that offices of ward committees were constructed in 2014 with



funds from the International Fund for Agricultural Development (IFAD) Project, but were not included in the Council's fixed asset register, nor were their title deeds submitted for audit inspection.

## WESTERN AREA RURAL DISTRICT COUNCIL

### *Inadequate Control over Fixed Assets*

Several assets recorded in the assets register such as furniture, air conditioners, and computers valued at NLe113,700 were without unique identification codes.

In 2023, the council procured assets such as motorbikes, laptops, and televisions valued at NLe164,590. These assets were neither recorded in the asset register, nor were they made available for physical verification.

Description	Value (NLe)
Two Printers	11,700
One Office Furniture	32,890
One Tricycle	120,000
<b>Total</b>	<b>164,590</b>

### *Revenue not Accounted for*

Out of the total revenue of NLe43,027 from business licences, records of banking amounting to NLe20,287 were submitted, leaving a balance of NLe22,200.

### *Ineffective Solid Waste Management*

During a visit to the landfill site at Waterloo on 31st May 2024, we observed that the site was not designed to accommodate household, industrial and hazardous wastes. The site had not been demarcated and given a gate and, a store to keep cleaning tools and personal protective equipment. Even though the district has a massive area, the Council does not have waste deposits and collection transit points within the district; especially in populated areas like Goderich, Funkia, Ogoo Farm, Tokeh, and Tombo to facilitate easy and orderly movement of various forms of wastes to the landfill site at Waterloo, or Bormeh at Kingtom.

The individuals and staff of the Council handling wastes were not provided with personal protective equipment such as gloves, face masks, goggles and boots.

## MOYAMBA DISTRICT COUNCIL

### *Council Guesthouse in a Dilapidated State*

The guesthouse at the Moyamba Mini Stadium was in a dilapidated state and totally vandalised. We observed leaking roofs and cracked walls all over the building. All of the furniture including beds, tables, and cabinets had been carted away by unknown persons. Similarly, all electrical fittings including lamp holders, sockets and switches had been removed.



*Room with stolen furniture*



*Stolen electrical fittings*



*Damaged veranda*

### ***No Evidence of Revenue Collected from Local Tax Precepts***

The Council did not receive any payment for local tax precepts, despite budgeting NLe30,000. There was no agreement on the sharing ratio between the District Council and the 14 chiefdoms. The amounts to be paid to the council were determined by the respective chiefdom authorities. This could lead to taxes being diverted to private use, depriving the council of revenue to provide essential public services.

### ***Assets not Available for Verification***

Assets procured in 2023 for a total amount of NLe243,230 were not available for physical verification.

### ***Staff Loans not Recovered***

Staff loans totalling NLe40,000 were not recovered from three employees (Internal Auditor, Accountant, and a former Deputy Chief Administrator) and paid back into the Council's account.

## **Bonthe Municipal Council**

### ***Poor Condition of Council Buildings***

Both the administrative building and guesthouse need urgent refurbishment and furnishing as they pose serious health risk to people accessing them. The buildings were with roof leakages, damaged ceilings, faulty electrical switches and broken pieces of furniture.

Details are shown in the photographs below:



*Ceiling in the Parlour of the Council Guesthouse*



*Rare View of Council Administrative Building*



*Main Entrance Corridor of the Admin. Building*



*Side View Showing Damaged Ceiling of Admin. Building*

## **KARENE DISTRICT COUNCIL**

### ***Assets not Available for Verification***

During a review of the fixed assets register, we observed that one tricycle, seven motorbikes, five office furniture, 16 office equipment, one tractor (code QLN-454) recorded in the assets register were not produced for physical verification.

One Public Address (PA) system and chairs at the council's Kamakwie town hall procured from EU funds were not marked with unique identification codes. Furthermore, of the four speakers for the PA system at the Council's Kamakwie town hall, only two were included in the assets register.

***Property Taxes not Paid***

Property taxes totalling NLe16,000 were not paid to the council by mobile network companies for the 32 telecommunications masts erected within the district.

**BONTHE DISTRICT COUNCIL**

***Fixed Assets not Available for Verification***

Three laptop computers and external back-up drive bought in 2023, were not available for physical verification.

***Salary Paid Below the Statutory Minimum Wage***

Eight support staff of the Council including the account assistant, drivers, administrative assistants, cleaners and messengers, were paid below the statutory minimum wage of NLe800 during the year under review. Additionally, withholding taxes of NLe5,831.76 were deducted from their salaries which should not have been done.

**BOMBALI DISTRICT COUNCIL**

***Revenue not Banked***

Revenue collected but not banked amounted to NLe16,800. These monies could have been misappropriated leading to a loss of public funds.

***Assets not Available for Verification***

During a review of existing assets recorded in the fixed assets register, we observed that a Honda XL 125L with registration number AGB 792, recorded in the fixed assets register was not produced for physical verification.

**FALABA DISTRICT COUNCIL**

***Assets not Available for Verification***

A motorbike with registration number ANQ 183 assigned to the former Deputy Chairman, and a HP laptop computer and a digital camera assigned to a former engineer was not seen for verification. We also observed that three HP laptop computers (8GB RAM), two Yamaha YRB 125 motorbikes (blue), a projector (with screen), and a hard drive (500 GB), recorded in the fixed assets register were not produced for physical verification.

**MAKENI CITY COUNCIL**

***Title Deeds/Conveyances not made Available***

The Council's asset register shows land and buildings, but requested titled deeds/conveyances were not submitted for audit, making it difficult to determine the legal ownership of these assets.

***Assets not Available for Verification***

During a review of existing assets recorded in the fixed assets register, we observed that 24 office furniture, 11 office Equipment, one office fitting, one solid waste equipment, recorded in the assets register were not produced for physical verification.

## **PORTLOKO CITY COUNCIL**

### ***Assets not Available for Verification***

During a review of existing assets recorded in the fixed assets register, we observed that 24 laptop computers, one Global Positioning System (GPS), one smartphone POP 7, one motorbike and one electrical extension, recorded in the assets register were not produced for physical verification.

## **TONKOLILI DISTRICT COUNCIL**

### ***Inadequate Control over Fixed Assets***

Four motor vehicles were not made available for verification. Additionally, a total of 45 assorted assets were neither marked with unique identification codes, nor included in the council's fixed asset register to enhance transparency and accountability.

### ***Competitive Recruitment of Staff***

Evidence of competitive recruitment process being followed, and the relevant employment records were not submitted for six support staff employed by the council.

## **KENEMA CITY COUNCIL**

### ***Inadequate Staff Documentation and Control over Staff Payroll***

The files for 24 support staff were without appointment letters. We also observed that four support staff were paid a total of NLe17,310.50 even though they were indefinitely suspended without salary by management until the conclusion of management's investigations.

## **KONO DISTRICT COUNCIL**

### ***Inadequate Control over Management of Fixed Assets***

Several assets owned and controlled by the Council were not recorded in the assets register. In 2023, fixed assets procured worth NLe1,780,935 were not recorded in the assets register.

We also observed during a review of existing assets recorded in the assets register, that one motorbike recorded in the assets register was not produced for physical verification.

## **KAILAHUN DISTRICT COUNCIL**

### ***Title Deeds/Conveyances not made Available***

The title deeds of all the property owned by the Council and the respective lease agreements entered into during 2023 were not submitted for inspection.

### ***Staff Employment Records not Submitted***

Staff employment records were not submitted to support payment of salaries to support and contract staff totalling NLe207,570 and NLe26,139 respectively.

## **5.6. COMPLIANCE AUDIT ISSUES**

We conducted a compliance audit on the procurement of goods, works and services by the 22 LCs, for the period 1st January to 31st December, 2023. This was to ascertain whether the Councils were materially compliant with the Public Procurement Act, 2016, the Public Procurement Regulations, 2020 and the contract agreements that were in existence during the period. The following is a summary of the issues that are detailed in the individual management letters issued to the LCs:

### 5.6.1. Procurement Documents not Submitted

In spite of repeated requests, procurement documents, amounting to **NLe7,695,427.24** were not provided for audit. This is a recurring issue in LCs, where our ability to audit is sometimes limited to non-submission of documents or by a lack of response to our requests. Below is a list of procurement documents not made available for audit inspection:

Name of Council	Details of Contract	Value
		(NLe)
Tonkolili District	RFQ procurement documents	134,705.80
Kambia District	RFQ procurement documents	351,935.00
Karene District	RFQ procurement documents	307,549.00
Koinadugu District	Procurement for the leasing of community plaza, the beach bar at Yogomaia, and the community centre hall at Yogomaia	12,800.00
	Bafodia Market, the Affia Senior Secondary School completion, the fabrication of furniture for the Affia SSS	138,800.00
Bonthe District	Rehabilitation of Council staff quarter, the re-installation of solar system	249,500.00
Kono District	RFQ procurement documents	187,903.74
Kenema City	Procurement-related activities	1,191,966.70
	Contract Abandoned by contractor	413,000
Makeni City	Bidders document not submitted for five contracts awarded	4,043,704
Moyamba District	Bidders document not submitted	663,563
<b>Total</b>		<b>7,695,427.24</b>

We recommended that these documents should be submitted for audit; and that the individual councils are sanctioned by relevant authorities to deter future occurrence.

### 5.6.2. Payments to Various Suppliers/Contractors without Evidence of Work Done

During the audit, the team verified a sample of transactions for goods, works contracts and services to confirm whether they were done in line with the signed contract agreements. Our reviews revealed that amounts totalling NLe1,071,550.55 were paid to suppliers/contractors for transactions that were not carried out. The duration for these contracts had elapsed and full payments already made by the LCs. Table below provides a detailed information of these activities with the corresponding financial impact.

Name of Council	Details of Contract	Value of Work not done (NLe)
Tonkolili District	Construction of six classroom building with furniture; rehabilitation of a water well with a pump; construction of a three-seater compartment VIP latrine at T.D.C. Primary School Makali	27,320.00
Kambia District	Contract to Rocky Construction and General Supplies for the construction of a meat market and rehabilitation of a public toilet at Madina, Tonko Limba	262,924.00
	Rehabilitation of the public toilet at the Market	178,512.00

Name of Council	Details of Contract	Value of Work not done (NLe)
	Rehabilitation of public toilet at Barmoi Luma Market stalls	179,781.00
	Construction of Lawn and Kerbs	136,085.90
Falaba District	Contract to Rocky Construction and General Supplies for the construction of a meat market and rehabilitation of a public toilet at Madina, Tonko Limba Rehabilitation and Extension of a Community Health Post (CHP), VIP Latrine with WASH facility at Firawa, Barawa Wollay Chiefdom	52,300.00
Bo District	Construction of a hand-dug well and the installation of a 3-horse power solar pump	119,411.65
Freetown City	Rehabilitation of the Murray Town Peripheral Health Unit	
	Painting work as per the bills of Quantity	10,260.00
	Maintenance work for plumbing installation	15,500.00
	Meter installation, and maintenance to the electrical system and construction of the water tower and tank	25,000.00
	Concrete work on the incinerator	38,000.00
	Construction of perimeter fence and office space for cemetery attendants at Circular Road Cemetery	411,770.00
	Plumbing, electrical installation, finishing, glazing, painting and external work on the office space for cemetery attendants	26,456.00
<b>Total</b>		<b>1,071,550.55</b>

We recommended that the Chief Administrator should ensure that the contractors are immediately contacted for the completion of the contracts. Otherwise, the amount in respect of work not done should be recovered (with interest) and paid back into the Council's account.

#### 5.7. OTHER COMPLIANCE ISSUES IDENTIFIED IN VARIOUS LCs

Failure to ensure a fair and competitive procurement processes often affect communities directly, when contractors and suppliers fail to fulfil their contractual obligations.

In 2023, we identified LCs that were not compliant with procurement laws and terms of contract.

The following were observed:

#### MAKENI CITY COUNCIL

##### *Business Documents of Bidders not Submitted for Audit*

We examined the bid documents, evaluation reports and contract documents between the Council and contractors for the period under review. We observed that pertinent business documents such as Council registration certificate, business licence, business registration certificate, Sierra Leone Roads Authority Certificate, site visitation certificate were not produced to confirm the eligibility of bidders, for the award of five contracts worth NLe4,043,704.

Consequently, the Council's inability to request for these documents could encourage the participation of ineligible businesses in public procurement activities, which could deter the achievement of value for money.

Additionally, we observed that retention monies were paid to the contractors even though the Civil Works Engineer had not issued completion certificates to contractors for the completed contracts.

We recommended that the Procurement Officer and Civil Works Engineer should submit the required documents to the ASSL. In future, the PO should ensure that all bidders submit the required documents to confirm their eligibility to partake in procurement activities as stipulated in the Act and the Regulations.

#### ***Use of RFQ Instead of NCB Method***

Upon review of the procurement documents, we observed that contracts for goods and service worth NLe137,639 were awarded using the RFQ instead of the NCB procurement method.

We recommended that the Procurement Officer (PO) should ensure that procurement activities undertaken by the Council, follow the stated thresholds as stipulated in the Act and Regulations for methods of procurement to be used.

#### ***Minutes of Procurement Committee Meeting not Submitted***

The Procurement Unit evaluated bids and awarded contracts for five works projects with a total value of NLe4,043,704; for the maintenance of roads, construction of bridges and culverts, funded by the GoSL through the RMFA, and one works contract valued at NLe1,285,818 for the construction of mini-stores at the Port Loko Lorry Park, funded by the European Union (EU). The Procurement Unit however, failed to submit minutes of procurement committee meeting to confirm the approval of bidding documents, draft advertisements prepared by the unit and for the review and approval of evaluation reports. Moreover, we were unable to confirm how decisions were reached to award the contracts to the successful bidders.

We recommended that the CA and the PO should provide minutes of the procurement committee meeting supporting decisions taken by the committee to award the contracts, to the ASSL.

#### ***Advance Payment Guarantees not Submitted***

From a review of procurement documents and contract agreements for five RMFA road works contracts, with a total value of NLe4,043,704, we observed that advance payment guarantees were not obtained from contractors before total advance payments of NLe1,146,390.05 was made to them, contrary to what is stated in the contract. As a result, the council will have no fall-back safety if the contractors failed to comply with the terms of the contract.

We recommended that the PO and FO should submit the advance payment guarantees to the ASSL. They should ensure that in future, the contractors submit advance payment guarantees for all procurement contracts before effecting payments.

### **PORT LOKO DISTRICT COUNCIL – 2023**

#### ***Bidding Processes not Properly Followed for National Competitive Bidding***

- We reviewed the bid evaluation report submitted by the Evaluation Committee, for the rehabilitation and upgrading of the African Methodist Episcopal Primary School valued at NLe938,448. We observed inconsistencies in the report, in which the Evaluation Committee stated that the procurement was advertised for two weeks, published on the National Public Procurement Authority website on 15th November 2022 and in three newspapers. We browsed through the website of the NPPA on 10th July 2024 and however noted that, the

invitation for bids for the aforementioned project, was not published as stated by the evaluation committee. There were other publications on the NPPA website, but this was not there.

- We reviewed the bid evaluation report and minutes of the bid opening process for the rehabilitation and upgrading of the African Methodist Episcopal Primary School and noted that, the evaluation report and bid opening minutes were not signed by members of the Technical Evaluation Committee and members of the procurement committee respectively.
- Furthermore, the bid evaluation report and minutes for the rehabilitation and upgrade of the African Methodist Episcopal Primary School with a contract price of NLe938,448.65 and the Maternal Health Post at Kawengha with a contract price of NLe858,664.85, revealed that the evaluation report was only signed by the PO and his assistant who were not members of the evaluation committee.

### ***Contract for Construction of Additional Stalls at Lunsar Market Abandoned***

We reviewed the procurement documents submitted and carried out physical verification of the project site and observed that, the project's completion period was four months and the intended completion date was 31st October, 2023. At the time of the site verification exercise on 17th July 2024, the project was however only 50% complete according to the work completion certificate and no work was ongoing. We also observed that a measured works certificate was issued to the contractor, and payment of the 50% measured works amounting to NLe270,928.03, was made in September 2023. Discussion with the Civil Works Engineer revealed that, there is a dispute over the ownership of the land.

We recommended the following:

- The CA, the Chairman of the Council and the Development Committee should collaborate with other stakeholders including the family claiming ownership of the land, to resolve the issue without further delay. The CA should also ensure that, once the issue is resolved, the resolution should be documented and all parties signed, including witnesses regarding the ownership.
- Once the dispute is resolved, the council should review the contract agreement to specify new completion dates.

## **TONKOLILI DISTRICT COUNCIL - 2023**

### **Concrete Testing Cost in the Bill of Quantities (BOQ) without Evidence of Test Conducted**

Two contracts with a total value of NLe1,959,715.10 were awarded for the rehabilitation of a community health center and the construction of six classroom building at Mayorpoh, Gbonkolenken Chiefdom. These contracts were funded by the World Bank under the Accountable Governance Project. We observed that, an amount of NLe13,990 was included in the BoQs for concrete testing; but no evidence of test result was provided to confirm that the testing was actually carried out by the contractor.

We recommended that the CA should refund the NLe13,990.00 included in the BoQs for an activity that was not done.

## **KENEMA CITY COUNCIL**

### ***Use of RfQ Instead of NCB Method***

A review of procurement activities revealed that, RFQ procurement method was used to undertake two procurement activities totalling NLe413,000 instead of NCB method as listed below:



- (a) Procurement for hiring of bulldozers for the cleaning of dump site amounting to NLe155,000.
- (b) Procurement of tools for the clearing of illegal dump site totalling NLe258,000.

We recommended that the Chief Administrator should ensure the following:

- (i) The Procurement Officer provide an adequate explanation backed by supporting documentary evidence why there was a breach of the procurement thresholds set by the NPPA.
- (ii) The Procurement Officer for FY2023 should be held accountable for this infraction.

## **MOYAMBA DISTRICT COUNCIL**

### ***Bidders' Business Documents not Submitted for Audit***

We did not obtain any evidence to indicate that bidders submitted valid documents such as business registration certificates, business licences, NASSIT clearance certificates and NRA tax clearance certificates, for various procurement transactions totalling NLe663,563. This was a breach of Regulation 111(2b&c) of the Public Procurement Regulations, 2020.

The audit team could not confirm the basis upon which these contracts were awarded to the bidders.

We recommended that the Procurement Officer (PO) should submit the necessary procurement documentation to support the contracts were awarded.

### ***Use of RfQ Instead of NCB Method***

We observed that three procurement transactions valued at NLe708,665 were carried out using the wrong procurement method. The Request for Quotation (RFQ) method was used instead of the National Competitive Bidding (NCB); even though the transactions were above the RFQ threshold. This could lead to the award of contracts to non-performing suppliers/bidders.

*We recommended that the Procurement Officer (PO) should provide adequate documentary evidence in support of the use of RFQ, instead of the NCB method.*

## **FREETOWN CITY COUNCIL**

### ***Contracts for Works Awarded without Technical Evaluation***

The Council awarded eight contracts worth NLe651,037 to various contractors for construction, renovation and rehabilitation works using the Request for Quotation method. Our review of the procurement records submitted revealed that, the Procurement Unit failed to conduct technical evaluation of quotations submitted by suppliers to ascertain whether the contractors have the requisite experience, capacity and machinery to execute the contracts, contrary to Regulation 71(1-5) of the Public Procurement Regulations, 2020. This could result in contracts being abandoned due to lack of experience and machinery by contractors.

We recommended that the Procurement Officer should submit the basis for which works contract were awarded to contractors without technical evaluation of quotations submitted. Going forward, the Procurement Officer should ensure that technical evaluation is conducted for bids and quotations submitted by suppliers, to verify whether contractors have the requisite experience, capacity and machinery to execute the contracts.



# PART III



## CHAPTER VI – DONOR-FUNDED PROJECTS, PUBLIC ENTERPRISES AND COMMISSIONS

MAIN POINTS .....	239
6.1. INTEGRATED AND RESILIENT URBAN MOBILITY PROJECT - 2023 .....	241
6.2. GAVI HEALTH SYSTEMS STRENGTHENING (HSS): 2023 .....	252
6.3. SIERRA LEONE FREE EDUCATION PROJECT- 2023 .....	258
6.4. AGRICULTURE VALUE-CHAIN DEVELOPMENT PROJECT (AVDP) - 2023 .....	259
6.5. ICELAND PARTNERSHIP COOPERATION PROJECT (IPCP): 2019-2023 .....	263
6.6. RURAL FINANCE AND COMMUNITY IMPROVEMENT PROGRAMME (RFCIP PHASE II) - 2023 .....	263
6.7. SIERRA LEONE AGRO-PROCESSING COMPETITIVE PROJECT (SLAPCP) - 2023 .....	267
6.8. SIERRA LEONE ECONOMIC DIVERSIFICATION PROJECT (SLEDP) - 2023 .....	267
6.9. SIERRA LEONE FINANCIAL INCLUSION PROJECT (SLFIP) - 2023 .....	269
6.10. SIERRA LEONE SKILLS DEVELOPMENT PROJECT (SLSDP) - 2023 .....	270
6.11. NATIONAL SOCIAL SECURITY AND INSURANCE TRUST - 2023 .....	271
6.12. ELECTORAL COMMISSION FOR SIERRA LEONE (ECSL) - 2023 .....	281
6.13. SIERRA LEONE BROADCASTING CORPORATION - 2023 .....	285
6.14. GUMA VALLEY WATER COMPANY - 2023 .....	289
6.15. ELECTRICITY DISTRIBUTION AND SUPPLY AUTHORITY - 2023 .....	290
6.16. ELECTRICITY GENERATION AND TRANSMISSION COMPANY - 2023 .....	295
6.17. SIERRA LEONE AIRPORTS AUTHORITY - 2023 .....	296
6.18. SIERRA LEONE ROADS SAFETY AUTHORITY – 2023 .....	297
6.19. NATIONAL MINERALS AGENCY - 2023 .....	304
6.20. NATIONAL COMMUNICATIONS AUTHORITY (NatCA) – 2023 .....	305
6.21. SIERRA LEONE ROAD AUTHORITY - 2023 .....	305
6.22. ROAD MAINTENANCE FUND ADMINISTRATION - 2023 .....	306
6.23. NJALA UNIVERSITY – 2023 .....	307
6.24. EASTERN TECHNICAL UNIVERSITY – 2023 .....	311
6.25. MILTON MARGAI TECHNICAL UNIVERSITY - 2023 .....	315
6.26. SIERRA LEONE CIVIL AVIATION AUTHORITY - 2023 .....	324
6.27. NATIONAL MEDICAL SUPPLIES AGENCY - 2023 .....	325
6.28. NATIONAL PUBLIC PROCUREMENT AUTHORITY (NPPA) - 2023 .....	327
6.29. SIERRA ESTATE MANAGEMENT COMPANY: 2023 .....	328
6.30. SIERRA BLOCK CONCRETE PRODUCTS LIMITED - 2023 .....	329

6.31.	NATIONAL CIVIL REGISTRATION AUTHORITY - 2023 .....	330
6.32.	POLITICAL PARTIES REGULATION COMMISSION - 2023.....	332
6.33.	UNIVERSAL ACCESS DEVELOPMENT FUND (UADF) - 2023 .....	333
6.34.	SIERRA LEONE METEOROLOGICAL AGENCY - 2023.....	333
6.35.	SIERRA LEONE PORTS AND HARBOURS AUTHORITY - 2023 .....	334
6.36.	COUNCIL OF LEGAL EDUCATION - SIERRA LEONE LAW SCHOOL: 2022 - 2023 .....	334
6.37.	NATIONAL ASSETS AND GOVERNMENT PROPERTY COMMISSION: 2019-2022.....	335
6.38.	NATIONAL CONSERVATION TRUST FUND: 2019 - 2022 .....	335
6.39.	SIERRA LEONE MARITIME ADMINISTRATION - 2023 .....	337
6.40.	NATIONAL COMMISSION FOR SOCIAL ACTION - 2023.....	343
6.41.	INDEPENDENT COMMISSION FOR PEACE AND NATIONAL COHESION - 2023 .....	346
6.42.	ERNEST BAI KOROMA UNIVERSITY OF SCIENCE AND TECHNOLOGY: 2022 - 2023 .....	349
6.43.	BANK OF SIERRA LEONE - 2023 .....	353
6.44.	SIERRA LEONE COMMERCIAL BANK - 2023.....	356
6.45.	ROKEL COMMERCIAL BANK 2023.....	366
6.46.	NATIONAL TOURIST BOARD:2023.....	369

## **MAIN POINTS**

### **What We Examined**

Section 118 of the Public Financial Management Act, 2016 requires State-owned Enterprises (SOEs) to prepare Financial Statements in accordance with the International Accounting Standards and the International Public Sector Accounting Standards and should be audited by the Auditor-General or an auditor appointed by him. This also includes audits of the annual Financial Statements of commissions and various donor-funded projects supported by the World Bank, GAVI and the African Development Bank (AfDB).

The audit includes a formalised risk-based audit planning process, a review of internal control systems and procedures, physical examination of assets, substantive verification of samples of transactions and such other tests as may be necessary in the circumstances.

The focus is to conduct an in-depth examination of the Financial Statements and to determine whether they present a true and fair view of the financial position and operations for the accounting period under review. In determining what is true and fair, the criteria used are the set of accounting principles and financial disclosure requirements used to create the Financial Statements. They are set down in the professional requirements and guidance of recognised accounting standard bodies and to some extent in the law.

Our examination also focuses on the various objectives and mandates for which these SOEs were established, in order to deliver various services to the citizens. We examined whether the services rendered to citizens are being delivered to the maximum benefit as expected by citizens.

Generally, SOEs have distinct enabling legislation with which they must comply. Our audit examination also includes a review for compliance with such legislation.

At the conclusion of the audit, the auditors issue an audit opinion to those charged with governance, which clearly shows the performance of SOEs.

### **Why It Is Important**

State-owned enterprises and commissions are created for various legitimate reasons by governments everywhere. They are legal entities created through various acts of Parliament, to undertake commercial activities on behalf of government. Their overall objective is to create value and, where applicable, ensure the smooth execution of specific public policy assignment. Some SOEs are governed by independent Board of Directors, while other are supervised by relevant government ministries. Furthermore, some have access to government subsidies and other benefits, and they can engage in commerce with the private sector. The Public Financial Management Act, 2016 refers to SOEs as 'Public Enterprises'.

They are in critical sectors such as water and power supply, road construction, tertiary education, banking, sea transportation, telecommunications and mineral resources. They carry out a significant number of economic activities in Sierra Leone, and have a major impact on infrastructural development as well.

Funds from organisations like the World Bank, GAVI and the African Development Bank, are audited in order to ascertain that they are used according to the terms agreed upon with donors. This helps maintain donor confidence and secure continued support for future projects.

As a result, the audits of donor funded projects, public enterprises and commissions are of considerable importance.

### What We Found

The significant matters that were identified in the audit examinations across all donor funded projects public enterprises and commissions, fall into the following areas:

- Payments made with the relevant supporting documents to justifying fund utilisation.
- Not making assets available for physical verification.
- Revenue not paid into the designated account, and the Consolidated Fund.
- Unpaid taxes and NASSIT contributions.
- Salaries paid to non-existing staff

These observations are expanded on in greater detail in the paragraphs that follow. A summary of irregularities with financial impact identified is provided in **Table 3** below.

We also observed some ICT issues across SOEs. However, considering their sensitivity and security implications, those issues have been reported in the Final Management Letters.

Category of Irregularities	Amount			
	NLe	US\$	€	£
Unsupported Payments	7,611,191.80		7,590.00	9,850.00
Statutory Deductions (Withholding taxes, PAYE taxes and GST) not paid to NRA	65,950,220.78	-	-	18,614.36
Salary and Payroll Administration	578,252.00	-	-	-
Revenue Management	802,358.00	-	-	-
Assets & Stores Management	1,465,641.00		-	-
<b>Total</b>	<b>76,407,663.58</b>	<b>-</b>	<b>7,590.00</b>	<b>28,464.36</b>



## DETAILED FINDINGS AND RECOMMENDATIONS

### 6.1. INTEGRATED AND RESILIENT URBAN MOBILITY PROJECT - 2023

#### 6.1.1. Procurement Management

We reviewed the procurement related processes, procedures, regulations and supporting documents to confirm whether IRUMP complied with the necessary rules and regulations during the year under review. We noted instances where there were procurement and contract management deficiencies occurred which are detailed below:

Transaction	Contract Amount	Finding/Implication	Recommendation	Official Response	Auditor's Comment
Procurement of bus monitoring control centre equipment.  Contractor: Techwire  Procurement Method (NCB)	US\$856,500	(i) Upon review, it has become apparent that the supplier, despite receiving the last 30% advance payment, has encountered challenges in fulfilling the remaining milestones outlined in the contract. This delay has had a significant impact on project delivery, necessitating the consideration of a no-cost addendum to extend the validity of the contract. It is crucial to address this situation promptly in order to mitigate further disruption to the project timeline and ensure successful completion.	The procuring entity should ensure that best practices are adopted from inception to completion of the procurement cycle, as failure to play by the rules exposes the procurement system to serious risk, including financial, human and organisational.	(i) <i>We acknowledge the finding with regards to the challenges faced by the contractor. However, we strongly disagree with the wordings used in the recommendation as they are inconsistent with the finding.</i>  <i>We can confirm that best practices were used in this procurement process from inception to completion.</i>  <i>As stated above, there were no failure to play by the rules. All rules and processes were fully complied with.</i>  <i>However, we do acknowledge that there were challenges in</i>	(i) The issue remains unresolved, as no action was taken to implement our audit recommendations

Transaction	Contract Amount	Finding/Implication	Recommendation	Official Response	Auditor's Comment
		<p>(ii) We observed that the contract stated that inspection and test shall be completed within 12 weeks after the receipt of the advance payment, in line with contract signature. However, we observed that this was not achieved since the contractor did not deliver as against the set milestones.</p>		<p><i>implementing this contract as stated below:</i></p> <p><i>(ii) It is important to note that the fulfilment of this contract is linked with the deliverables from other contracts. There have been some delays with this assignment due to the incompleteness of the bus stops and the transit terminal at Lumley.</i></p> <p><i>In addition to 2 above, there were issues of Project Affected Persons (PAPs) at selected bus stops. There were incompatibility issues with monitoring software and the console in the buses.</i></p> <p><i>Following the above, it is important to note that these issues have been resolved and contract implementation is ongoing.</i></p> <p><i>All PAPs issues have been resolved, deliverables from other contracts such as the bus stops and transit terminal are substantially completed which will enable the contractor to fulfill the outstanding milestones. Hence</i></p>	<p>(ii) The issue remains unresolved, as no action was taken to implement our audit recommendations</p>

Transaction	Contract Amount	Finding/Implication	Recommendation	Official Response	Auditor's Comment
		<p>(iii) Evidence of installation of the hardware equipment in the control center, buses and the bus stop as stipulated in milestone No.2 of the contract cannot be established.</p>		<p><i>the reason for the no cost extension.</i></p> <p><i>(iii) The bus monitoring center equipment was procured and installed at the monitoring centre at Wallace Johnson Street within the required contract timeline, and the center is fully established awaiting operationalization after integration with the transit transport terminal, bus stops and the buses. The progress to date is about 75% of the contract implementation.</i></p> <p><i>Installation of equipment at the following bus stop locations have been completed:</i></p> <ol style="list-style-type: none"> <li><i>1. Aberdeen Road</i></li> <li><i>2. Congo Cross</i></li> <li><i>3. Ferry Junction</i></li> <li><i>4. Calaba Town</i></li> </ol> <p><i>The installation at the remaining bus stop locations are ongoing following the completion of the terminal, hence the reason for the no-cost extension.</i></p>	

### 6.1.2. Contract Management

Transaction	Contract Amount	Findings/Implication	Recommendations	Official Response	Auditor's Comment
<p>Construction of bus stops for east &amp; west corridor for public transport buses.</p> <p>Contractor: Te Duem Commodity Trading Company</p>	NLe13,301,667,500	<p>(i) Copy of the performance security and environmental, social, health and safety security were not sighted in the file during the review. These securities are crucial components of the contract, serving as safeguards to ensure compliance with project requirements and standards. The absence of these documents raises concerns regarding risk mitigation and adherence to regulatory obligations.</p> <p>(ii) From our review of the aide memoire and other related documents, we noted significant delay in contract completion.</p>	<p>These discrepancies raise concerns about the fulfilment of contractual obligations and call for remedial actions to address the deficiencies and mitigate associated risks.</p>	<p>(i) <i>This is an ongoing contract which have been audited and all documents referred to under findings are available in the Financial Management file. Copies of the said documents are available for your verification.</i></p> <p>(ii) <i>There was significant delay due to exchange rate loss impact on the contract that took over a year and half for the PIU, contractor and the World Bank to get amicable solution.</i></p>	<p>(i) The issue remains unresolved, as no action was taken to implement our audit recommendations.</p> <p>(ii) The issue remains unresolved.</p>

Transaction	Contract Amount	Findings/Implication	Recommendations	Official Response	Auditor's Comment
				<i>However, this has been resolved with all parties. Aide memoires and relate correspondences are available for review.</i>	
Design and build of four pedestrian overpasses at selected locations within the Freetown Municipality.  Contractor: Salone Engineering and Construction (SECON) SL Ltd.	NLe28,868,602,212.25	(i) The Advance payment and Environmental Social, Health and safety performance security was also not sighted in the file during the review. Advance payments are typically negotiated to facilitate project mobilisation and initial expenses. Meanwhile, ESHS performance security is essential for ensuring compliance with environmental, social, health and safety standards throughout the project lifecycle. The absence of these provision raises uncertainties regarding risk mitigation and adherence to regulatory requirements.  (ii) There had been a significant delay in contract completion.	These discrepancies raise concerns about the fulfilment of contractual obligations and call for remedial actions to address the deficiencies and mitigate associated risks.	(i) <i>This is an ongoing contract which has been audited and all documents referred to under findings are available in the financial management file. Copies of the said documents are available for your verification.</i>  (ii) <i>There was significant delay due to exchange rate loss</i>	(i) The issue remains unresolved, as no action was taken to implement our audit recommendations  (ii) The issue remains unresolved, as no

Transaction	Contract Amount	Findings/Implication	Recommendations	Official Response	Auditor's Comment
		(iii) From desk and field review the activity is 90% completed.		<p><i>impact on the contract that took over a year and half for the PIU, the contractor and the World Bank to get amicable solution. However, this has been resolved with all parties.</i></p> <p><i>Aide memoires and related correspondences are available for review.</i></p> <p><i>Also safeguard issues significantly delay progress implementation such as relocation of EDSA cables, Guma underground pipes and other communication lines.</i></p> <p><i>(iii) We accept findings that the activity is within 90% completion.</i></p>	action was taken to implement our audit recommendations.
Procurement for the supply	US\$7,497,000	(iv) We observed that while the initial contract stipulated the	These discrepancies raise concerns about the	<i>(iv) 50 buses were manufactured and one</i>	(iv) The issue remains

Transaction	Contract Amount	Findings/Implication	Recommendations	Official Response	Auditor's Comment
<p>and delivery of 50 public transport buses and spare parts for the Ministry of Transport and Aviation.</p> <p>Supplier: TK Xport LLC</p>		<p>delivery of 50 buses and associated spare parts, only 49 buses were received by the time the audit verification was conducted in May 2024.</p> <p>(v) The technical inspection report conducted by the Sierra Leone Road Transport Corporation on 8th and 9th December 2023, highlighted defects in some of the buses.</p>	<p>fulfilment of contractual obligations and call for remedial actions to address the deficiencies and mitigate associated risks.</p>	<p><i>was involved in a serious accident on the way to the quay for shipment hence the reason why 49 buses were received in Freetown.</i></p> <p><i>The supplier has informed the PIU that the bus has been fixed awaiting shipment but they are having challenge to ship a single bus all the way from India to Freetown. Other shipment alternatives are been sought for the delivery of the one bus.</i></p> <p><i>The PIU still have retention payment of 10% outstanding for the supplier.</i></p> <p><i>(v) There were minor defects in some of the buses and this was communicated to the supplier to which replacement was done</i></p>	<p>unresolved, as no action was taken to implement our audit recommendations.</p> <p>(v) The issue remains unresolved.</p>

Transaction	Contract Amount	Findings/Implication	Recommendations	Official Response	Auditor's Comment
		<p>Although these issues were communicated to the supplier for rectification, there was a lack of documentary evidence confirming whether the identified defects had been addressed.</p> <p>(vi) We found out that the equipment accompanying the buses, including driver consoles, trackers, and on-board cameras, were either non-functional or incompatible with the planned control center system. This has necessitated additional expenses to source compatible equipment, significantly impacting both project timelines and overall costs.</p>		<p><i>and unfortunately among the re-shipped items eight out of ten windshields were broken onboard shipment. To this end, the supplier has undertaken to re-ship for the second time all broken windshield. The PIU still have retention payment of 10% outstanding for the supplier.</i></p> <p><i>(vi) The initial control centre system installed on the buses were incompatible with equipment accompanying the buses, including driver consoles, trackers, and on-board cameras for bus monitoring. However, the supplier is currently reinstalling equipment compatible with driver consoles, trackers, and on-board cameras on the buses with no</i></p>	<p>(vi) The issue remains unresolved.</p>



Transaction	Contract Amount	Findings/Implication	Recommendations	Official Response	Auditor's Comment
		(vii) The contract failed to outline the required spare part to be delivered with the buses, thus exposing the project to various risks including operational disruption, increased costs, legal disputes, customer dissatisfaction, and concerns regarding maintenance and safety.		<i>additional cost and the expected completion date is 31st July, 2024.</i>  <i>(vii) Spare parts for the buses is captured as annex to the contract. This document is available for verification.</i>	(vii) The issue remains unresolved, as no action was taken to implement our audit recommendations
Procurement for road improvement on the West Corridor or the central business district with signalization at selected intersections. Supplier: Pavi Fort AI-Associates &	US\$10,787,389.99	(viii) Locations where the streetlights and traffic lights should be installed were not stated in the contract.	These discrepancies raise concerns about the fulfilment of contractual obligations and call for remedial actions to address the deficiencies and mitigate associated risks.	<i>(viii) The project specifics is captured in the contract with detailed locations for installation of both street light and traffic signals along east and west corridor respectively. This document is available for verification.</i>	(viii) The issue remains unresolved, as no action was taken to implement our audit recommendations.

Transaction	Contract Amount	Findings/Implication	Recommendations	Official Response	Auditor's Comment
Ayhanlar Holdings JV		(ix) The design, drawings, bills of quantities and technical specifications were not sighted during the review process, hence making it impossible to measure and track the expected output required.		<i>(ix) The design, drawings, bills of quantities and technical specification are available for verification.</i>	(ix) The issue remains unresolved, as no action was taken to implement our audit recommendations.

### ***Physical Verification and Condition of Buses***

Upon physical verification at Cockrill and SLRTC, only 47 buses were sighted. Eight out of the verified buses were found with cracked windscreens, which have not yet been replaced. Initially the supplier provided 10 windscreens for replacement, but eight of these were damaged upon delivery. The supplier has yet to deliver the damaged eight windscreens.

### ***Spares and storage conditions***

The contract did not specify the list or required quantities to be delivered with the buses, making reconciliation of delivered spares almost impossible.

The storage facility for the spares is in a deplorable condition, with some sections of the roof badly damaged. This exposes the spares to rain and heat, which could eventually lead to their damage if immediate action is not taken.

### ***Bus Stops and flag poles installation***

From a total of 188 bus stops to be constructed, only 93 have been constructed. Physical verification revealed that the construction of some of the bus stops have not been completed as per contract specifications. We also observed that some of the bus stops have metal grills at the entrance, thereby preventing easy access for commuters to seat and wait for the buses. Moreover, we further observed that some of the seating accommodations were being used as stall for traders.

### ***Streetlights and traffic lights***

Streetlights were installed in all four locations where the foot bridges are located, namely: Wilberforce, Lumley, shell and Jui. During the time of our verification these streetlights were functioning effectively, however the installed traffic lights were not functioning in all the locations in which they were installed.

### ***Official Response***

#### ***Short fall in Bus Delivery***

*The Project fully agrees with your observations.*

#### ***Physical verification and condition of Buses***

*50 Buses were manufactured and 1 was involved in a serious accident on the way to the quay for shipment hence the reason why 49 buses were received in Freetown.*

*The supplier has informed the PIU that the Bus has been fixed awaiting shipment, but they are having challenge to ship a single Bus all the way from India to Freetown. Other shipment alternatives are being sought for the delivery of the one bus.*

*The PIU still have retention payment of 10% outstanding for the supplier.*

*There were minor defects in some of the buses and this was communicated to the supplier to which replacement was done and unfortunately among the re-shipped items eight out of ten windshields were broken on-board during shipment. To this end the supplier has undertaken to re-ship for the second time all Broken Windshield.*

#### ***Spares and storage conditions***

*Spare parts for the buses are captured as annex to the Contract. The other concern with regards storage condition will be addressed with immediate effects with the Sierra Leone Public Transport Authority (SLPTA)*

#### ***Bus Stops and flag poles installation***

*Out of a total of 188 bus stops (77 Sheds & 111 Flagpole) 58 sheds and 35 flag poles have been completed.*

*There was significant delay due to exchange rate loss impact on the contract that took over a year and half for the PIU, Contractor and the World Bank to get amicable solution. However, this has been resolved with all parties.*

*We will continue to engage law enforcement bodies to resolve your other concern with respect to the facilities being used as stall for traders.*

#### Streetlights and traffic lights

*The Project fully agree with your observations in relation to the streetlights. The traffic lights are fully installed in all seven intersections and delays in full operationalization were as a result of installation of solar component, addressing some minor technical timing issues and traffic management at these intersections. However, the installation of the solar component and technical timing issues have been resolved and testing is ongoing. Traffic Management issues are being worked on and we intend to permanently switch on the traffic signals by mid of July 2024.*

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

- The issue with the short fall in bus delivery remains unresolved.
- Issues with the Buses verified remain unresolved.
- Spares and storage conditions issues remain unresolved.
- Issue relating to bus stops remain unresolved.
- Streetlights and traffic lights issue remain unresolved.

## **6.2. GAVI HEALTH SYSTEMS STRENGTHENING (HSS): 2023**

### **6.2.1. Vaccine Management**

#### **6.2.2. Vaccines not Stored under the Required Temperature and Ice Packs Not Kept Properly**

Section 4.1.2 of the guidelines for the planned preventive maintenance of Cold Chain Equipment in Sierra Leone states that: monitoring of temperatures in refrigerators must be a routine activity and a task that should be carried out at the start and end of each working day.

We observed the following during a review of the vaccine management system:

- Two PHUs have not been performing the monitoring exercise. Additionally, we reviewed the temperature chart at Needy Community Health Centre (CHC) – Bo. From the temperature data on this chart, we observed temperature fluctuations over and above the required temperature range (+2 degrees Celsius to +8 degrees Celsius) in September 2023; which is a threat to vaccines potency stored in the refrigerator.
- At the Bo District Health Management Team (DHMT), we observed that the two functional vaccine refrigerators were fully stacked (i.e. full capacity) with no space left for the circulation of air which could ultimately reduce the chances for all the vaccines in it to benefit from the optimal temperature (+2<sup>o</sup> to +8<sup>o</sup> Celsius).
- We verified two faulty vaccine refrigerators at the Bo DHMT which have not been replaced; this could be the reason for the overstocking of the functional refrigerators.
- Freezer tags assigned to all PHUs must be taken to their respective DHMTs for monitoring every month. We however observed that this has not been the normal practice by the PHUs and they have not been held culpable for not doing the needful.
- We also observed that the freezer tags used to measure the temperature of the refrigerators showed that, the two ice-lined refrigerators' temperature measured 14<sup>o</sup> Celsius; which was far above the optimal temperature (+2<sup>o</sup> to +8<sup>o</sup> Celsius) at the Bo DHMT, whilst the freezer tag at

the Pujehun DHMT, showed the alarming temperature in the freezer for four consecutive days.

- Reusable ice packs, meant to be placed in the cooler into which vaccines are placed during the administration of vaccines to children were scattered all over the floor at the Bo DHMT, whilst at Pujehun DHMT the ice packs were stored outside in open air and seem to have been abandoned.
- We verified ice packs at the Bo and Pujehun DHMTs that have already been damaged and not fit for purpose.

These could compromise the vaccine potency and safety, putting the beneficiaries at risk of adverse reactions. We recommended that the Programme Manager engage the DMO at the Bo DHMT to ensure the faulty refrigerators are fixed (where applicable). Otherwise, these should be replaced to prevent further overstocking. Additionally, the DMO at the Bo and Pujehun DHMTs should ensure regular monitoring of the freezer tags for the optimal temperature to be always maintained and to also ensure the reusable ice packs are orderly packed in the store.

### **Official Response**

*Recently, we have introduced new vaccines, Malaria, HPV and COVID-19 and during the audit period, two rounds of polio campaigns were ongoing which may have led to the overstocking of district stores.*

*Additionally, we have procured CCE equipment pending distribution to the districts (two per district). In our recently approved CCEOP Application, we plan to procure 103 sets of equipment and spare parts to replace obsolete or faulty equipment. We have distributed spare parts to facilitate the repair of current faulty equipment.*

*Regarding the issues around the storage of unused empty ice packs, the DHMTs will be engaged. It is against this background and complaints around storage space that the Project is constructing five district stores in Kambia, Karene, Falaba, Kenema and Bontbe and two regional warehouses in Freetown and Bo.*

*Once this is completed, the districts will have enough storage space for vaccines and other materials. We plan to further expand in the remaining districts.*

### **Auditor's Comment**

Management's comments regarding the overstocking of the vaccine refrigerators at Bo DHMT are noted and actions taken to provide additional cold chain equipment, spare parts, and storage spaces in the districts and to investigate the issue of the ice packs have also been taken into consideration. Therefore, a follow-up will be conducted in subsequent audits to confirm that the necessary corrective actions have been taken.

#### **6.2.3. Expired Vaccines at DHMTs**

Article 8.2.3 of the Standard Operating Procedures for Effective Vaccines Management in Storage Facilities requires at the end of each month, to take inventory of vaccines and consumables available paying special attention to expiration dates. Vaccines that will expire within 60 days which cannot be exhausted before expiration, informs the supply level immediately for redistribution to others who will need them and will be able to do so before expiration.

The above requirements were not met as during a physical verification exercise at six selected DHMTs, we verified 17,400 doses of expired COVID-19 Johnson & Johnson vaccines. Even though these vaccines were separated from others, evidence was not provided to show that the DMO had communicated to headquarter for their collection and eventual disposal.

We recommended that the Programme Manager should ensure the DMOs conduct periodic stock checks regarding expired vaccines and inform headquarters for the removal of the expired vaccines from the DHMT stores. Evidence of the engagement should be submitted for audit inspection.

#### **6.2.4. Mobility Constraints at the Peripheral Health Units (PHUs)**

In spite of recommendations in previous report, the PHUs are still faced with mobility challenges. Even though significant number of motorbikes were distributed across the country to help with vaccinations and other health-related activities, we observed mobility constraints on the implementation of the Expanded Programme on Immunisation (EPI) at the PHUs level. Discussions held with the EPI outreach focal people at six sampled PHUs reported mobility constraints. Most times they had to use their personal funds to carry out the vaccinations in hard-to-reach locations. For some other locations, they would walk and consequently spend more time in transit to reach the intended beneficiaries.

The motorbikes provided were not enough to meet the demands of the PHUs across the country.

We recommended that the Programme Manager should engage the DMOs at the various districts to prioritise use of the distributed motor bikes for vaccinations activities undertaken by the PHUs in hard-to-reach locations in order to reach the unvaccinated children.

#### **6.2.5. Vaccine Stock Ledgers Not Updated at the PHUs**

We inspected the vaccine stock ledgers for the different categories of vaccines at 27 PHUs in six selected districts. We observed that the ledgers were not updated with the quantities of vaccines received by the PHUs from the DHMTs. Consequently, the information on vaccines in the monthly report were not complete as lack of update stock records could have impacted the information in these reports.

We recommended that the Officer-in-Charge of the PHUs should ensure that vaccine stock ledgers are regularly updated with quantities of vaccines received and issued in order to have updated vaccine stock records and accurate monthly reports.

#### **6.2.6. Social Security Contributions not Paid to NASSIT**

In a correspondence from the Financial Secretary in 2019, government committed to pay the employer's 10% contributions for project staff as government counterpart contributions. The audit team re-computed the total NASSIT contributions for project staff and also inspected payments made to the NASSIT. We also observed that employer's contributions totalling NLe60,917.19 was not paid for staff of the Project to NASSIT, whilst employees' contributions totalling NLe30,460.87 were not deducted from staff salaries.

We recommended that the IHPAU Team Lead and the Senior Accountant of the Project should follow-up with the Ministry of Finance for the payment of the employer's 10% NASSIT contributions. Additionally, the Senior Accountant should inform the staff for whom the 5% employees' NASSIT contributions were not deducted to agree to a payment plan for the deduction and payment to NASSIT.

#### ***Official Response***

*Management has been paying all the staff NASSIT contribution effective up October 2023. This has also been included in the staff contract.*

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

Contrary to Management's response, there was no evidence of payment of employer's contributions totalling NLe60,917.19, and deductions of employees' contributions totalling NLe30,460.87. Therefore, the issue remains unresolved.

### **6.2.7. Difference in the Computation of PAYE**

The audit team re-computed the pay-as-you-earn (PAYE) tax from employees' earnings and observed a difference of NLe126,651.27 between the two records. Therefore, this amount was outstanding for the period under review.

Non-compliance with tax provisions could expose the Project to penalties and government could have deprived of its much-needed revenue.

We recommended that the IHPAU Team Lead and the Senior Accountant of the Project inform the affected staff and ensure a payment plan is agreed with them for the payment of the outstanding PAYE to the NRA.

#### ***Official Response***

*Management has been paying the PAYE taxes effective October 2023 instead of the withholding taxes as previously in the contracts.*

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

Management comment regarding staff employed as consultant prior to September 2023 is noted. These staff termed as consultant do not meet the definition because evidence of them been registered as consultant, having a tax identification number, using their tools to work for the project, etc. could not be sighted. Therefore, they were staff and the programme was required to comply with PAYE deduction and payment.

Even though management of the Project has started deducting and paying of PAYE taxes for staff, the outstanding PAYE taxes totalling NLe126,651.27 has not been paid to the NRA. Therefore, this issue remains unresolved.

### **6.2.8. Low Budget Absorption Rate**

The Project approved budget for the period under review was reviewed and we observed total budget of US\$2,674,502. From the review of the variance analysis (i.e. the difference between actual and budgeted expenses), we observed budget absorption of 27%. The audit team further observed this was as a result of the following activities not implemented;

- Expanded Programme on Immunisation (EPI) outreach service activities (12% of budget),
- Training of Trainers in Reach Every Child (REC) Approach and Immunisation in Practice (IIP) (7% of budget),
- Training of Trainers in Reach Every Child (REC) Approach and Immunisation in Practice (IIP) (9% of budget), and
- Orientation of Health Care Workers at all level on Strategies to identify and reaching missed and under vaccinated children (HPV) (5% of budget).

This can result in critical services being underfunded, leading to shortages in essential supplies, staff, and equipment. It could also limit access to necessary healthcare services, particularly for underserved populations, increasing health disparities.

We recommended that the Programme Manager and the IHPAU Team Lead re-strategise efforts in improving the budget absorption rate of the Project by executing planned activities going forward.

#### ***Official Response***

*In the Expanded Program on Immunisations (EPI), 2023 was the year of catch-up vaccination, with support from CoVDP, UNICEF and other partners, the EPI conducted 101 Periodic Intensification of Routine Immunisation and payment of incentives were made for their outreaches.*

*Some of the HSS activities could not be implemented to avoid duplication of efforts. The non-utilisation of HSS funds did not really affect the uptake of vaccines. Our coverage remained higher or even better.”*

#### **Auditor’s Comment**

Management comments that 2023 was the year of catch-up vaccination and that HSS activities could not be implemented to avoid duplication are noted. Therefore, a follow-up will be conducted in subsequent audit to confirm that there is an improvement in future budget absorption rate of the Project.

#### **6.2.9. Action Plan not Implemented for Vaccine Coverage in the Poor Performing Districts**

During the stakeholders meeting held in January and August 2023, an action plan was developed to increase vaccine coverage in the poor performing districts. This plan included specific actions, responsible parties, deadlines, and performance metrics. A total of NLe388,400.00 (US\$18,604.55) was made as DSA and transport to the Social Mobilisation Team of the Project to understand the reasons behind the poor performance of vaccine coverage.

There was no evidence that the planned actions were implemented. Our review revealed the following:

##### *Small-Bo and Lepiama Chiefdoms, Kenema District*

- Increase in beneficiary visitation for sensitisation on importance of immunisation.
- Establish more outreach points for beneficiaries to access vaccination services.
- Institute and implement by-laws of vaccination defaulters through community stakeholders.
- Adherence to all vaccination schedules both at static and outreach points.
- Involvement of male partners/fathers in all vaccination activities.
- DHMT to engage PHU Staff and local authorities to combat negative attitude of PHU Staff.
- Prioritise and intensify outreach services in hard to reach communities.
- Conduct regular defaulter tracking and tracing

##### *Tonkolili District*

- To write a letter to the Tonkolili District Health Management Team for additional staff.
- Community engagement and implementations of bye laws against defaulters (beneficiaries not coming for the schedule date for immunisation).
- Request letter to the District Medical Officer and District Operating Officer for availability of cold chain facility.
- Letter to the Transport Officer for the supply of Motorbikes.
- Letter of attention to CHW focal person for equal distribution of CHWs to nearby communities.

##### *Falaba District*

- Activation of bye-laws by local authorities.
- House to house CHWs sensitisation on routine immunisation targeting catchment community people.
- Map out defaulters.
- Engage lactating mothers on routine immunisation across the chiefdom.
- Awareness raising in religious gathering and by town crier.
- Activation of Fixed Monitoring Checklist (FMC).

##### *Kabelia, KamaduguYiraia, Dembelia Sinkunia, Koinadugu District*

- Map out defaulters.
- Engage lactating mothers on routine immunisation across the chiefdom.



- Awareness raising in religious gathering and by town crier.
- Activation of Fixed Monitoring Checklist (FMC).
- Intensify outreach services in hard to reach areas.

We recommended that the Social Mobilisation Team Lead provide documentary evidence regarding the implementation of the actions emanating from this exercise for audit inspection.

**Official Response**

*Even though the action may not have been implemented within the three-month post-implementation follow-up due to insufficient funds. However, the action plan guided the implementation of EPI activities:*

- (i) Payment of stipends have been made for 1st and 2nd quarters of 2024 for intensification of outreach services.*
- (ii) Motorbikes were provided to PHUs in hard-to-reach communities.*
- (iii) Defaulters were mapped and reached during the PIRIs.*
- (iv) Cold chain equipment was procured and installed some of these facilities.*
- (v) EPI policy was developed to - guide immunization service and the formation of bye-laws.*
- (vi) Communities were engaged and sensitised on importance of immunization and the involvement of males and identification of vaccination champions. Religious leaders and traditional leaders were engaged at different levels during the PIRIs.*
- (vii) During the rollout of the malaria bed nets and vaccines, CHWs were equal engaged. Over the years we have used CHWs as key vaccination informants at their community level.”*

**Auditor's Comment**

Management comments regarding actions taken to facilitate vaccines uptake are noted, but documentary evidence regarding the implementation of the actions emanating from the action plan was not provided for audit verification. Therefore, the issue remains unresolved.

**6.2.10. Incorrect Application of Bank of Sierra Leone Exchange Rates**

The Project operated a US Dollar account and an operational account in Leones at the Sierra Leone Commercial Bank. During the period under review, the Project made request for the transfer of funds from its US\$ bank account to its Leones bank account using different exchange rates instead of the mid-rates of the Bank of Sierra Leone on the date of the bank transfer. Based on re-computations, the Project lost NLe18,758.30 by using the wrong exchange rates. This could have resulted in financial losses due to unfavourable exchange rates when converting from the US\$ to the Leone.

We recommended that the Senior Accountant and the Team Lead-IHPAU should notify the Project banker of this finding and seek to recoup the money lost. Evidence of action taken should be submitted for audit inspection.

**Official Response**

*The audit recommendation is noted for full implementation moving forward, the Senior Accountant will not negotiate any rate below the mid-rate of the day of conversion from US\$ to NLe.*

**Auditor's Comment**

Management’s comment regarding not to use an exchange rate below the Bank of Sierra Leone mid-rate at the date of conversion is noted. However, the loss has not been recovered. Therefore, the issue remains unresolved.

### **6.3. SIERRA LEONE FREE EDUCATION PROJECT- 2023**

#### **6.3.1. Management of Teaching Service Commission Resource Centres**

The audit team visited the Teaching Service Commission (TSC) resource centres in selected districts to verify their operational effectiveness. The following were the key issues observed:

- The computers supplied to five TSC district offices at Tonkolili, Bombali, Bo, Moyamba and Koinadugu were not installed as at the time of the verification.
- We noted that in all the districts visited, the computers were not coded and recorded in the assets register of the TSC for proper safeguard.
- We noted that the resource centres were challenged with internet connectivity. For instance, at the Bonthe District office the TSC Deputy Director (DD) disclosed that the internet facility was unstable, thereby affecting their work.
- Electricity was another challenged affecting the operation of the centres. At the TSC in Bo District, the DD stated that their solar system was faulty and had not been repaired.
- We noted that the table provided for the computers only accommodate four computers. As a result, of the five desktop computers supplied to the Pujehun, Kenema and Bonthe District offices, only four were installed at the resource centres. At the Kenema District office, the remaining one of the five desktop computers was installed in the DD's office.
- An Uninterruptible Power Supply (UPS) which is used for surge protection and battery backup were not seen at the resource centres where the desktop computers were installed.
- We observed that one of the swivel chairs at the TSC resource centre in Bonthe District was damaged.

We recommended for the Project Coordinator, SLFEP, to ensure that the issues affecting these resource centres are addressed with immediate effect to ensure that teachers benefit from these facilities.

#### ***Official Response***

*The Leadership of SLFEPS and MBSSE will engage TSC on these issues and get them resolved.*

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

As at the time of the audit verification, there was no evidence of efforts being made to address the deficiencies identified in the management of the TSC resource centres. Therefore, the issue remains unresolved.

#### **6.3.2. Inaccurate Deductions and Non-payment of PAYE Taxes**

Contrary to Part II, section 3 of the Income Tax, 2000 (as amended in the Finance Act, 2020) on the review of payment vouchers and supporting documents, we observed that 5.5% withholding taxes were deducted from staff salaries as PAYE, instead of the threshold prescribed in the Income Tax Act and the Finance Act.

We computed and compared the PAYE that should have been paid to the NRA with the withholding taxes paid, and observed that the sum of NLe5,144,301 was outstanding to the NRA as PAYE taxes during the year under review.

We recommended that the Project Coordinator should ensure that PAYE deductions are made in line with the threshold of the Income Tax Act and the Finance Act to avoid any penalties/fines from the NRA. The unpaid PAYE taxes totalling NLe5,144,301 are paid to the NRA. Evidence of actions taken should be forwarded to the ASSL.

### **Official Response**

*Statutory deductions in respect of PAYE taxes on staff salary has not yet been effected based on the nature of the consultancy contracts issued to staff. The Project Leadership is in engagement with the Ministry of Finance to get staff placed on full employment contract. There is a correspondence from the Ministry of Finance confirming this arrangement as government is working to resolve this.*

### **Auditor's Comment**

We note management's response for the deduction and payment of the PAYE taxes. The outstanding PAYE taxes of NLe5,144,301 had however not been paid to the NRA. Therefore, the issue remains unresolved.

### **6.3.3. NASSIT Contributions not Deducted and Paid for Staff**

From the review of staff records and payroll, we observed that project staff were not registered with the NASSIT, and pension contributions were not deducted for all project staff and paid to the NASSIT. We further computed the 10% employer's and 5% employee's NASSIT contributions and noted that the total amount of NASSIT contribution due for 2023 amounted to NLe3,290,329.

We recommended that the Project Coordinator should ensure that all project staff are immediately registered with the NASSIT scheme and all outstanding contribution paid to NASSIT. Evidence of action taken should be forwarded to the ASSL.

### **Official Response**

*Statutory deductions in respect of NASSIT contribution has not yet been effected based on the nature of the consultancy contracts issued to staff. The Project Leadership is in engagement with the Ministry of Finance to get staff placed on full employment contract. There are correspondences from the Ministry of Finance confirming this arrangement as government is working to resolve this.*

### **Auditor's Comment**

We note management's response for the deduction and payment of the employees' 5% contributions and employers' 10% contributions. The employees have however not been registered with the NASSIT scheme and the outstanding contribution of NLe3,290,329 had not been paid. Therefore, the issue remains unresolved.

## **6.4. AGRICULTURE VALUE-CHAIN DEVELOPMENT PROJECT (AVDP) - 2023**

### **6.4.1. Contracts Awarded without Bid Security & Performance Bond**

We reviewed contract for the supply and delivery of seed rice and groundnut seeds with procurement number AVDP-PMU/ICB/G/3/1/23. This contract was awarded to three suppliers in three lots on 31st May, 2023 with a total value of NLe2,915,010 (US\$315,692.40).

We observed that there was no evidence such as original copies of bid security/performance bonds before the contracts were awarded. We further observed that there was no evidence to show that laboratory seed testing was carried out by the Sierra Leone Seed Certification Agency to show compliance with the technical specification of the signed contract. Also, there was no evidence such as delivery notes or reports to confirm whether the delivery time of not later than four weeks was met, from the day the contracts were awarded.

Additionally, Lot 2 of the contract awarded to Magbafti Women Farmers Enterprises for a contract price of US\$136,323.00, was terminated six weeks after 20% advance payment of US\$27,264.6; because

of the noncompliance of the supplier with the terms and conditions of the contract agreement. There was however no evidence to show that the AVDP recovered any amount from the supplier.

We recommended that the Procurement Manager should ensure that amount paid to the supplier whose contract was terminated is recovered and paid into the project's bank account. Evidence of action taken should be presented to the ASSL.

### **Official Response**

*The SLSCA tested the seed rice, and evidence of a viability test certificate is available. The groundnut seeds were tested by the AVDP agronomist and evidence of seed testing is also available.*

*The original performance bond and bid securities were released to the suppliers following the end of the contract. Copies are available for audit inspection*

*One of the suppliers for the groundnut (Magbafti Women) was asked to suspend the delivery because the season was elapsing and any further delivery at that time may not be useful for planting purpose. The supplier was paid for exactly what they delivered.*

### **Auditor's Comment**

During verification, there was no evidence to confirm that the contract awarded for the supply and delivery of groundnut seeds amounting to NLe2,915,010 (US\$136,323), went through the Sierra Leone Seed Certification Agency, to determine whether they meet the technical specification of the contract. Therefore, the issue remains unresolved.

#### **6.4.2. Procurement Procedures not Followed in respect of Goods, Works and Services**

We reviewed procurement documents for eight contracts awarded to contractors, consultants and suppliers with a total contract price of NLe10,016,243 (US\$243,500).

We however observed that documents such as: bidding documents of bidders, evidence of IFAD's no objections, interim survey of IFAD interventions report, attendance list of bids opening, original copy of bid securities & performance bonds, and evidence of delivery was missing for goods, works and consultancy services undertaken by the AVDP for the period under review. The absence of these documents implied that thorough assessment, evaluation and monitoring of the procurement process was not done from its inception to completion.

We recommended that the Procurement Manager should ensure that the missing documents are made available to the ASSL.

### **Official Response**

- (i) *Construction of Boreholes. (Hadissa SL Ltd.) – The contractor's offer/ bid documents are available for audit inspection.*
- (ii) *Interim survey for all interventions in communities of AVDP: (Sabr Karimu Davower) – CVs were obtained from five consultants and evaluated accordingly: The minutes and subsequent 'No Objection' on this are available for audit inspection.*
- (iii) *Consultancy service for design and supervision of feeder road- The Technical and Financial Proposals submitted by the consultants are available for audit inspection. The combined technical evaluation Report approved by IFAD and the 'No Objection' are available for audit inspection. This contract is divided into two phases (1: design and 2: supervision) draft report and final report for the first phase of the consultancies are available for audit inspection.*

- (iv) *Construction of two farm facilities in Kenema and Pujehun District- Progress reports that triggered progress payments are available for audit verification.*
- (v) *Supply of seedlings and suckers:*
  - *Bid opening was done online and minutes/ records of bid opening are available for audit inspection. The original performance bond was released to the supplier after contract completion, but a copy is available for audit inspection.*
  - *Section III. The qualification and evaluation criteria of the bidding document indicate that:*  
*multiple lots/ contracts: Bidders can bid for one or more lots, but they will only be contracted for a maximum of two lots. If a bidder wins more than two lots, the lot(s) with the higher price will be awarded to the bidder; if the lots are of the same value, any of the lots will be awarded to the bidder. This was why the award of the two lots to the supplier that was the lowest evaluated responsive (Multi Agro Services)*
  - *The bid submitted by the bidder and delivery slips indicating receipts by the communities are available for audit inspection.*

### **Auditor's Comment**

During verification, we observed that evidence of the final and follow-up reports for the contract in respect of the interim survey of all AVDP interventions in communities, at a contract price of US\$28,400 were not made available for audit inspection. Furthermore, we also observed that documents in respect of the contract awarded to Realini Bader Associate Ltd. at a contract price of US\$215,100, for consultancy services in respect of design and supervision of feeder roads was not made available for verification. Therefore, these issues remain unresolved.

### **6.4.3. Withholding Taxes on Contract and Legal Costs not Paid to the NRA**

The project was ordered by a court ruling of 15th December, 2022 to pay a contractor (Comtech Solution) the sum of NLe500,025 and relate legal costs. This payment was honoured by one of the project's bankers (Rokel Commercial Bank) on 3rd March, 2023; by debiting the project's account with the said amount due to the contractor and NLe120,000 as legal costs (Total amount was NLe620,025).

We observed that withholding taxes which amounted to NLe27,501.86 and NLe6,600 were not deducted and paid to the NRA, contrary to section 117(4) of the Income Tax Act, 2000. Failure to deduct withholding tax and pay to the NRA will deprive government of its much needed revenue.

We recommended that the Finance Manager should liaise with Comtech Solutions (contractor) to ensure that withholding taxes of NLe27,502.86 and NLe6,600 are deducted and paid to the NRA. The AVDP should submit evidence of payment to the ASSL.

### **Official Response**

*The payment to the contractor was not done directly by the AVDP. The court ordered the bank to take the funds from the AVDP account and pay directly to the contractor the contract sum and the legal fees. The obligation for the payment of the withholding taxes falls on the contractor. The AVDP will inform the contractor and the legal firm of the obligation to pay the related withholding taxes to the National Revenue Authority.*

### **Auditor's Comment**

During verification, we observed that withholding taxes of NLe27,502.86 and NLe6,600 were still not paid. Therefore, the issue remains unresolved.

#### 6.4.4. Inspection and Verification of Project Sites

We verified the project sites and observed the following:

- There were no AVDP signpost in most of the locations visited; as such, we could not confirm AVDP's ownership of the sites
- Lack of storage facilities for cocoa in Kenema and Kailahun districts. As such, it would be difficult for the project to monitor the yield of farmers as assess the impact of the intervention.
- 812 bushels of seed rice bought by the project, and held at the Bombali store was not supplied to farmers. This could affect the viability of the seeds, and the overall yield if later supplied for planting.
- There was no evidence to confirm that the 525 bushels of ROK34 seed rice (PA KAMP) was delivered to the Port Loko District store.

From the physical verification conducted, we observed that project activities, and procurement of inputs were not properly monitored and supervised by the Project Technical Team. The targeted beneficiaries of the project could be deprived and therefore, the objectives for which the goods were procured could not be achieved.

We recommended the following:

- (i) The Technical Director should ensure that signposts are erected at all project sites.
- (ii) The Project Manager should ensure that cocoa stores are constructed at Kenema and Kailahun districts.
- (iii) The Storekeeper should and the Project Technical Director look into the issues raised by the audit team during the Physical verification of project sites and District stores and proffer solutions where necessary and also make sure they investigate areas where public funds might be wasted and provide the audit team with evidence for audit verification.

#### **Official Response**

- (i) There were signposts installed at all old project sites. The procurement process for the fabrication of signposts for the new sites is in progress.*
- (ii) The Project-supported cocoa farms have not yet started producing pods. The project will provide storage facilities when the cocoa farms start producing pods for commercial purposes.*
- (iii) Distribution of the 812 bushels of seed rice completed and the signed distribution vouchers are available for audit inspection.*
- (iv) The 525 bushels of seed rice were delivered to the MAFS store in Port Loko and the delivery note is available at PMU for audit inspection.*

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

We conclude on the PMU statements as Follows:

- That they have begun the procurement process for signpost for all affected farms; but there was no evidence to confirm this claim. Therefore, the issue remains unresolved.
- That they are to provide storage facilities to cocoa farmers next year FY2025; but there was no evidence to confirm the how and when this will materialise. The issue therefore, remains unresolved.
- That the 812 bushels of seed rice were viable and good for farming and that they were being distributed to farmers; but a copy of the distribution list to support this claim was however, not provided. The issue remains unresolved.

- That the 525 bushels of ROK34 seed rice (PA KAMP) were delivered to Port Loko District store; but we were not provided with a copy of the delivery note. Therefore, the issue remains unresolved.

## **6.5. ICELAND PARTNERSHIP COOPERATION PROJECT (IPCP): 2019-2023**

### **6.5.1. Withholding Taxes Deducted Instead of PAYE Taxes**

We reviewed the payroll documents, and observed that from 1st April 2019 to 31st May 2023, PAYE taxes totaling US\$37,201.54 with an equivalent of NLe525,583.47 were not deducted from the salaries of project staff and paid to the NRA. Instead, withholding taxes totaling US\$7,562 with an equivalent of NLe106,697.58 were deducted and paid. As a result, the taxes paid to the NRA for the review period were understated by US\$29,638.80 (an equivalent of NLe418,885.89), in contravention of sections 3 (1&2) and 23 of the Income Tax Act, 2000.

We recommended that the Senior Finance Specialist should ensure the following:

- (i) The underpaid PAYE taxes totalling NLe418,885.89 should be recovered and paid to the NRA, and evidence of payment forwarded to the ASSL for verification.
- (ii) In future, salaries paid to PIU members should be taxed in accordance with section 3 (1&2) and Section 23 of the Income Tax Act, 2000.

#### ***Official Response***

*The Supervising Ministry – MOF has taken a decision on this matter but yet to be implemented. The relevant memo is available for your review.*

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

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

### **6.5.2. NASSIT Contributions not Deducted from Staff Salaries and Paid to the Trust**

We observed that the Project Management team did not deduct NASSIT contributions (employer and employee) from the salaries of staff and paid same to the Trust for the review period. The total NASSIT contributions not deducted and paid to the Trust amounted to US\$13,134.46 (which is equivalent to NLe182,723.93).

We recommended that the Senior Finance Specialist should ensure that the contributions are recovered and paid to the Trust, and evidence of payment forwarded to the ASSL.

#### ***Official Response***

*The Supervising Ministry – MOF has taken a decision on this matter but yet to be implemented. The relevant memo is available for your review.*

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

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

## **6.6. RURAL FINANCE AND COMMUNITY IMPROVEMENT PROGRAMME (RFCIP PHASE II) - 2023**

### **6.6.1. No Insurance Coverage and Life-cards for Vehicles and Motorbikes**

We did not obtain any evidence to indicate that five vehicles and six motorbikes belonging to the project were insured by the project management. Furthermore, life-cards for vehicles and motorbikes were not submitted for audit inspection, to confirm the ownership of these vehicles and motorbikes.

We recommended that the Financial Controller (FC) should ensure that all vehicles and motorbikes owned and controlled by the Project, are immediately insured to indemnify them against any unforeseeable damage. Also, life-cards for these vehicles and motorbikes should be submitted to ASSL.

### **Official Response**

*Management notes the comments of the auditors; we would like to inform the auditors that the life-cards for the vehicles are available for verification. With regards to the life -cards for the motorbikes, we had issues with the SLRSA for the respective life-cards as they are not giving out life cards.”*

### **Auditor’s Comment**

There was no insurance policy to confirm that the five vehicles and six motorbikes were insured. In addition, only three of the five life-cards for the vehicle were submitted for verification. No life-card was submitted for the six motorbikes owned by the Project Coordinating Unit (PNU). Therefore, the issue is partially resolved.

### **6.6.2. Budgeted Counterpart funding from the Government not Received**

We reviewed the Statement of Comparison of Budget and Actual Amounts for the review period and observed that, out of the budgeted Government of Sierra Leone counterpart funding of US\$762,052, only US\$512,897 was received by the project; leaving a balance of US\$249,155 that the project did not receive. This could impact the overall operations of the project thereby preventing the implementation of activities tied to those funds and achievement of the overall project objective.

We recommended that the Programme Coordinator should engage the Ministry of Finance to ensure that government fully honours its commitment to the project for the outstanding receipts (counterpart funding) for 2023 and onwards.

### **Official Response**

*We note the comments of the auditors, that funds expected from government as its contribution were not received as planned though there was a Ministerial Approval for government’s funding to be paid up over a period. The necessary requested funds in 2023 from the Government was made; but the funds were never paid see attached request submitted.”*

### **Auditor’s Comment**

During the verification in June 2024, we did not obtain any evidence to indicate that government has remitted the outstanding amount to the PCU as counterpart funding for the smooth operations of the project. Therefore, the issue remains unresolved.

### **6.6.3. Bank Confirmation not Received**

A request was made through the Programme Coordinator and the Financial Controller to the Sierra Leone Commercial Bank (SLCB), the Vista Bank and the Bank of Sierra Leone (BSL) to confirm the bank balances of the NPCU as at 31st December,2023. However, the Audit Team only received confirmation from the Vista Bank. The remaining two banks had not sent their bank confirmations. The total bank balances reported in the Financial Statements of these unconfirmed accounts amounted to US\$28,526.

We recommended that the Financial Controller and the Programme Coordinator who are signatories to the accounts, should ensure that the Sierra Leone Commercial Bank (SLCB) and the Bank of Sierra Leone (BSL) reply to the auditors’ request for confirmation of bank account balances as at 31st December 2023.



### ***Official Response***

*Management is pleased to inform the auditors that we have sent the respective letter to the banks and the information will be forwarded to the Audit Service Sierra Leone.*

### **Auditor's Comment**

During the verification, we did not receive bank confirmation reply from the Sierra Leone Commercial Bank. In addition, the Bank of Sierra Leone (BSL) only disclosed the Government Operational (Leone) Account. The Government Account at Apex Bank, which was disclosed in the Financial Statements, was not confirmed by the BSL. Therefore, the issue is partially resolved.

### **6.6.4. No Evidence of Annual General Meetings for Shareholders**

During the interviews conducted with managers of these Rural Financial Institutions (RFIs), we observed that share capital was one way of financing their operations. There was however no evidence to indicate that Annual General Meetings (AGMs) were held by these RFIs for all shareholders who had invested in them. As such, we concluded that these RFIs did not maintain transparency and accountability to their investors and this would affect future cash inflow as potential investors would not feel confident to invest in these RFIs.

We recommended that the Programme Coordinator should liaise with the Managing Director of Apex Bank to engage the Managers of these RFIs to provide adequate documentary evidence on why Annual General Meetings were not held in 2023 and to encourage them to be having annual shareholders' general meetings going forward.

### ***Official Response***

*Annual General Meetings have been consistently held by all 76 RFIs except for last year when they experienced undue delay in receiving their external audit reports. The challenge is surmounted this year and the AGMs are slated to commence by end June."*

### **Auditor's Comment**

There was no evidence to indicate that Annual General Meeting was held for all shareholders during the year under review. Therefore, the issue remains unresolved.

### **6.6.5. No Evidence of Proper Handing Over of Responsibilities**

There was no evidence that handing over of responsibilities were properly done by outgoing staff of RFIs especially managers, who were either transferred, suspended or relieved of their duties. For instance, managers of the Financial Services Associations (FSAs) at the Baoma and Lawana were new in post and could not provide much information to the audit team about the operations of these RFIs.

We recommended that the Programme Coordinator should liaise with the Managing Director of Apex Bank to ensure that immediate actions are taken for staff who leave their post without any evidence of handing over of responsibilities.

### ***Official Response***

*Handing-over and taking-over reports are religiously enforced at all times. We have had instances where staff absconded or abandoned their jobs without trace. In such circumstances, we had only obtained Take-Over reports. Both Baoma and Lawana are cases in point.*

### **Auditor's Comment**

Management response is noted. The taking-over reports mentioned in the response were not made available for our review and confirmation. This continues to pose business risk to the operations of the RFIs. Therefore, the issue remains unresolved.

#### **6.6.6. Loan Recovery Challenge for RFIs**

We reviewed financial and management reports submitted by managers of these RFIs and noted that there was poor recovery rate of loans already disbursed. We noticed high percentages of Portfolio at Risk (PAR) and this has the tendency to cripple the operations of the RFIs.

We recommended that the Programme Coordinator should liaise with the Managing Director of Apex Bank to ensure that an investigation is launched into outstanding portfolio of the RFIs. This investigation should look into recovery processes and the status of all loans disbursed so far. Evidence of actions taken should be submitted to the ASSL for confirmation.

### **Official Response**

*The slowdown in the portfolio quality of some of the RFIs is greatly attributed to the incessant deterioration of the Leone to dollar, which had inflationary effects thereby undercutting the working capital of the customers of the RFIs and therefore non-repayment of loans. Efforts are however being made to recover these facilities but we are challenged by the fact that non-repayment of loans is not criminal offense rather it is civil matter that has serious limitation in the recovery of loans.”*

### **Auditor's Comment**

Management response is noted. There was however no documentary evidence to indicate steps were taken by the Apex Bank and the RFIs to collect these outstanding loans. This has the tendency to stifle the operations of these RFIs, if these loans go uncollected. Therefore, the issue remains unresolved.

#### **6.6.7. Funds Received not Fully Accounted for**

We observed that the manager at Lawana FSA could not provide adequate information on the cumulative disbursement of funds received from the Temporary Investment Fund (TIF) which amounted to NLe605,000. Records were only provided for the receipt and utilisation of NLe400,000 which was done since the manager's transfer to the Lawana FSA in June 2023; and confirmed that her predecessor did not provide any evidence on the receipt and utilisation of the NLe205,000 given to him from the TIF.

We recommended that the Programme Coordinator should liaise with the Managing Director of Apex Bank and the Fund Manager of TIF to ensure that an investigation is launched into the operations of the Lawana FSA. The investigation report should be submitted to the ASSL.

### **Official Response**

*This is a case of abandonment of duty and there is no handover note. The erstwhile manager is on the run and efforts are been made to track him down.*

### **Auditor's Comment**

Management response is noted. There was however no documentary evidence to indicate steps were taken by the Apex Bank and the TIF Manager to account for the sum of NLe205,000 given to the former manager of Lawana FSA. Such action could undermine the financial stability of the FSA and potential clients would be deprived of funds meant for them. Therefore, the issue remains unresolved.

#### **6.6.8. No Evidence of Operations at Largo Financial Services Association**

We visited the Largo FSA on Wednesday 5th June 2024. We were however unable to access their premises and records for our review. The manager and other staff were unreachable and all efforts to reach them proved futile. Therefore, we could not confirm whether this FSA is operational.

We recommended that the Programme Coordinator should liaise with the Managing Director of Apex Bank and the Fund Manager of TIF to ensure that an investigation is launched into the operations of the Largo FSA. The investigation report should be submitted to the ASSL for verification.

#### ***Official Response***

*Our finding indicates that they went out on outreach.*

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

During the verification, all efforts to reach staff of the Largo FSA proved futile. Therefore, the issue remains unresolved.

### **6.7. SIERRA LEONE AGRO-PROCESSING COMPETITIVE PROJECT (SLAPCP) - 2023**

#### **6.7.1. Statutory Deduction not Paid to the Relevant Authorities**

We observed that NASSIT contributions amounting to NLe1,156,926.90 (i.e. US\$ 53,996.92) were not deducted from the salaries of staff and paid to the Trust, in contravention of section 5 (1, 2, & 3) of the NASSIT Act, 2001.

Similarly, the team noted that withholding taxes were deducted from staff salaries; instead of applying Pay As You Earn (PAYE) which is a tax model applicable to all employees as enshrined in section 23 (1) of the Income Tax Act, 2000. As a result, the total underpayment of taxes to the NRA for the review period amounted to NLe1,738,314.58 (i.e. US\$81,128.15).

We recommended the following:

- (i) The Financial Management Specialist should ensure that the statutory deductions are recovered and paid to the relevant authorities, and evidence of payments forwarded to the ASSL.
- (ii) In future, the dictates of the Income Tax Act, 2000 and the NASSIT Act, 2001 should be implemented.

#### ***Official Response***

*We take note of the findings which is being addressed by the Financial Secretary on renewal of PIU staff Contracts.*

#### **Auditors' Comment**

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

### **6.8. SIERRA LEONE ECONOMIC DIVERSIFICATION PROJECT (SLEDP) - 2023**

#### **6.8.1. Statutory Deductions not Made and Paid to the Relevant Authorities**

We observed that NASSIT contributions amounting to NLe1,105,441.79 (US\$50,247) were not deducted from the salaries of staff and paid to the Trust, this contravened section 25 (1, 2 & 3) of the NASSIT Act, 2001.

Similarly, the team observed that withholding taxes were deducted from staff salaries; instead of applying Pay As You Earn (PAYE) which is a tax model that is applicable to all employees as

enshrined in section 23 (1) of the Income Tax Act, 2000. As a result, the taxes paid to the NRA during the review period were understated by NLe1,805,554.92 (US\$82,070.67).

We recommended the following:

- (i) The Financial Management Specialist should ensure that the statutory deductions are recovered and paid to the relevant authorities, and evidence of payments forwarded to the ASSL.
- (ii) In future, the dictates of the Income Tax Act, 2000 and the NASSIT Act, 2001 should be implemented.

### **Official Response**

*We take note of the findings which is being addressed by the Financial Secretary on renewal and review of PIU staff Contracts.*

### **Auditors' Comment**

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

#### **6.8.2. Accounting Software not Comprehensive**

We reviewed the project's operating software to determine whether it was used for the recording and reporting of financial transactions. We however observed that the software lacked a payroll module, and it was not used to produce the financial statements. The Senior Financial Management Specialist used Microsoft Excel spreadsheet to prepare the financial statements, which has several associated risks.

We recommended that the Senior Financial Management Specialist should ensure that the Project procures a comprehensive operating software that contains a payroll module; and is used for the production of the financial statements.

#### **6.8.3. Anomalies in the Implementation of the Tacugama Contract**

The Tacugama project which is for the construction of 1.4km of unpaved road rehabilitation with 58 parking bays which should have been completed by May 2024 has experienced undue delay on the part of the contractor, as there were no major work happening at the time the auditors visited the site on 3rd April, 2024.

We reviewed the Tacugama contract which was awarded to the SECON Sierra Leone Ltd. and observed that the quality of work was not up to the expected standard. The drainages were constructed with bricks as opposed to a proper concrete work which is normally used for such purposes.

The Project Engineer should ensure the following:

- (i) The work of the contractor is properly monitored and reported for decisions to be promptly taken by the project management team.
- (ii) The Project Management team should ensure that necessary action is taken to rectify the drainage aspect of the contract.
- (iii) In future, adequate monitoring and supervision of works project should be provided in order to ensure that quality work is done by contractors within planned timeframes.

### **Official Response**

*The Tacugama Project is supposed to be completed on 31st May, 2024. However, the delayed progress was a result of government removal of subsidies from fuel which does not only affect the operational cost of the project, but*

also the major construction materials (cement, iron rods, crushed rocks, etc.) prices skyrocketed due to the change in the pump price of fuel.

The rock formation along the project route was another challenge that delayed the work progress. This took the contractor a long time to break the rocks to establish the invert levels for the drainages and culverts along the project routes

The drainage at Tacugama was designed to minimize the damage to the existing road, which is less than four meters. With a reinforced concrete drainage of that size, the excavation will take almost half of the road width to allow workers to fix and unfix the formwork. This design will require the road to be closed completely, as there will be no access to the sanctuary and the Congo Dam.

To avoid road closure, that is why the drainage was designed as a combination of both reinforced concrete and bricks as described below:

- (i) The basement is reinforced concrete 0.1 meter thick, with upright bars every 0.45 meters and 0.2 meters above the block height.
- (ii) The blocks were hollowed, placed in one layer between the upright bars, and filled with concrete
- (iii) The final height of the drainage is 0.2 meters above the block height, this was reinforced, the form worked, and concrete with 1:2:4 mix.

*The Work Quality – The PCU Project Engineer through the consultant has instructed the contractor to complete all remedial work on drainages and culverts on or during the defect liability period.*

*In the interim, the drainage connection and correction at Tacugama are ongoing, and can be completed in June 2024.*

#### **Auditors' Comment**

We were however not provided with documentary evidence to confirm that the project has been completed and the quality of work certified. Therefore, the issue remains unresolved.

## **6.9. SIERRA LEONE FINANCIAL INCLUSION PROJECT (SLFIP) - 2023**

### **6.9.1. Statutory Deduction not made and Paid to the Relevant Authorities**

We observed that NASSIT contributions amounting to NLe242,090.10 (US\$11,557.02) were not deducted from the salaries of staff and paid to the Trust, in contravention of section 25 (1,2, &3) of the NASSIT Act, 2001.

Similarly, we observed that withholding taxes were deducted from staff salaries; instead of applying the Pay As You Earn (PAYE) taxes which is a tax model applicable to all employees as enshrined in section 23 (1) of the Income Tax Act, 2000. As a result, the total tax underpayment amounted to NLe386,778.04 (US\$18,461.74) during the year under review.

We recommended the following:

- (i) The Financial Management Specialist should ensure that the statutory deductions are recovered and paid to the relevant authorities, and evidence of payments forwarded to the ASSL for verification.
- (ii) In future, the dictates of the Income Tax Act, 2000 and the NASSIT Act, 2001 should be implemented.

#### **Official Response**

*We take note of the findings which are being addressed by the Financial Secretary on renewal of the PIU staff contracts.*

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

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

## 6.10. SIERRA LEONE SKILLS DEVELOPMENT PROJECT (SLSDP) - 2023

### 6.10.1. Project Activities not Implemented

The Ministry of Technical and Higher Education signed a Memorandum of Understanding (MoU) with the National Council of Technical, Vocational and Other Academic Awards (NCTVA) on 18th January 2021 for the assessment and certification of 7,181 Skills Development Fund Secretariats Grantee Institutions Graduates for an amount of US\$275,000. It was stated in the MoU that a pilot test, and monitoring and evaluation should be done.

From a review of the Signed MoU, we observed the following:

- The assessment and certification should have been completed three months after the MoU was signed. There was however no evidence to indicate that these activities have been completed, even though 83% of the funds had been utilised. Of primary concern was the fact that no assessment and certification were done for the graduates at the Kambia Government Technical Institute, Moyamba Technical Institute, Matru Government Technical Institute, Koinadugu Government Technical Institute and the University of Makeni. This was contrary to what was reported by the NCTVA.
- There was no evidence to indicate that monitoring and evaluation (as stated in the MoU) was conducted by the Ministry of Technical and Higher Education.

We recommended that the Project coordinator in collaboration with the head of the NCTVA should ensure the following:

- (i) Take the necessary action for the project activities to be implemented, and forward evidence of implementation to the ASSL.
- (ii) In future, the project activities from initiation to completion should be properly implemented and evidence of reports and other documents retained for accountability purpose.

### **Official Response**

*After the pilot assessment, it was observed that the TVET Institutions do not have a budget for the materials and supplies needed for the assessment. The NCTVA requested the bank for an additional US\$50,000 to cover the additional costs.*

*This led to delays in implementation. An addendum to the MoU was done with the new completion date extended to February 2024.*

*Other points in the recommendations are well noted. The Association is now completed and the certification ceremony is planned for Thursday 30th May, 2024.*

### **Auditor's Comment**

We conclude as follows:

- An addendum for the extension of the MoU was developed and submitted for which the new completion date was extended to February 2024. However, up to the time of our verification exercise, evidence that the activities have been completed was not submitted. Therefore, the issue remains unresolved.
- The Ministry of Technical and Higher Education did not submit evidence of monitoring and evaluation report for the assessment and certification process for grantees. Therefore, the issue remains unresolved.

### **6.10.2. Statutory Deduction not Paid to the Relevant Authorities**

- We observed that NASSIT contributions amounting to NLe719,002.55 (US\$33,452.30) were not deducted from salaries of staff, and paid to the Trust. This contravened section 25 (1, 2 & 3) of the NASSIT Act, 2001.
- Similarly, the team observed that withholding taxes were deducted from staff salaries; instead of applying Pay-As-You-Earn (PAYE) which is a tax model applicable to all employees, as enshrined in section 23 (1) of the Income Tax Act, 2000. As a result, the total tax unpaid amounted to NLe1,055,005.04 (US\$48,989.84) during the year under review.

We recommended the following:

- (i) The Financial Management Specialist should ensure that the statutory deductions are recovered and paid to the relevant authorities, and evidence of payments forwarded to the ASSL.
- (ii) In future, the dictates of the Income Tax Act, 2000 and the NASSIT Act, 2001 should be implemented.

#### ***Official Response***

*We note the findings which are being addressed by the Financial Secretary on renewal of PIU staff contracts.*

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

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

## **6.11. NATIONAL SOCIAL SECURITY AND INSURANCE TRUST - 2023**

### **6.11.1. Principal and Accrued Interest on Debenture Loans not Paid to Trust**

Upon review of the Trust's investment portfolio, we observed that corporate debenture loans issued by the Trust to various related companies (joint ventures and subsidiaries) amounted to NLe140,929,375. There was however no documentation available to confirm the cumulative annual interest payments, which amounted to NLe161,869,135.96 as at 31st December, 2023. Furthermore, no evidence was provided to verify the repayment of the principal amounts, despite the fact that the loan tenures had elapsed.

We recommended that the General Manager should ensure the following:

- (i) Immediately recover the overdue loan and interest payment from the joint venture and subsidiaries.
- (ii) Conduct a thorough review of its loan management practices, particularly those concerning related parties.  
Evidence of actions taken should be submitted to the ASSL.

#### ***Official Response***

*The Investment and Projects Division prepared a proposal paper titled "Write-Off Toxic Debenture Loans" for the attention of the Management Investment Committee (MIC) and the Board Investment Committee (BIC). During the meeting, it was recommended that the Division should follow the procedures and processes for writing-off toxic loans which are guided by national and international accounting laws and the laws governing investments. The Investment and Projects Division through the support of the Legal and Board Secretariat Division should devise strategies to recover some of the toxic loans and debentures.*

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

We were provided with an excerpt of the decision taken during the Management Investment Committee (MIC) meeting. There was however no evidence provided for the repayment of principal

amounts and interests for audit inspection. The loans were still reported at their book values in the Financial Statements. Therefore, the issue remains unresolved.

### **6.11.2. Investments in Non-existing Subsidiaries**

Upon review of the operations of the subsidiary companies of the Trust, we observed that three of the companies with a cumulative exposure amounting to **NLe165,093,760.58** had either ceased operations, or not in existence as at 31st December, 2023.

We recommended that the General Manager disinvest these subsidiaries and ensure that the investments are written-off in the books of account. Evidence of actions taken by the Trust should be submitted to ASSL.

#### **Official Response**

- (i) Kimbima Hotel: The Kimbima Hotel ceased operations on 22nd February 2022, due to structural integrity defects of the hotel; management hired a firm to conduct a thorough assessment of the integrity of the structures of the hotel and a report was submitted for the attention of management. In addition, Kimbima Hotel is among the toxic loans and debentures write-offs.*
- (ii) Sierra Akker: The Sierra Akker Agricultural Company ceased operations in 2020. As such, no reports had been submitted since then, despite continuous requests by the Trust. This is also among the toxic loans and debentures write-offs.*
- (iii) Sisimi: The Sisimi project was in its formation stage when an investigation was carried out, and those found culpable had paid the fines into the Consolidated Fund.*

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

We were provided with a structural report in respect of Kimbima Hotel during the verification. The said investments (Kimbima Hotel, Sierra Akker and Sisimi) were still reported in the Financial Statements at their book values with no evidence of write-offs or impairment provision. Therefore, the issue remains unresolved.

### **6.11.3. Non-compliance with Clause in the Hire Purchase Agreements between NASSIT and Ministry of Transport and Aviation in Respect of the Sierra Ferry**

In May 2019, the Trust entered into a hire purchase agreement with the Ministry of Transport and Aviation (MTA) for the sale of the M V Bai Bureh Ferry. According to Clause 4 of the Agreement, the MTA should make a quarterly payment of NLe75,000 for a period of four years, ending May 2023. As at the time of compiling this report, the Ministry had not complied with its obligations. Furthermore, the Management of the Trust did not provide any evidence of actions taken to recover the said amount. The total amount outstanding in the Financial Statements of the Trust in respect of the said agreement was NLe1,208,547.00.

We recommended that the Director General should ensure the following:

- (i) Contact the MTA to demand the overdue payments and establish a clear timeline for the repayment.*
- (ii) Ensure that recovery strategies are designed through the legal team of the Trust for the immediate recovery of this amount.*

Evidence of actions taken by the Trust should be submitted to the ASSL.

#### **Official Response**

*Management acknowledges the auditors' observations and is currently engaged in discussions with the Ministry of Transport and Aviation to recover the overdue amount.*



### **Auditor's Comment**

Management's comments are noted. However, no evidence was provided in the form of minutes or correspondence to suggest that the Ministry of Transport and Aviation has been engaged by the Trust on this issue. Therefore, the issue remains unresolved.

#### **6.11.4. Non-consolidation the Trust's Subsidiaries**

We observed that the Trust had investments in subsidiaries to the tune of **NLe604,827,705.00** as at 31st December, 2023. The accounts of these subsidiaries were not consolidated into the Trust's Financial Statements; contrary to the requirements of International Financial Reporting Standards(IFRS)10.

We recommended that the General Manager, Finance, should immediately prepare and present a consolidated Financial Statement that includes the accounts of all subsidiaries as required by IFRS 10. Evidence of actions taken by the Trust should be submitted to the ASSL.

### **Official Response**

*We have not yet received updated audited Financial Statements from all subsidiaries of the Trust. We are currently working to ensure that all subsidiaries have their audited Financial Statements up to date so that they can be consolidated with the Trust's Financial Statements.*

### **Auditor's Comment**

The consolidated Financial Statements was not submitted for verification. Therefore, the issue remains unresolved.

#### **6.11.5. Encroachment on NASSIT Land**

During a physical verification exercise, we discovered that parcels of land with cumulative value of NLe21,816,844.34 had either been encroached on, or under imminent threat of encroachment.

These parcels of land were procured for future investment purposes.

We recommended that the Director General of the Trust and the General Manager, Investment, should ensure the following:

- (i) Initiate legal proceedings to assert ownership and remove encroachers from the affected property. This may involve filing court cases or obtaining injunctions to prevent further encroachment.
- (ii) Secure all Trust-owned land by erecting fences and placing clear boundary signage indicating ownership. This will serve as a deterrent to potential encroachers.
- (iii) Establish a robust monitoring system to regularly inspect all landed property. This may include hiring security personnel or using technology such as drones to detect and deter encroachment.
- (iv) Launch public awareness campaign about the Trust's ownership of these parcels of land and the legal consequences of encroachment. This could reduce the likelihood of future encroachment.

### **Auditor's Comment**

There was no management's response provided on the issue raised. Therefore, the issue remains unresolved.

#### **6.11.6. Duplication of Pensioners Claim Numbers**

We observed duplicate claim numbers with different social security numbers amounting to NLe39,072 during the review of the database of the NAPOS II system.

We recommended that the General Manager - Information Technology should ensure the following:

- (i) Establish ongoing monitoring procedures to regularly review and audit claim processing and payment systems to prevent recurrence of such issues.
- (ii) Investigate and implement corrective measures to enhance the security functions within the NAPOS II database.

This is essential for preventing any unauthorised manipulation by systems users.

### **Official Response**

*Management has noted the auditors' observations, risks, and recommendations. It is important to note that certain claims were paid with duplicate claim numbers, but with different social security numbers in separate claim batches. It should be noted that:*

- (i) *The duplications occurred due to a system error. This happened because the system sometimes fails to update the base table that keeps track of the incremental sequence of claim numbers, leading to occasional duplication of claim numbers.*
- (ii) *Retirement and Invalidity Pensions are processed and paid based on social security numbers, not claim numbers. Therefore, even though the claim numbers were duplicated, the transactions were not paid as they were associated with unique social security numbers. This means that there was no loss of income due to double payment.*

### **Auditor's Comment**

Management's response is noted. Despite the fact that social security numbers are unique for payment to pensioners, claim numbers carry the same characteristics that justify the reason for them not to be duplicated.

Our recommendations were not implemented. Therefore, the issue remains unresolved.

### **6.11.7. Duplication of Names of Institutions in the NAPOS II Database**

We observed that NASSIT had a unique identification number for every institution. Upon review of the NAPOSS II system, we observed that the names of 793 institutions were duplicated.

We recommended that the database administrator should ensure that duplicated names and numbers are removed and evidence submitted to the ASSL.

### **Official Response**

*Management has taken note of the concerns raised by the auditors and the associated risks. It is important to clarify that the duplicate establishment names pertain to branches located in different regions. Furthermore, in the case of establishments with decentralised payrolls, it is common for their branches operating in different regions to re-register with NASSIT using the same name but a different establishment number specific to that region.*

### **Auditor's Comment**

We are of the view that since these institutions are separate legal entities, it is not common for their branches to re-register with NASSIT using the same name, but with different establishment number specific to that region. Our recommendation was not implemented. Therefore, the issue remains unresolved.

### **6.11.8. Payments Made to Pensioners without Social Security Number or NASSIT Unique Numbers**

A review of the NAPOSS II system database revealed that between January and August 2023, payments totalling NLe1,448,191.00 were made to 75 government pensioners that were without social security numbers and NASSIT unique identification numbers.

We recommended that the Database Administrator repair the database to ensure all validation functions (rules and triggers) in the application are fully activated to avoid any falsification and manipulation of records and data on the system.

**Official Response**

*Management notes the auditors' observations and recommendations. It is important to note that Government pensioners receive payments based on their Pension ID, not their social security numbers. Social security numbers are generated for cosmetic purposes, specifically to display on their identity cards. Importantly, this practice does not result in any financial loss. The numbers are generated periodically in batches, and management will be assigning social security numbers to all pensioners who currently do not have them.*

**Auditor's Comment**

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

**6.11.9. Payments Made to Pensioners with the Same Social Security Number**

During the inspection of the NAPOS II system, we observed that twelve government pensioners were assigned the same social security number and received payments under different claim numbers. Additionally, two government pensioners share both the same name and social security number, and were receiving payments with different claim numbers under this shared identity. In total, twelve pensioners were paid NLe136,832,000 between 2013 and 2023.

We recommended that the Acting General Manager, ICT, should ensure that each social security number is unique to a single pensioner, and implement data validation rules to prevent the assignment of duplicate social security numbers.

**Official Response**

*Management has reviewed the auditors' observations and recommendations. It is important to clarify that government pensioners receive payments based on their claim numbers rather than their social security numbers, which are included for cosmetic purposes only. Each listed pensioner has a unique claim number, ensuring that there is no loss of funds even in cases where the social security numbers are missing or duplicated, as the transactions are solely dependent on claim numbers. To prevent any potential confusion, we will take the necessary steps to generate unique social security numbers.*

**Auditor's Comment**

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

**6.11.10. Computation of Pension without Basic Salaries**

Payments totalling NLe414,368.00 were made to 27 pensioners. The basic salaries used to calculate these benefits were however not recorded in the system for these contributors. As a result, we were unable to confirm the computation method for the pension payments made to these individuals.

We recommended that the Acting General Manager, ICT, should ensure the following:

- (i) Conduct a detailed review to ensure that basic salary data for all contributors is accurately recorded in the system. Verify the data for the 27 pensioners in question and correct any discrepancies.
- (ii) Update the system to validate the entry of basic salary information before processing pension payments.
- (iii) Implement checks to ensure that all necessary data is accurately recorded.

Evidence of actions taken should be forwarded to the ASSL for verification.

### **Official Response**

*Management acknowledges the auditors' observations and recommendations. However, there are some pensioners whose benefits had to be calculated outside of the NAPOS for specific reasons, such as being overaged. In these cases, the calculations were performed manually, taking into account all relevant variables including monthly salaries, and then entered into the system.*

### **Auditor's Comment**

During the verification, there was no evidence to confirm that basic salary for the 27 staff were recorded in the system. Therefore, the issue remains unresolved.

#### **6.11.11. NAPOS II not Operational in the Kono Sub-office**

We observed that the NAPOS II system had not been fully operational in the Kono sub-office since the opening of the office. They cannot fully register new members or input contributions. The forms, receipts and supporting documents were sent to Makeni on weekly basis for system input. As a result, there was delay in the registration of establishments and members, creating room for invalids. The office could not resolve complaints received from the public due to lack of access to the system.

We recommended that the General Manager ICT, should ensure that the operating system (NAPOSII) is functional in the Kono sub-office. Evidence of action taken to address this issue should be submitted to the ASSL.

### **Official Response**

*Management acknowledges the concerns raised by auditors regarding the risks associated with the non-operation of NAPOS in the Kono sub-office, which is attributed to the underperformance of our current Internet Service Provider (ISP). However, management has taken steps to address the connectivity issues at the Kono sub-office by initiating a process to change our ISP. By October 2024, the Trust aims to engage the services of a more reliable ISP, which will significantly enhance our internet and VPN connectivity to our provincial offices.*

### **Auditor's Comment**

The operating system (NAPOSII) is not in full operation in the Kono sub-office. Therefore, the issue remains unresolved.

#### **6.11.12. Contributions not Credited to the Employees' Accounts**

We observed that contributions totalling **NLe34,771,239.30** from various institutions were not allocated to the respective employees' accounts. This discrepancy could result in gaps in the employees' contribution records, potentially causing delays in processing benefit claims. Consequently, this situation jeopardizes the Trust's primary objective of providing retirement and other benefits.

We recommended that the General Manager, Operations, should ensure the following:

- (i) Establish a review system to regularly monitor and report on contribution allocations. Additionally, periodic internal audits should be conducted to ensure that contributions are credited accurately and in a timely manner.
- (ii) Inform the affected employees and institutions about the discrepancies and the necessary steps taken to resolve them. Transparency in addressing the issue will help maintain trust and confidence in the Trust's operations.

Evidence of actions taken by management should be forwarded to the ASSL.

#### **6.11.13. Payment of Car Loan to Staff without Following Due Processes**

The NASSIT Car Loan Policy mandates that vehicles purchased with loan funds must be registered in the joint names of the staff member and the Trust and insured comprehensively.

During our inspection of staff loans disbursed in the period under review, we observed that car loans totalling NLe683,680.63 were granted to staff members without adhering to the Trust's Car Loan Policy. There was no evidence that these vehicles were registered jointly or insured comprehensively, contrary to the Trust Car Loan Policy.

We recommended that the Human Resources Manager should ensure the following:

- (i) All staff members who had received car loans should immediately comply with the policy by registering their vehicles in joint names with the Trust and obtained comprehensive insurance.
- (ii) Implement stricter controls within the loan approval process to ensure that all terms of the Car Loan Policy are met before disbursing funds. This may include mandatory checks and documentation requirements for vehicle registration and insurance.
- (iii) Establish a system for ongoing monitoring and periodic audits of all staff loans to ensure continuous compliance with the Trust's policies. Non-compliant cases should be flagged for immediate corrective action.

Evidence of actions taken by management should be forwarded to the ASSL.

### ***Official Response***

*Management has noted the auditors' concern regarding the joint registration for staff loan vehicles. Steps have been taken to ensure that all loan vehicles are jointly registered and that all vehicle registration documents are appropriately secured by the Administrative Department. Samples of jointly registered vehicle registration documents are available for inspection.*

### **Auditor's Comment**

The car registration and insurance documents were submitted during the verification exercise. Upon review of the vehicle registration cards and insurance documents, we observed that the vehicles were registered in the names of the beneficiary staff instead of the joint name of the staff and the Trust. Therefore, the issue remains unresolved.

### **6.11.14. Anomalies in Contract Management**

Contrary to section 30 of the Public Procurement Act, 2016 and Regulation 145 (3&5) of the Public Procurement Regulations, 2020, we observed significant delays in the construction of the Moyamba District Office. The project was contracted to SEWA Ventures Limited on 17th February 2022, with a 12-month duration, originally scheduled for completion by 16th February 2023. The total contract cost was NLe13,549,222.732. Documentary evidence to confirm that the project has been completed was however not provided for audit inspection. On 22nd November 2023, the Board of Trustees instructed that the project be expedited and completed by the extended deadline of 31st January, 2024. Despite this, an on-site visit on 15th July 2024 revealed that the project remained incomplete. The foreman reported that work had ceased in March 2024, leading to incidents of theft, including the vandalism of electrical cables. A total of NLe7,125,439.80 (52.6% of total cost) had already been paid to the contractor. The project was still far from completion as indicated below.



*Unfinished Structure of the Moyamba District Office*

(ii) The construction of the Moyamba managers' quarters, contracted to Jozzymun Holdings and Construction Enterprise on 17th February 2022 with a 12-month duration, was initially scheduled for completion by 16th February 2023. The contract value was NLe2,893,427.71. The project was however not completed by the deadline. On 8th August 2023, the procurement committee granted a four-month extension along with a 20 percent increase in the original contract price from NLe2,893,427.71 to NLe3,472,113.252. Subsequently, on 22nd November 2023, the Board of Trustees mandated that the project be completed and handed over by 31st December 2023, with a penalty clause to be enforced for any further delays. Despite these measures, an onsite visit on 18th July 2024 revealed that the Moyamba managers quarters had still not been handed over to the Trust, with work valued at NLe64,989 (US\$2,825.6) remaining incomplete.

(iii) The rehabilitation of Marong House on Charlotte Street in Freetown, contracted to C&S Supplies & Building Contractors on 20th September 2022, was originally scheduled for completion by 19th May 2023. The contract price was NLe23,621,741. The project was however not completed within the specified timeline. On 20th April 2023, the procurement committee decided to adjust the contract price by 20 percent of the outstanding amount to account for depreciation of the Leone, and the completion date was extended to 11th September 2023. This adjustment was approved by the NPPA on 7th July 2023, and applied to the original contract price of NLe4,724,348.20. The contractor rejected this offer, and the Trust took no further action. On 22nd November 2023, the Board of Trustees directed that the project be expedited for completion by 31st March 2024. Despite this, an on-site visit on 23rd July 2024 revealed that the Marong House remained incomplete, and it appears unlikely that the rehabilitation will be finished in the near future. A total of **NLe9,527,095.82** had already been paid to the contractor.



*Unfinished structure of Marong House - Charlotte Street*

(iv) The Pension Administration System (PAS) project was contracted to Systech Limited and IT Warehouse Joint Venture (JV) on 4th January 2023, for a contract sum of

NLe96,668,222.1(US\$5,707,450). The overhauling of the pension system was scheduled for completion by 3rd June, 2024. As at 12th July 2024, the project remained incomplete and was still in the training stage. The outstanding tasks include: user acceptance and performance testing; data cleaning and migration; project closure, which involves handing over the developed system, including the tested fund master loaded with migrated data and accompanying manuals.

(v) The Port Loko Regional Office project was contracted to the Leone Construction and General Engineering for a total cost of NLe29,010,723.66 on 18th March 2021 with an 18-month duration. The project had not been completed even though the contract timeline had elapsed by 18 months. On 22nd November 2023, the Board of Trustees instructed that the project be expedited with a new completion deadline of 31st March, 2024. During a site visit on 15th July 2024, the team of auditors found out that the project remained incomplete. The Site Manager informed the team that work was halted for a period and only resumed three months prior to our visit. Given the current status, it is unlikely that the project will be completed in the near future. A total of NLe18,240,887.73 representing 62.9% of the total project cost had already been paid to the contractor.

We recommended that the Procurement Committee should ensure the following:

- (i) Immediately address the delays with various contractors; and develop a detailed action plan to expedite completion, including revised milestones and deadlines.
- (ii) Implement a more rigorous monitoring system to track the progress of the project, and schedule regular site inspections and progress reports to ensure compliance with the revised timeline.

Evidence of actions taken should be submitted to the ASSL.

### **Official Response**

#### ***i. Construction of Moyamba District Office***

*Management fully acknowledges the concerns raised by the auditors and is well aware of the implications of delays in project completion. Due to the complexity of the construction of the NASSIT Moyamba District Office, the Trust proactively hired a Project Manager to oversee the project in accordance with Section 145(2) of the Procurement Regulations, 2020. The project faced delays due to various factors, including:*

- *Site occupation: An old building owned by the ECSL had to be demolished before construction could begin.*
- *External factors: The rigorous procurement process, exchange rate fluctuations, and material unavailability also presented serious challenges in completing projects on time.*
- *Price increase: The contractor requested a price adjustment due to rising costs of materials, equipment, fuel, and transportation.*

*The Procurement Committee ultimately rejected the contractor's request for a price adjustment, leading to a brief project abandonment. The contractor had since resumed work, and the Trust expects the project to be completed by end of the year.*

#### ***ii. Construction of the Moyamba Manager's Quarter***

*The auditors' concerns were duly noted. The Manager's Quarter works had been successfully completed by the contractor, with all tasks finalised since August 2024. The site is fully prepared for inspection by your team.*

#### ***iii. Rehabilitation of Marong House on Charlotte Street, Freetown***

*Management acknowledges the concerns of the auditors and is fully aware of the implications of delays in project completion. The lengthy procurement process, combined with the rise in the exchange rate and the cost of building materials, as well as the non-availability of quality materials in the country, has presented serious challenges in completing projects on time. To address these challenges, the Trust did the following:*

- *Recruited consultants: Engaged external experts to manage the complex project.*

- *Adjusted contract price: Negotiated a price increase with the contractor to account for rising costs.*
- *Provided financial support: The Trust provided an advance payment to the contractor, secured by a bank guarantee and performance bond to expedite the project.*
- *Completion Deadline: The project is now scheduled to be completed within a six-month timeframe, spanning from June to December 2024.*
- *Liquidated Damages: To ensure timely delivery, a daily penalty of US\$5,254.16 will be imposed on the contractor if the project fails to meet the revised deadline.*

*The contractor has successfully offloaded materials at the seaport, and construction work is progressing steadily on-site. Based on the current pace of work, the Trust is confident in completing the project by the end of the year.*

*iv. **The Port Loko Regional Office***

*Management acknowledges the concerns of the auditors and is fully aware of the implications of delays in project completion. The lengthy procurement process, combined with the sharp rise in the exchange rate and the cost of building materials, as well as the non-availability of quality materials in the country, has presented serious challenges in completing projects on time and within budget.*

*The Board of Trustees and the NPPA have implemented a solution to overcome the challenges:*

- *Payment Structure: The remaining contract funds will be disbursed based on the prevailing Bank of Sierra Leone (BSL) exchange rate at the time of payment. This eliminates the risk of future price fluctuations.*
- *Completion Deadline: The project is now scheduled to be completed within a strict six-month timeframe, spanning from June to December 2024.*
- *Liquidated Damages: To ensure timely delivery, a daily penalty of US\$7,000 will be imposed on the contractor if the project fails to meet the revised deadline.*

**Auditor’s Comment**

On-site visitation to the Moyamba manager’s quarter revealed that construction work was completed. Documentary evidence to confirm that the remaining projects are completed was not submitted. Therefore, the issue is partially resolved.

**6.11.15. The Internal Audit Department Annual Work Plan not Achieved**

The Internal Audit Department did not provide any report to management for the third and fourth quarters of 2023, as outlined in their planned activities. Consequently, the Trust's risks could not have been fully assessed, evaluated or addressed during this period.

We recommended that the General Manager, Internal Audit, should ensure that the Internal Audit Department prioritise the completion and submission of quarterly reports in order to mitigate the risks of internal control weaknesses in the Trust operations. Evidence of action taken should be forwarded to the ASSL.

**Official Response**

*Management fully acknowledges the concerns raised by the auditors regarding the annual work plan not being achieved. The Department has been working tirelessly to complete the audit for the 3rd quarter of 2023, and the final report has now been issued to management. The audit for the 4th quarter is currently in progress.*

**Auditor’s Comment**

Correspondence sent to the various regional managers informing them about the commencement of the 4th quarter audit of 2023 were submitted and verified. The 3rd quarter audit report and evidence to show that the 4th quarter audit has commenced were however not submitted. Therefore, the issue remains unresolved.



## **6.12. ELECTORAL COMMISSION FOR SIERRA LEONE (ECSL) - 2023**

### **6.12.1. Non-payment of Statutory Deduction to the NRA**

A review of the general ledger revealed an outstanding balance on withholding taxes of NLe8,988,887.33 as at 31st December, 2023. These are statutory deductions which should have been paid to the NRA. Evidence of payment of these outstanding statutory deductions were however not made available for audit inspection.

Failing to comply with statutory tax laws could result in fines being levied on the Commission. This could have resulted in the loss of much-needed government revenue.

We recommended that, the Director of Finance should ensure that the withholding taxes of NLe8,988,887.33 are paid to the National Revenue Authority, and evidence of payment submitted to the ASSL.

#### ***Official Response***

*Evidence of the payment transfer is available for verification.*

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

We were provided with the bank pay-in slip and payment voucher. The NRA receipts were not provided for verification. Therefore, the issue remains unresolved.

### **6.12.2. Unsupported Expenditures**

Upon review of a sample of payment vouchers and amount disbursed for voter registration and elections activities, the following were observed:

#### ***Expenses on voter registration and election activities***

- Payments totalling NLe14,173,710 were without adequate supporting documents such as invoices, delivery notes, end-user requests, receipts, attendance registers and signed beneficiaries list.
- Payments totalling NLe22,228,579 were made without supporting documents to justify the utilisation of the funds.

Payment could have been made for goods and services not delivered to the Commission.

We recommended that the Director of Finance should submit the payment vouchers and supporting documents to the ASSL. In future, all payments made should be supported by the relevant documentation for accountability and audit purposes.

#### ***Official Response***

*The certificate of completion, signed payment voucher, approved requisition, beneficiary list, receipt and other supporting documents for the amount queried are available for verification.*

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

Of the NLe14,173,710, adequate supporting documents were submitted and verified for expenditure totalling NLe12,906,184 representing 91% of the queried amount, leaving a balance of NLe1,267,526 without adequate supporting documents. Therefore, the issue is substantially resolved.

Of the NLe22,228,579 supporting documents were submitted and verified for expenditures totalling NLe20,956,038 representing 94% of the queried amount, leaving a balance of NLe1,272,541 without supporting documents. Therefore, the issue is substantially resolved.

### ***Payment for Accounting Software***

The team requested the supporting documents for the addition to accounting software transactions amounting to NLe92,219 reported under Property, Plants and Equipment in the Financial Statements, but was not made available for audit inspection.

We could not confirm whether the accounting software was acquired, which could result in the loss of government funds.

We recommended that the Director of Finance should ensure that the supporting documents and software are submitted to the ASSL.

### ***Official Response***

*The Commission did not procure accounting software for the period under review. The amount queried was software procured for use in the voter registration verification process before distribution of voter ID cards. The supporting documents are available for verification and the software is ready for inspection in the ICT server room.*

### **Auditor's Comment**

Supporting documents and software were not provided for verification. Therefore, the issue remains unresolved.

### ***Administrative Expenditure***

The following were however observed:

- Payments totalling NLe735,391 were without adequate supporting documents such as invoices, delivery notes, end-user requests, receipts and back-to-office reports.
- Payments totalling NLe723,242 made during the financial year were without supporting documents to justify the disbursed funds.

Payments could have been made for goods and services not delivered to the Commission. In addition, Financial Statements could have been misstated.

We recommended that, the Director of Finance should submit the payment vouchers and supporting documents to the ASSL.

### ***Official Response***

*Signed beneficiary list, receipts and report are available for verification.*

### **Auditor's Comment**

Of the NLe735,391 adequate supporting documents were submitted and verified for expenditure totalling NLe536,806 representing 73% of queried amount, leaving a balance of NLe198,585 without adequate supporting documents. Therefore, this issue is partially resolved.

Of the NLe723,242 supporting documents were submitted and verified for expenditure totalling NLe565,889 representing 78% of the queried amount, leaving a balance of NLe157,353 without supporting documents. Therefore, the issue is substantially resolved.

### **6.12.3. Ineffective Management of Fuel**

The Commission made payment of NLe1,176,985 in respect of fuel for various election activities. Fuel distribution list and fuel receipts were not provided for audit inspection.

A total of NLe3,600,096 was spent on fuel for rented and hired vehicles, motorbikes and other operations for which no fuel receipts and fuel distributions lists were made available for audit inspection.

Payments could have been made for goods and services not provided to the Commission.

We recommended that the Director of Finance should provide all fuel receipt and distribution list for verification to the ASSL.

**Official Response**

*The fuel distribution list and receipts queried are available for verification.*

**Auditor's Comment**

From NLe1,176,985, fuel distribution lists and receipts were submitted and verified for payments totalling NLe212,661, leaving a balance of NLe964,324. Therefore, the issue is partially resolved.

- From NLe3,600,096, fuel distribution lists and receipts were submitted and verified for payment totalling NLe3,092,840, leaving a balance of NLe507,256. Therefore, the issue is partially resolved.

**6.12.4. Imprest Made to District Offices not Retired**

Our review of the Commission's expenditure records revealed that imprests were disbursed to the 16 district offices amounting to NLe11,967,279 to undertake election activities such as: training of staff, fuel, motorbike hire for AVETOs sensitisation, district PPLC, training of polling staff for Paramount Chief Member of Parliament (PCMP) election etc. We however, observed that the imprests were not fully retired.

Some account balances could have been over/understated. In addition, monies could not have been used for their intended purposes.

We recommended that the Director of Finance should ensure that imprests are retired and evidence of retirement details are submitted to the ASSL.

**Official Response**

*Retirements are kept in a different file and they are available for verification.*

**Auditor's Comment**

Retirement for transfer to districts offices were submitted and verified for payments totalling NLe11,447,030 leaving a balance of NLe520,249. Therefore, the issue is partly resolved.

**6.12.5. Expenditure returns not Provided for Other Elections Expenses**

The team was not provided with retirement documents for amounts totalling NLe3,090,890 in respect of various election activities.

Payments could have been made for services not provided to the Commission, thereby resulting in overstatement of legal expenses and understatement of cash and cash equivalents.

We recommended that the Director of Finance should provide all supporting documents to the ASSL.

**Official Response**

*Retirements are kept in a different file and they are available for verification.*

**Auditor's Comment**

Expenditure returns were submitted and verified for payments totalling NLe2,017,844.50 leaving a balance of NLe1,073,045.50. Therefore, the issue is partially resolved.

**6.12.6. Use of RfQ Instead of NCB Procurement Method**

We observed that procurement of similar items worth NLe321,750 was divided and awarded to the same supplier. Had adequate procurement planning been done, these items should have been procured through the national competitive bidding method, instead of using the requests for quotation method.

Value-for-money could not have been achieved, and also the Public Procurement Act, 2016 could have been breached.

We recommended that the Director of Logistics & Procurement should provide an appropriate reason why the procurement was split, in contravention of the Public Procurement Act, 2016.

The Commission is required to design and implement a framework contract with a suitable supplier for procurement, and comply with all relevant procurement laws and regulations in its procurement activities.

### **Official Response**

*Splitting (printing of posters of 'know your candidates')*

*The UNDP was to print all the 'know your candidates' posters for the 2023 elections, but declined at the eleventh hour, leaving the ECSL to undertake the exercise. It is important to mention that printing of all the 'know your candidates' posters was done only after the nomination exercise, which determines the printing of the 'know your candidate' posters. It is important to note that the printing has to be done and ready as against the stakeholders' engagement across the districts where these printouts are distributed to the various contesting candidates, which was less than two weeks to the stakeholders' meeting. In view of the timeline, the ECSL had no time to advertise the procurement activities but to use the RFQ method in order to print the posters on time, and hand them over to the political parties during the stakeholders' meeting.*

### **Auditor's Comment**

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

#### **6.12.7. GST Receipts not Provided**

We observed that a total of NLe562,339.70 was included in several suppliers' contracts as GST to be withheld and paid by the Commission to the NRA. The GST invoices and receipts were not provided for audit inspection. As a result, there was no evidence of payment of these GST amounts to the NRA. Failing to comply with statutory tax laws could result in fines levied on the Commission. Furthermore, taxes collected by the Commission could not have been paid to the NRA, resulting in loss of revenue to government.

We recommended that the Director of Finance should submit all GST receipts and invoices to the ASSL.

### **Official Response**

*The GST invoices are available for verification.*

### **Auditor's Comment**

GST invoices/receipts were submitted and verified for expenditures totalling NLe445,864.83 leaving a balance of NLe116,474.87. Therefore, the issue is partly resolved.

#### **6.12.8. Creditors Statements and Aged Listing not Provided**

A review of the Financial Statements submitted for audit, showed a payables balance of NLe76,042,960 for the period under review. Creditors statement at year-end and creditors aged listing requested by the auditors were not made available for inspection during the audit exercise. As a result, the auditors could not confirm the accuracy of the accrued expenses recognised in the Financial Statements. The unavailability of the year-end creditor's statements, restricted us from confirming the accuracy of the payable figures recognised in the Financial Statements.

Failure to pay creditors could lead to potential reputational damage and potential cash flow problem. Payables amount recognised in the Financial Statements could be misstated.

We recommended that the Director of Finance should submit to the ASSL the creditors account statements and aged listing.

**Official Response**

*The query is noted, the document requested will be available for verification.*

**Auditor's Comment**

We were not provided with the necessary supporting documents. Therefore, the issue remains unresolved.

**6.13. SIERRA LEONE BROADCASTING CORPORATION - 2023**

**6.13.1. Payments without Adequate Supporting Documents**

Payments totalling NLe1,092,202 were made without adequate supporting documents, such as receipts, invitation letters and inspection reports. This could cast doubt on the occurrence of these transactions.

We recommended that the Director of Finance should submit supporting documents for these transactions to the ASSL for verification. In future, all transactions from inception to completion should be supported by relevant documentary evidence, which should be retained for audit and reference purposes.

**Official Response**

*The Corporation maintains an appropriate filing system. For every disbursement, there is a request, payment voucher, invoices and receipt attached, as with samples provided during field audit. Administrative expenses supporting documents are available for verification.*

**Auditor's Comment**

Evidence in the form of receipts, invitation letters, inspection reports were not submitted for audit verification. Therefore, the issue remains unresolved.

**6.13.2. Withholding Taxes not Paid to the National Revenue Authority (NRA)**

We observed the following:

- 5.5% withholding taxes totalling **NLe45,144** were deducted from payments made to various suppliers for goods and services, but not paid to the NRA.
- Withholding taxes amounting to **NLe257,574** were neither deducted from payments made to suppliers for goods and services, nor paid to the NRA during the period under review.

We recommended the following:

- (i) That the Director of Finance should ensure that the said sum of NLe45,144 and NLe257,574 are paid to the NRA and receipt submitted to the ASSL.
- (ii) In future, withholding taxes deducted should be paid within 15 days in the month following the month in which the tax was withheld to avoid penalties.

**Official Response**

- (i) *Withholding tax amounting to NLe45,144, were deducted and paid to N.R.A. during the period under review. Please find attached here in confirmation.*
- (ii) *The tax details documents are available for verification.*

**Auditor's Comment**

Evidence of payment of taxes due to the NRA was not submitted for our review. Therefore, the issue is unresolved.

### **6.13.3. GST Invoice not Issued by Suppliers**

We observed that payments totalling NLe30,757 were made to suppliers for Goods and Services Tax (GST). The audit team was however not provided with the GST invoices and receipts. This could have resulted in the loss of much-needed government revenue.

We recommended that the Director of Finance should provide the GST invoices and receipts for the NLe30,757 for audit verification; otherwise, pay the amount to the NRA and submit the payment receipt to the ASSL.

#### ***Official response***

*GST invoices as provided by vendors are available for verification.*

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

Our recommendation was however not implemented as evidence of GST invoices and receipts to justify payments made to the NRA was not submitted to the ASSL.

Therefore, the issue remains unresolved.

### **6.13.4. Non-current Assets not Physically Verified**

Our review of the assets register and physical verification of the non-current assets of the Corporation revealed the following:

- We observed that non-current assets purchased during the year worth **NLe1,453,419** were not made available for physical verification. We could therefore not confirm the existence of the said assets.
- Title documents such as life-cards for vehicles and motorbikes, conveyances and site plans for land owned and controlled by the SLBC at Leceister Peak, Goderich, Waterloo, New England Ville, Pademba Road and in Bo, Kenema, Kailahun, Makeni and Magburaka were not submitted for audit inspection. A site plan was submitted to the team for the land in Kono. It was however not authenticated by the signatures of the paramount chief, section chief and town chief. In addition, no insurance policy or insurance cover was submitted for the said assets. We could therefore not confirm ownership of the property of the Corporation.

The said assets could not exist within the Corporation, and as a result, the property could be converted to personal use or encroachment could take place.

We recommended that the Director of Finance and the Director of Administration should ensure the following:

- (i) Make available the assets to the ASSL for verification.
- (ii) Submit title deeds for all the property owned and controlled by the Corporation to the ASSL for verification.

#### ***Official Response***

- (i) *At the time of field audit, the engineering personnel were hardly available to aid the external audit team in confirming asset purchased totalling NLe1,453,419. Assets purchased during the said period are available for verification.*
- (ii) *Detail of assets and purchase coded for the period under review is available for physical verification.*
- (iii) *Management has developed a policy guide on asset, which will be replaced by an accounting manual, awaiting approval.*

### **Auditor's Comment**

From a total of NLe1,453,419, assets worth NLe332,428 representing 23% of the queried amount were physically verified, leaving a total of NLe1,120,991 not physically verified. Therefore, the issue remains unresolved. The title deeds were not submitted during the verification exercise. Therefore, the issue remains unresolved.

### **6.13.5. Inadequate Controls over the Management of Fuel**

We reviewed the Corporation's general ledger and payment vouchers submitted for audit and observed the following:

- Fuel utilisation records such as fuel chit, fuel reconciliation and invoice from suppliers for 19,595 litres of fuel utilised on a credit basis during the period under review, valued at NLe484,732 were not provided to the audit team for inspection. As a result, it was difficult to ascertain whether the above amount (utilised by the Corporation on fuel for headquarters and Leicester Peak) was properly accounted for.
- A total of NLe69,000 was disbursed for fuel issued to members of staff of the Corporation during the period under review. There was however no evidence (recipients' signatures) to indicate that the said staff received the fuel.

Fuel could not have been used for its intended purposes, thereby leading to the waste of much-needed resources.

We recommended that the Director of Finance should ensure the following:

- (i) The fuel utilisation records (i.e. fuel chit, fuel reconciliation and register, vehicle log books, generator log books and invoice from supplier) in support of fuel utilised, worth NLe484,732 is forwarded to the audit team for verification.
- (ii) Provide the distribution list with the recipients' signatures for audit verification.
- (iii) The Transport and Logistics Officer prepare monthly fuel reconciliation with the fuel dealer(s) for the year under review; and the Director of Engineering should review the reconciliation and evidence submitted to the audit team. In future, these documents should be prepared and serve as the basis for the management and control of fuel usage.

### **Official Response**

*The Corporation maintains an effective control mechanism on fuel, expenses relating to fuel are budgeted for monthly, usage being track by log books, suppliers trace books, and books maintained by the distributing team. Please find details to fuel utilised worth SLe484,732 and SLe1,409,544 respectively, being consumptions on various dates, with varying cost centers as in generators both at Leicester Peak and New England vehicle and motorbike, all details available for verification.*

*Pattern of distribution is electronically available via individual cards which accounts for 69,000, each consumption card available for verification.*

### **Auditor's Comment**

- Fuel reconciliation, vehicle log books, invoice from suppliers were not submitted to account for fuel worth NLe484,732. Therefore, the issue remains unresolved.
- There was no evidence of signed fuel register, showing recipients' signatures to account for the supply of fuel to staff members. Therefore, the issue remains unresolved.

### **6.13.6. Lack of Policy Documents**

We held discussions with key staff of the Corporation across the country and observed that there was no strategic plan to link the Corporation's objectives to its output.

There were no comprehensive finance manual, human resources manual, assets manual and other policies. This adversely affected service delivery as there was no clear pathway for the Corporation to follow in order to achieve its mission.

This could cause the Corporation to use resources inefficiently thereby resulting in poor service delivery and mismanagement or loss of public funds.

We recommended that the Director General should collaborate with the Board of Directors to ensure that policies are developed and implemented for efficient service delivery.

#### ***Official Response***

- (i) Management has established various committees to develop effective operational instruments otherwise known as policy documents, on all functional areas of the state broadcaster for efficient service delivery.*
- (ii) The Board of Trustees in collaboration with the Director General and management are set to review and renew the Corporation's Strategic Plan before close of the current financial year.*

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

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

### **6.13.7. Inadequate Modern Broadcasting Equipment**

We held discussions with unit heads at the Corporation's headquarters and visited the regional offices. We observed the following:

- Modern broadcasting equipment such as cameras, licensed software, digital data storage equipment, transmitters, microphones, computers, microwave links and vehicles/motorbikes were not adequate, and in some cases, not available for their operations.
- We observed that the structure in Kono that housed the transmission link at the DO Barracks was demolished last year as it belonged to a private company and the SLBC tower at Mamrodu did not have a power source (battery) to enable it function. In addition, their 500-watt transmitter was faulty and was sent to the headquarters in Freetown for repairs. They therefore have a serious challenge linking national programmes via a mobile application (radio addict) or Facebook with the help of the Africell network.
- Similarly, the Kenema radio station also experienced frequent breaks in transmission as a result of poor link through Facebook and when using the Q-Cell network during national programmes, as the link at the Kamboi Hills did not have an inverter for transmission. In addition, although all the unit heads and station managers we spoke to argue that the radio covers between 90% and 95% of the country, there was no survey report to determine the extent of coverage by the national broadcaster, and we could not confirm the assertion made by the staff.
- In Kailahun, they have a 500-watt transmitter and also link with the headquarters via Facebook. However, there was no inverter to link to the headquarters. Bo has a 1000-watt transmitter for the radio and a 2000-watt transmitter for television and they cover 90% of the southern region. The link to Freetown is however not stable and the off-air monitor is not usable. In addition, they receive interruption from a sister radio station (Classic Radio).
- Magburaka has a 500-watt transmitter and Makeni a 1000-watt transmitter. They all had challenges with the link to headquarters during national programmes.



Overall, there were challenges linking the regional stations with the headquarters during national programmes owing to the inadequacy or unavailability of modern broadcasting equipment.

This could cause distortion to the quality and extent of services provided by the Corporation to the nation.

We recommended for the Director General to ensure that the regional stations are visited and remedial actions taken to address the issues highlighted above.

#### **Official Response**

- (i) *Management has established various committees to develop effective operational instruments otherwise known as policy documents, on all functional areas of the state broadcaster for efficient service delivery.*
- (ii) *The Board of Trustees in collaboration with the Director General and management are set to review and renew the Corporation's Strategic Plan before close of the current financial year.*

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

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

### **6.14. GUMA VALLEY WATER COMPANY - 2023**

#### **6.14.1. Non-payment of Statutory Deduction to the National Revenue Authority**

We observed that as at 31st December 2023, amounts totalling NLe1,617,597.26 and NLe17,153,696.46 relating to withholding taxes and PAYE respectively, were not paid to the National Revenue Authority (NRA). Non-payment of taxes is a violation of the law and reduces government's much-needed revenue.

We recommended that the Director of Finance should pay the outstanding amounts of NLe1,617,597.26 and NLe17,153,696.46 to the NRA and the receipts forwarded to the Audit Service for verification.

#### **6.14.2. Delay in Payment of End-of-Service Benefits**

We observed that the GVWC owed 67 former employees end-of-service benefits totalling NLe12,196,693.66 since 2017. Of the NLe12,196,693.66, only NLe4,282,312.61 was paid in 2023, leaving an outstanding balance of NLe7,914,381.05. Failure to pay end-of-service benefits within a reasonable time could affect the livelihood of beneficiaries.

We recommended that the Managing Director should engage the Ministry of Finance to expedite payment of benefits to the affected beneficiaries.

#### **6.14.3. Receivable Confirmations not Received**

A review of the Company's trade receivables showed a total balance of NLe239,198,507.22, which is an increase of 17% compared to that of the previous year. It is worth noting that this amount includes debt totalling NLe24.9 million, owed by government-owned institutions. In this regard, debtor circularisation was sent to 74 customers with a total receivables balance of NLe32,574,959.09. Of the 74 debtors' customer accounts that were selected, 18 confirmations with a total debt balance of NLe2,089,758.77 were received, leaving 56 debtors with a total debt balance of NLe30,485,200.32.

We recommended that the Director of Commercial Services should ensure that a follow-up is done with debtors, and response forwarded to the ASSL.

## Official Response

*Management will ensure that the necessary follow-up is done through letters to the various receivable account holders. Copies of such letters will be made available during the verification exercise.*

## Auditor's Comment

No confirmation was received. Therefore, the issue remains unresolved.

## 6.15. ELECTRICITY DISTRIBUTION AND SUPPLY AUTHORITY - 2023

### 6.15.1. Operations of the Authority

From a review of the Authority's operations, we observed the following:

#### Losses Incurred in the Supply of Energy

When we compared the cost of power purchase from Independent Power Producers (IPPs) and the energy sales, we observed that the Authority incurred losses amounting to NLe133,822,693 Kilowatt. The Authority received a total of 683,435,751.91 Kilowatt of electricity from the IPPs and sold 549,613,058 Kilowatt during the period under review. The estimated technical and commercial losses (as indicated in the table below) for the review period amounted to NLe411,772,429. These losses could be attributed to the increased rate of illegal connections to the electricity grid.

No.	Energy Supply from EGTC & IPPs		Kilowatt/NLe	Loss (Kilowatt)	Leones NLe
1	683,435,751.91	2,103,139,182.48	3,077	133,822,694	411,772,429

## Official Response

*As a way of enforcing and monitoring illegal connections a Revenue Protection Unit (RPU) has been established within the Authority with clear of reference.*

*EDSA through the help of the Ministry of Energy is pursuing several alternative cheaper sources of power with the view of reducing the direct cost of buying power from IPPs.*

*Management is soliciting funds from development partners to invest in the distribution and commercial operations with the view of reducing commercial and technical losses to an acceptable level.*

## Auditor's Comment

Evidence to confirm management's action in procuring a cheaper source of energy was not submitted and verified. Therefore, the issue remains unresolved.

### 6.15.2. Sustainability of Electricity Supply

From a comparative analysis, we observed that the Authority's payable balances increased by 41% from NLe1,548,871,238 in 2022 to NLe2,187,010,586 in 2023. We also observed that the Authority's receivable balances increased tremendously by 55% from NLe607,296,221 in 2022 to NLe938,854,246 in 2023.

Further analysis of the financial records revealed that the Authority's liquidity ratio for the period reviewed stands at 0.6:1. This means that the revenue generated in 2023 could not offset the Authority's recurrent expenditure, and at the same time pay its major suppliers such as the Karpowership, the Electricity Generation Transmission Company (EGTC) and the Cote d'Ivoire Liberia Sierra Leone Guinea (CLSG), without resorting to government intervention or bank borrowing.

The inability of the Authority to reduce its receivable balances (recover its debts) increases the risk of bad debts. This could lead to cash flow problems. Conversely, the Authority's failure to reduce its payable balances (pay its debts as they fall due) could expose it to sustainability problems. It could also strain the Authority's relationship with its suppliers and expose it to litigation.

We recommended that the Chief Finance Officer should design a policy for the efficient collection of debts due to the Authority, especially from government-owned entities, and take necessary action to disconnect indebted customers from the electricity grid. Additionally, renegotiate payment terms with suppliers and design payment plans to create room for the Authority to conveniently meet its financial obligations.

### **Official Response**

*There is an existing policy on efficient debt collections including for MDAs. The EDSA has been constrained in disconnecting MDAs to avoid the disruption of Government's activities. However, the EDSA intends to install prepaid meters to all MDAs that are not sensitive and are a threat to the security of Government. Further, negotiations are currently ongoing with the NRA/MoF to cross-debit MDAs' arrears with GST owed by the EDSA to the NRA.*

*The EDSA through the help of the Ministry of Energy, the Ministry of Finance and the Public Private Partnership Unit, is pursuing several alternative cheaper sources of power with the view of reducing the direct cost of buying power from IPPs.*

*Renegotiations of payment terms with various suppliers are ongoing and for certain suppliers, a payment plan has been developed and the EDSA is adhering to the payment plans with the view of defraying the amount owed.*

### **Auditor's Comment**

The list of MDAs where prepaid meters were installed was not submitted for verification. In addition, reminder letters, disconnection notices, and correspondence with the MoF and the NRA to cross-debit MDAs' arrears with GST owed by the EDSA to the NRA were not made available for verification. Therefore, this issue remains unresolved.

Furthermore, correspondence in respect of negotiations with suppliers and agreed payment plans were not made available for verification. Therefore, the issue remains unresolved.

### **6.15.3. Ambiguity in the Payment Terms in the Contract Agreement signed between EDSA and Karpowership**

The expression "*actual days of the month*" in the contract is ambiguous, as it does not specify whether it refers to days when the machines are utilised or all the days in the month. It is plausible that the Karpowership was not fully utilised throughout the month or continuously operational for the stipulated 24 hours due to potential technical, mechanical, and other unforeseen circumstances. This could lead to government paying for electricity supply not generated by the Karpowership. Such situations should justify a reduction in the fees payable to Karpowership.

### **6.15.4. Revaluation Report of Assets not Made Available**

We observed that the Authority revalued its distribution network, prepaid meters and general assets, for amounts totalling NLe403,929,096.95. A revaluation report was however not provided to substantiate the amount recorded in the fixed assets register and the Financial Statements. The absence of this report hinders our ability to assess the assumptions and methodology used to determine the revalued cost of these assets.

We recommended that the Chief Finance Officer should ensure that the Authority's assets are revalued by a professional valuer in accordance with International Accounting Standards (IAS).

### **Official Response**

*The Authority's Distribution Network Asset and Allied Perils were insured by a reputable local insurance company (SLICO). A revaluation exercise was done and a report thereof was provided with all the relevant details of the entire distribution network assets including the values, location, quantities, and specifications. This valuation report was used to revalue the entire Authority's Distribution Network Asset class as per International Accounting Standards (IAS). We would scale up the existing revaluation report to incorporate all other assets by hiring a competent valuer company to determine the fair value or replacement cost of the distribution network assets and land and buildings owned and controlled by the Authority.*

### **Auditor's Comment**

The report submitted by the Authority was not a professional revaluation report rather, it was a survey report previously done by SLICO. This could therefore not support the revalued amount of NLe403,929,096.95 recognised in the Financial Statements. Therefore, the issue remains unresolved.

### **6.15.5. Insurance Policies and Life Cards of Motor Vehicles not Made Available for Inspection**

During the audit, there was no evidence to show that the Authority's motor vehicles and motorbikes worth NLe7,183,722 were insured. In addition, we observed that the life cards for 25 motorbikes and three motor vehicles were not made available for inspection. Failure to insure these motor vehicles and motorbikes could lead to additional financial burden on the Authority in the event of an accident, fire, or other natural disaster.

We recommended that the Logistics Manager should ensure that all motor vehicles and motorbikes owned and controlled by the Authority are insured by a reputable insurance company. In addition, the life cards for the 25 motorbikes and three motor vehicles should be obtained from the Sierra Leone Road Safety Authority (SLRSA) and properly safeguarded to enable the Authority exert rights and obligations over its vehicles and motorbikes.

### **Official Response**

*Please find attached various insurance policies obtained from reputable insurance companies to cover our assets in the event of fire, accident or natural disaster. The life cards and insurance are provided for the motorcycles as well.*

### **Auditor's Comment**

Insurance and life cards for the motorbikes and motor vehicles were not submitted to the ASSL. Therefore, the issue remains unresolved.

### **6.15.6. Taxes not Deducted from Allowances Paid to Staff**

The following were observed:

- Upon restructuring the leadership team of the Authority, revised fringe benefits were agreed with the Authority for the Director General and Deputy Director General. Taxes amounting to NLe81,840.00 were however not deducted from these allowances and paid to the NRA.
- We observed that clothing allowances were paid to senior female staff of the Authority for the review period. Taxes amounting to NLe148,500 were however not deducted and paid to the NRA.

Failure to pay these taxes to the relevant authority may lead to the loss of much-needed government revenue.

We recommended that the Chief Finance Officer should ensure that the taxes are recovered and paid to the NRA.

### **Official Response**

- (i) *The fringe benefits mentioned for both the Director General and the Deputy Director General are contractual entitlements as stipulated in their contracts. We noted your findings and going forward, such fringe benefits will be processed through the payroll and the underlying taxes are applied.*
- (ii) *According to Part 8.8 of the Staff Handbook, female employees in the senior category are entitled to annual clothing allowance. The amount is normally negotiated by Management based on market trends and the cash flow of the Authority. Even though such allowance is normally paid out of the payroll, it will be taxable going forward.*

### **Auditor's Comment**

Evidence of payments to confirm payment to the NRA was not submitted to the ASSL. Therefore, the issue remains unresolved.

#### **6.15.7. Unsupported Payments**

We tested a sample of the Authority's transactions with the aim of ascertaining whether payments were made for the intended purposes. We observed that payments totalling NLe3,565,890 were made without adequate supporting documents such as receipts, invoices, delivery notes, beneficiaries list, travelling documents and service level agreements. Further payments totalling NLe1,294,304 were made without any supporting documents.

There is high possibility that payments were not made for their intended purposes. This could question the validity of the expenditure balance reported in the Financial Statements.

We recommended that the Chief Finance Officer should ensure that the relevant supporting documents in respect of the above transactions are submitted to the ASSL for verification. Otherwise, the amounts involved should be refunded, and evidence of refund forwarded to the ASSL.

### **Official Response**

*The related supporting documents for the mentioned payments are available for your verification.*

### **Auditor's Comment**

Adequate supporting documents for payments amounting to NLe82,135 representing 2.3% of the queried amount were submitted and verified, leaving a balance of NLe3,483,755. Therefore, the issue remains unresolved. Additionally, supporting documents for payments totalling NLe241,323 representing 18.6% of the queried amount were submitted and verified, leaving a balance of NLe1,052,981 not submitted. Therefore, the issue remains unresolved.

#### **6.15.8. Payments to the Ministry of Energy without Justification**

We observed that funds were remitted and spent on the Ministry of Energy without any justification. In one instance, a payment of NLe150,000 was made into the Ministry's account as quarterly special imprest, and in another instance, assets worth NLe96,500 were procured for the Ministry during the review period.

Payments without any legal justification could be classified as ineligible expenditure in the Authority's books of account.

We recommended that the Director General should refund the said amount of NLe246,500 into EDSA account, and evidence of payment made available to the ASSL.

### **Official Response**

*The amount was provided to the Ministry of Energy (MoE) due to late and insufficient quarterly disbursement to undertake a vital oversight project and monitoring activities in the provinces that would directly benefit EDSA. Further, expenditure was incurred in procuring relevant assets. Management is in discussions with the officials of the MoE to refund the amount disbursed.*

### **Auditor's Comment**

Evidence of payment by the Director General was not submitted and verified. Therefore, the issue remains unresolved.

### **6.15.9. Retirement Details for Cash Advances Disbursed to Staff not Made Available**

We observed that cash advances amounting to NLe104,560 were reported in the Financial Statements. Further investigation revealed that, these funds were disbursed to staff to execute various activities on behalf of the Authority during the period under review. The retirement details to justify how these funds were utilised were not made available for inspection. The amounts disbursed as cash advances could not have been utilised for the intended purposes.

We recommended that the Chief Finance Officer should recover the outstanding cash advances from the salaries of the said staff.

### **Official Response**

*An internal memo has been issued to all staff for proper retirement of cash advances, failure of which the recommendations mentioned above would be reinforced.*

### **Auditor's Comment**

Retirement details to justify the utilisation of cash advances given to staff were neither submitted, nor was there any evidence of recovery from the said staff salaries. Therefore, the issue remains unresolved.

### **6.15.10. Payables Source Documents not Made Available**

From a review of the Financial Statements, we observed that the sum of NLe523,669,580 was reported as local payables in the Statement of Financial Position. The source documents to validate these balances such as invoices, delivery notes, and contract agreements, were however not made available for inspection.

The absence of source documents raises concern about the validity of the payables' balances. This increases the risk of the Authority making payments for amounts that could be disputed or not owed.

We recommended that the Chief Finance Officer should make available the source documents in respect of the payable balances of NLe523,669,580.41 to the ASSL .

### **Official Response**

*Payable source documents including IPPs invoices were submitted for your review.*

### **Auditor's Comment**

Source documents to substantiate the validity of local payables reported in the Financial Statements were not submitted and verified. Therefore, the issue remains unresolved.

### **6.15.11. Statutory and Staff-Related Deductions not Paid to the Relevant Authorities**

We observed that deductions amounting to NLe260,593,194 and NLe83,676,566.19 in respect of statutory obligations and staff related cost respectively were part of the payable balances reported in the Statement of Financial Position. We however observed that the Authority has not taken any action to settle these financial obligations.

We recommended that the Chief Finance Officer should ensure that the Authority settle the above obligations and make available the evidence of settlement /payment to the ASSL for verification.

**Official Response**

*We are up-to-date with NASSIT payment. The NRA deductions are however not paid in time although the tax returns are filed and lodged into ITAS in a timely manner. A cross-debt arrangement is being pursued to off-set MDAs electricity arrears as against GST liability.*

**Auditor's Comment**

NASSIT receipt, bank transfers were not submitted in respect of payment to NASSIT to confirm the response proffered by management. In addition, evidence to support management action for a cross debt to offset the MDAs' electricity arrears as against GST liability was not submitted and verified. Therefore, the issue remains unresolved.

**6.16. ELECTRICITY GENERATION AND TRANSMISSION COMPANY - 2023**

**6.16.1. Discrepancies between Debtors' Circularisation Letter and Financial Statement**

In response to the circularisation sent to the Electricity Distribution and Supply Authority (EDSA) to confirm the existence and accuracy of amounts totalling NLe589,459,219 owed by them, we noted that the Financial Statements were understated by NLe17,629,670.79. The completeness, existence and accuracy of receivables figure reported in the Financial Statements could be doubtful and misleading. We recommended that the Financial Controller should ensure that a follow-up is made with the EDSA in respect of the difference between the confirmed balances and the receivable balances stated in the Financial Statements of the company. Evidence of action taken should be submitted to the ASSL for verification.

**Official Response**

*Necessary follow-ups through calls and email have been made to the EDSA to help address this issue.*

**Auditor's Comment**

Evidence of action taken by management was not submitted. Our recommendation was not implemented; therefore, the issue remains unresolved.

**6.16.2. Payment of EGTC Creditor by EDSA without Authority**

We observed that the Electricity Distribution and Supply Authority (EDSA) made direct payments to Webuild in relation to the operation and maintenance of the Bumbuna hydro power station. Of utmost concern was the fact that neither EDSA, nor the Ministry of Finance is a signatory to the contract established between Webuild and the EGTC for the operations and maintenance of the Bumbuna hydro power station. The non-inclusion of the EGTC in the payment made to Webuild could distort the payables in the Financial Statements of the EGTC.

We recommended that the Director General, EGTC should engage the Management of EDSA and the Ministries of Energy and Finance, to ensure that EDSA settles its debts owed to the EGTC directly instead of making payments to contractors on behalf of the EGTC.

**Official Response**

*The EGTC management has severally cautioned EDSA and informed the Ministry of Energy that direct payments to our contractors is a violation of the Power Purchase Agreement that was signed between the two entities.*

*Frantic effort is being made to ensure that EGTC is involved in all dealings that has to do with Webuild.*

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

We were not provided with evidence to confirm that the Director General engaged the Ministry of Finance and the EDSA. Our recommendation was not implemented. Therefore, the issue remains unresolved.

### **6.17. SIERRA LEONE AIRPORTS AUTHORITY - 2023**

#### **6.17.1. Non-payment of Statutory Deductions**

We observed that Pay-As-You-Earn (PAYE) taxes totalling NLe2,206,271 were deducted from staff salaries during the period under review. However, these taxes were not paid to the NRA.

We recommended that the Head of Finance pay the outstanding statutory deductions to the NRA, and make available evidence of payment to the ASSL for verification.

#### **Official Response**

*Negotiations are ongoing with the NRA for the payment of the PAYE deductions.*

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

Evidence to support that the Authority has taken action to settle its PAYE obligation was not made available for inspection. Therefore, the issue remains unresolved.

#### **6.17.2. Payment without Adequate Supporting Document**

We observed that payments amounting to NLe787,200 were made without adequate supporting documents such as invoices, minutes of meetings, attendance list, and receipts to justify these payments.

We recommended that the Head of Finance make available the relevant supporting documents in respect of the above transactions to the ASSL for verification.

#### **Official Response**

*The required supporting documents such as invoices, receipts, and minutes are now available for inspection.*

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

Out of a total payment of NLe787,200, supporting documents were made available for payments amounting to NLe739,025 leaving a difference of NLe48,175 which is 6% not submitted and verified. Therefore, the issue is substantially resolved.

#### **6.17.3. Operational Effectiveness**

The Built Operate and Transfer (BOT) agreement signed between the Sierra Leone Airport Authority (SLAA) and the Summa Airport Company required the company to procure new equipment to replace the old equipment at the control tower. Physical verification of the tower and interviews with key personnel revealed that the company failed to comply with the agreement signed by both parties.

Failure by the company to procure new equipment for the control tower as indicated in the agreement with the SLAA, increases the risk of air collision.

We recommended that the Management of the SLAA and the Sierra Leone Civil Aviation Authority (SLCAA) should ensure that the Summa Airport Company complies with the dictates of the above agreement.



#### **6.17.4. Improper Management of the Hastings Airfield**

From an inspection of the facilities at Hastings Airfield, we observed the following:

- The condition of the office building was far from being pleasant as leakages on the roof were rampant.
- A cement factory occupied part of the airfield without the consent of the Authority. Further investigation revealed that many residential structures were erected within the Airfield.
- Two mini aircraft were housed in the hangar without any agreement with the Authority for their safekeeping over the years. There was also no evidence to indicate that the Authority has been receiving compensation for their safekeeping over the years.
- Garages were operating within the vicinity of the Airfield without any form of authority, and the environment was bushy, serving as a breeding ground for snakes, rodents, and other wild animals.
- The control tower was in a dilapidated state.

Poorly managed airstrip facilities may become a hotspot for the proliferation of illicit drugs and other illegal activities, posing a significant risk to the community and compromising the airstrip's intended use.

We recommended that the General Manager (GM) should engage other stakeholders to increase security personnel and file legal proceedings against encroachment and illegal occupants of the airstrips. In addition, the GM should also ensure that, the office building is re-roof to prevent leakages, and clean water provided to staff.

### **6.18. SIERRA LEONE ROADS SAFETY AUTHORITY – 2023**

#### **6.18.1. Anomalies in the Financial Statements**

A review of the draft Financial Statements revealed the following:

- The basis of preparation was not explicitly stated even though the components used in the Financial Statements were related to an accrual system of accounting.
- The notes to the accounts for revenue did not give a breakdown of the different revenue streams that made up the total recognised revenue in the income statement.
- We observed inconsistencies in the amount reported as surplus to meet capital grant in the income statement, statement of financial position and the notes to the account. The recognition made in the income statement amounted to NLe61,422,013.63, while the corresponding recognitions in the statement of financial position and the notes to the account amounted to NLe4,937,682 and NLe7,953,166.90 respectively.
- We observed a difference of NLe21,888,240.67 between the balances reported for total assets and those reported for total equity and liabilities. The balances reported for total assets amounted to NLe45,998,020.72, while the total liabilities and equity balances amounted to NLe67,886,261.39.
- We observed inconsistencies between the balances reported in the prior year's audited financial statements and the comparative balances in the 2023 draft financial statements. These inconsistencies are shown in the table below:

Description	Prior year's Audited Financial Statements (2022) (NLe)	Comparative (2022) Figures in the 2023 Financial Statements (NLe)
Surplus to meet capital grant	15,978,066	51,494,898.02
Payables	35,051,714	33,846,468.19
Changes in Cash and Cash Equivalent	5,720,749	(19,710,966)
Cash and Cash Equivalent as at 1st January	2,217,917	(1,429,168.92)
Note 2- Revenue	66,696,359	87,417,177.09
Cleaning Supplies (within the Administrative Expense)	25,364	26,364
Note 6- Receivables	13,452,470	10,060,346
Note 11- Road fund income	83,921,244	83,108,375.75
Note 13- Cash paid to suppliers and employees	71,674,318	70,374,305

- The general ledger listings and summary schedule for receivables amounting to NLe331,444.44, in respect of rent deposit were not made available for inspection. Consequently, the completeness, accuracy, and contractual rights of the reported receivable balances could not be verified.
- A receivable balance amounting to NLe900,085.68 in respect of loans and advances was reported in the statement of financial position as a credit balance; instead of a debit balance.

We recommended that the Director of Finance should ensure the following:

- (i) Implement control procedures for the accurate recording and reporting of financial transactions. This should include providing supervision and reviewing the accounting records before approval is granted.
- (ii) Revise the Financial Statements to include the basis of preparation; a breakdown of the various revenue streams in the notes to the account; and the accurate reporting of balances in the various statements, including the comparative balances. In addition, provide the general ledger listings and summary schedule for the receivable balances and make available the revised financial statements to the ASSL.

### **Official Response**

*The above recommendations leading to the adjustment will be taking into consideration and possibly reflected in the 2024 accounts. However, adjusted to the receivable amounts of NLe331,444.44 for rent deposit and loans and advances have been completed and schedules will be available for your inspection.*

### **Auditor's Comment**

A revised Financial Statements showing the basis of preparation, a breakdown of the various revenue streams in the notes to the account were not submitted. Therefore, the issue remains unresolved.

### **6.18.2. Statutory Deductions not Paid to the Relevant Authorities**

We observed the following:

- Statutory deductions totalling NLe5,680,414.01 and NLe2,057,618.97 in respect of PAYE and NASSIT respectively, were not paid to the relevant authorities.
- Schedule of current liabilities in Note 9 of the Financial Statements showed that withholding taxes totalling NLe1,099,140.42 were outstanding as at 31st December, 2023.

We recommended that the Director of Finance should ensure the following:

- (i) Implement control procedures for the payments of statutory deductions to be made to the relevant authorities and institute a system for retaining supporting documents in respect of payments for accountability purpose.
- (ii) Take the necessary action for all the backlog payments in respect of statutory deductions (PAYE, NASSIT and withholding tax) to be made to the relevant authorities and make available the evidence of payment to the ASSL.

#### **Official Response**

*The above amounts quoted as arrears for PAYE, NASSIT and withholding tax are accrued balances from the Financial Statements. The Authority was however able to reduce its liabilities with an amount of NLe578,334.89, NLe569,343.71 and NLe742,662.73 for PAYE, NASSIT and withholding tax respectively. The said payments were done in 2024 which will be treated in the 2024 account.*

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

We were not provided with documentary evidence confirming that the Authority made backlog payments in respect of statutory deductions (PAYE, NASSIT and withholding tax) to the relevant authorities. Therefore, the issue remains unresolved.

#### **6.18.3. Long Outstanding Unpaid Traffic Fines**

From a review of the receivable listings, we observed that receivables amounting to NLe1,633,312.42 relates to unpaid traffic fines which have been outstanding for many years without any movement. There is a huge uncertainty around the recovery of these amounts which constitute 21% of the book value of the receivables reported.

We recommended that the Director of Finance should ensure the following:

- (i) Develop a receivable policy to minimise the risk of bad debts.
- (ii) Update the receivable records to include all movements in unpaid traffic fines and make available the accurate data of receivables to the ASSL for verification.
- (iii) Take the necessary action to recover the unpaid traffic fines and revise the Financial Statements accordingly.

#### **Official Response**

*The schedule that was submitted was for defaulters during the period under review. Payment that has been done could not be found under unpaid fines. However, the MIS Analyst has tabled all payments made for traffic offences during the year that accumulated the above amounts. Road Safety department in collaboration with MIS Unit will work closely in ensuring that payments received will be effected during the 2024 accounts.*

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

Evidence of receivable policy developed by the management of the SLRSA so as to minimise the risk of bad debts was not submitted. In addition, an updated receivable records that include all movements of unpaid traffic fines was not submitted. Therefore, the issue remains unresolved.

#### **6.18.4. Difference between Expected Revenue Collections and Revenue Records**

We observed that 45,068 driving licences were printed during the period under review for various categories. The estimated values of these licenses (as per the unit cost of the various categories) amounted to NLe22,063,600. We however observed that the corresponding amount recorded in the general ledger amounted to NLe20,852,589, leaving a balance of NLe1,211,011.

We recommended that the Director of Finance should ensure the following:

- (i) Implement control procedures for the accurate recording and reporting of revenue transactions in the Authority's books of account.
- (ii) Institute a system for the process of recording to be supervised and reviewed by responsible personnel before approval is granted.
- (iii) Reconcile the expected collections with the records in the general ledger, take the necessary action to recover the loss, revise the financial records, make the revised financial statements and other supporting documents available to the ASSL.

**Official Response**

*The auditors stated that, there was a difference of NLe1,211,011 between the revenue reported as per the general ledger and the revenue reported by the driver's licenses system. After careful review of both the statistical report and the payment systems, the total payment recorded in the payment system for driver's licenses for 2023, amounted to NLe21,637,640. The total revenue reported from the statistics for the year amounted to NLe22,068,900. Therefore, the difference between revenue reported from the payment system and the statistics is NLe431,260, as opposed to the NLe1,211,011 reported by the auditors. This is shown in the appendix which will be ready for audit verification. Committee has been set up by management to investigate the difference in the reported revenue.*

**Auditor's Comment**

Reconciliation between the expected collections and the records in the general ledger to account for the NLe1,211,011 as reported in the draft management letter was not done. Therefore, the issue remains unresolved.

**6.18.5. Revenue in Respect of Routing Fees not Accounted for**

We observed that 15,964 commercial vehicles and motorcycles licences with estimated routing fees totalling NLe681,900 were issued during the period under review. The evidence to indicate how this amount was collected and banked was however not submitted to the ASSL.

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

- (i) Implement control procedures for the accurate collection and banking of revenue and retain the evidence of the implementation of these procedures for accountability purpose.
- (ii) Provide an account of the NLe681,900 (including the evidence of collection and banking) to the ASSL for verification.
- (iii) Revise the Financial Statements to include the above revenue (after providing an account of it) and make available the revised financial statements to the ASSL.

**Official Response**

*There is a contractor for routing services, whose responsibility is to ensure that routing services are provided and monies paid to them directly. The contractor will then follow the contract agreement accordingly by the payment of commission to the SLRSA account. In 2023, a collection of 100% payment was done on routing services. Twenty percent of the said payment was duly paid to the SLRSA Account, as its commission as indicated in the evidence provided.*

**Auditor's Comment**

The Director of Transport made available the signed contract agreement between the SLRSA and the contractor. However, no evidence of collection and banking of the NLe681,900 was submitted to the ASSL. In addition, there was no evidence that a revised Financial Statements was submitted to the audit team. Therefore, the issue remains unresolved.

#### **6.18.6. Duplication of Driving License Payments**

Applicants pay fees based on the category of driving licenses to any of the banks which the Authority operates with.

From a review of the Management Information System's data, we observed that payments made for driving licenses were duplicated. Of 1,749 driving licence transactions, 971 with amounts totalling NLe460,700 were duplicated.

We recommended the following:

- (i) The MIS Manager should ensure that the system is amended to avoid the duplication of recording payments.
- (ii) The Executive Director should institute an investigation into why payments for driving licenses were duplicated in the system, and take the necessary action to recover any loss to the Authority.

#### **6.18.7. Non-adherence to the Terms of Contract between APF and SLRSA**

We reviewed the contract agreement together with other relevant supporting documents, and observed the following:

- Clause 4(c) of the contract agreement requires the contractor to provide four internationally certified professional trainers in the field of auto engineering to train the mechanics/students of the Authority. Evidence was however not made available that this clause was implemented.
- Clause 5(4) of the contract agreement requires the contractor to remit to the Authority 35% of the marginal profit from the spare parts sales. It also requires the contractor to remit 100% of all the fees payable for all mechanical, electrical and any other automobile services to the Authority. In addition, it requires the contractor to effect all such payments to the Authority 14 days after receiving the Authority's invoice(s). However, the evidence to indicate that these payments were remitted into the Authority's bank account was not submitted to the ASSL.
- Clause 4(d) of the contract agreement requires the contractor to provide on-the-shelf genuine vehicle spare parts manufactured in Europe, Asia (with the exclusion of China) and America. It further states that no vehicle spare parts should be provided from any African country. However, no evidence was made available to indicate that the spare parts used by the contractor were procured from suppliers in the above countries.
- Clause 3 of the contract agreement requires the contract to be subjected to an annual review to ensure satisfactory performance by each party. It also requires the first review to take place twelve months from the date of the finalization and signing of the contract. There was however no evidence to indicate that an annual review of the contract has been done since the agreement was signed on 8th January, 2020.

We recommended that the Executive Director should ensure the following:

- (i) Institute a system for the implementation of the contract agreement with APF Autoparts Limited. This should include the provision of adequate monitoring of the contractor and the prompt reporting of lapses for necessary actions to be taken by the Authority.
- (ii) Recover the funds (35% of marginal profit from the sales of spare parts, and 100% of all the fees payable for mechanical, electrical and other automobile services) that the contractor has not been paying to the Authority since the contract agreement was signed in January 2020. The recovery should be based on the amount of revenue generated by the contractor since the contract was signed, evidence of which should be submitted to the ASSL.
- (iii) Take the necessary action such as legal proceedings if the contractor fails to make the above payments.

#### **6.18.8. Long Outstanding Payables**

We observed that payables totalling NLe351,383.30 in respect of Best Success Liability have been outstanding for years. The evidence (contract agreement, invoices and other supporting documents) to justify the validity of these amounts was not made available for inspection.

We recommended that the Director of Finance should ensure the following:

- (i) Implement control procedures for payable balances to be supported by the relevant documentary evidence and institute a system for retaining these documents for accountability purpose.
- (ii) Make available the relevant documentary evidence in support of the above payable balances to the ASSL.

#### ***Official Response***

*The Authority entered into an agreement with Best Success for the purchase of tow trucks in 2014/2015. One of the SLRSA accounts held at Pademba Road was dedicated for the repayment of the loan. The amount showing a positive balance shows that the entire loan was liquidated in full. Balances showing NLe351,383.30 show that the Authority owes the supplier an outstanding amount, but supplier has never requested and the entire balances were transferred to the consolidated account of the Authority held at the Bank of Sierra Leone. Documents requested above have been verified and audited during the 2014 and 2015 audit exercises.*

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

We were however not provided with the relevant documentary evidence in support of the above payable balances. Therefore, the issue remains unresolved.

#### **6.18.9. Test-driving Vehicles not Available**

The Authority did not have any driving test vehicle to conduct practical driving tests for applicants before the issuance of their licenses, even though it's a requirement that applicants for driving licenses are required to go through a driving test as a prerequisite to qualify for issuance of license. We observed that 45,068 driving licences were issued during the period under review.

We recommended that the Director of Transport should ensure the following:

- (i) Design a budget that includes the cost of driving-test vehicles for the acquisition of same.
- (ii) Institute a system for conducting driving-tests for applicants of driving licenses and retain the records of these tests for reference purposes.
- (iii) Make available evidence of tests conducted (including the reports) for the 45,068 driving licences that were printed during the review period to the ASSL for verification.

#### ***Official Response***

*Drivers' testing has and is always conducted on applicants applying for driver's licenses both theoretically and practically through SLRSA testing officers as indicated in the evidence that will be provided during the verification.*

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

The Authority does not have any driving test vehicle to conduct practical driving tests for applicants before the issuance of their licenses. Therefore, the issue remains unresolved

#### **6.18.10. Poor Management and Security of the Server Room**

We physically verified the ICT server room and observed the following:

- (i) The server room was cluttered with tangled cables and appeared disorganised. This lack of proper cable management and equipment arrangement could obstruct airflow, hinder troubleshooting efforts, and pose potential safety risks. This could eventually lead to system

inefficiencies, increase the likelihood of equipment failure, and complicate regular maintenance activities.

- (ii) The server room also lacked some necessary features that should aid the security and safety of the Authority's IT systems. These include the lack of CCTV camera; the lack of a register/logbook for entering and exiting the room; the absence of smoke and fire detection systems; and the lack of fire extinguishers for emergency response.

We recommended that the Director of MIS should ensure the following:

- (i) Design and implement a structured server room management plan that includes proper cable management and organized equipment layout to ensure optimal airflow and ease of maintenance. In addition, regularly schedule cleaning and maintenance checks should be done to minimise risks of equipment failure and enhance operational efficiency.
- (ii) Take the necessary action for the server room to have the relevant features that will aid the security and safety of the Authority's IT systems. This will include the installation of a CCTV camera, the use of a register/logbook for entering and exiting the room, the installation of smoke and fire detection systems, the procurement of fire extinguishers for emergency response.

**Official Response**

- (i) *Proposal to declutter and manage the cable in the server rooms has been presented to the Executive Director for his approval.*
- (ii) *This is duly noted and steps have been taken towards this.*

**Auditor's Comment**

Evidence of a request sent to the Executive Director to approve the development of a proposal to declutter and manage the cables in the server room was presented to the auditors. Physical verification however revealed that the process to de-clutter cables has not been implemented. Therefore, the issue remains unresolved.

Evidence of a request sent to the Executive Director to approve the development of a proposal to upgrade the server room was presented to the auditors. Physical verification however revealed that the process to upgrade the server room has not been implemented. Therefore, the issue remains unresolved.

**6.18.11. Unauthorised Data Handling**

From an interview conducted with the Director of the MIS, we were informed that a staff member has been regularly taking backup media containing sensitive data (such as driver's licenses) home on a daily basis. This practice raises significant security concerns regarding data protection and compliance with relevant regulations.

We recommended that the Director of the MIS should ensure that a policy that prohibits the removal of backup media from the corporate environment and establish secure data handling protocols is designed and approved by the relevant authorities. In addition, the Director of the MIS should implement a secured and centralised backup solution that ensures compliance with data protection regulations and integrity checks to safeguard sensitive information.

**Official Response**

*Data backup is done at the close of everyday and stored in an external drive and also in two branches of the SLRSA's computers in the extensive Wide Area Network acting as offsite backup location. This external drive is attached to the server in the server room and stored there not taken out of the premises. The drive is available for Audit inspection.*

### **Auditor's Comment**

During the verification, a 1TB external backup drive (SP Silicon Power 19041720-10) was attached to the server room for daily backups. No evidence was provided to indicate that the Authority is using a Wide Area Network (WAN) and extra backups were done at another two branches. Therefore, the issue remains partially resolved.

## **6.19. NATIONAL MINERALS AGENCY - 2023**

### **6.19.1. Mining Development Funds not Disbursed to Beneficiaries**

We observed that the sum of NLe1,753,218.60 meant for mining development fund for various beneficiary communities was not disbursed to these communities, resulting in delays or disruptions in implementing planned projects for these communities.

We recommended that the Director of Finance and Administration should ensure that the NLe1,753,218.60 is promptly transferred to the Mining Development Fund to fulfil the obligation and support the development of beneficiary communities. The evidence of remittance should be submitted to the ASSL.

#### ***Official Response***

*The DACDF represents one-quarter of the 3% export tax levied on the value of artisanal diamonds exported from the country. The allocation of this 0.75% of total artisanal diamond export value depends on the proportion of artisanal diamond mining licenses a chiefdom has hosted out of the national total. The NMA Directorate of Precious Minerals Trading (DPMT) deposits 0.75% of the export value of artisanal diamonds to a designated NMA Bank Account, from where it is subsequently transferred monthly by the NMA Directorate of Finance and Administration into a [joint] MMMR/MLGRD DACDF Bank Account.*

*This was put on hold by the NMA Board on the 58<sup>th</sup> Board meeting as the NMA have not received any activity or monitoring reports to show how these monies have been spent or which specific community projects were undertaken for the past years.*

*However, the Ministry has given approval for the payments to various beneficiaries. This has been done for the fiscal year under review and all evidence of payments and transfers are available for review.*

### **Auditor's Comment**

The evidence of payment and transfers in respect of the 2023 community development fund was not made available for verification. Therefore, the issue remains unresolved.

### **6.19.2. Service Level Agreement for Hosting the NMA Server not Maintained**

We observed that amounts totalling NLe358,656 were disbursed for a dedicated server hosted overseas for the Agency. The service level or contract agreement between the Agency and the service provider was however not submitted for audit inspection. It is of concern that, in the event of a dispute, the service provider would not be held accountable.

We recommended that the service level agreement or contract with Fasthosts Internet Limited is submitted to the auditors for verification. In future, all service level agreements, contracts and other supporting documents should be properly maintained and readily available for audit and internal review.

#### ***Official Response***

*The payments for dedicated server hosted overseas are direct debit payments which does not require approval as they are automatically deducted by the service provider on a periodic basis.*



*Kindly note that neither procurement of services, nor contract agreement was necessary for the Fasthost dedicated servers. For acquisition of dedicated servers, a client only needs to be clear about their requirements such as operation system (Windows or Linux), CPU, storage space, RAM and much more.*

*The dedicated servers which host the World Bank-funded enterprise Geoscientific Information Management System (Egims) were thus chosen because they met the NMA's application requirements. The servers were first paid for by the World Bank Project Extractive Industries Technical Assistance Project 2 (EITAP 2).*

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

The Service Level Agreement (SLA) between the NMA and Fasthosts Internet Limited was not provided during the verification. We are concerned about the decision to engage Fasthosts Internet Limited for the hosting of NMA's server without a formal Service Level Agreement or contract, especially considering the sensitivity of the data involved. Therefore, the issue remains unresolved.

### **6.20. NATIONAL COMMUNICATIONS AUTHORITY (NatCA) – 2023**

#### **6.20.1. Ineffective Revenue Management**

A total of 209 invoices amounting to NLe45,697,278 were issued to customers, but there was no evidence of payment on these invoices. The completeness and accuracy of the revenue figures reported in the Financial Statements could be doubtful and misleading, and much needed fund could have been misused

We recommended that the Director of Finance should collaborate with the National Revenue Authority (NRA) to draw up an enforceable debt recovery plan, and publish the names of defaulters in the Authority's website, and evidence of actions taken should be forwarded to the ASSL.

### **6.21. SIERRA LEONE ROAD AUTHORITY - 2023**

#### **6.21.1. Poor Maintenance of the National Road Network**

During the period under review, the Authority received NLe56,538,321.01 to carry out maintenance work. We physically inspected selected roads within the Western Area such as the Sani Abacha Street, Goderich Street, Bia Bureh Road, Juba- Tokeh Road, Tengeh Town Bridge, and Old Railway Line Bridge on 13th August 2024, and observed a lot of potholes and other damages on these roads even after multiple maintenance work had been carried out.

The maintenance works carried out by the Authority had been poor. This had exposed the roads and bridges to collapse and possible loss of resources, lives and property.

We recommended that the Director General should ensure the following:

- (i) Develop and implement a maintenance plan and provide reliable management of maintenance work on road networks across the country.
- (ii) Provide the technical expertise and regular supervision of engineers involved in the maintenance work projects.

## **6.22. ROAD MAINTENANCE FUND ADMINISTRATION - 2023**

### **6.22.1. Vehicle Licenses and Registration Data not Submitted**

Contrary to clause B3.3 in the financial manual, we observed that the Administration received NLe4,022,553 from the Sierra Leone Road Safety Authority (SLRSA) as its share of vehicle license and registration revenue, representing a 50% shortfall from the budgeted amount for 2023. Due to the lack of comprehensive data from the SLRSA, it was difficult to verify whether the correct amount was paid. In future, the Chief Executive Officer (CEO) of the RMFA should ensure that the SLRSA submit relevant revenue data supporting the amount paid into the account, and reconciliation should be carried out between both entities. Additionally, the CEO, in collaboration with the Director General of the SLRSA, should submit comprehensive vehicle license and registration revenue data.

#### ***Official Response***

*This has been an age-old challenge. We have brought it up with the relevant authorities at every given opportunity and would also seek the help of Audit Service in helping us find ways of resolving the issue.*

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

The comprehensive data supporting the amount paid into the accounts was not submitted. Therefore, the issue remains unresolved.

### **6.22.2. Procurement Activities not Planned**

We observed that the Administration procured vehicle maintenance and repairs services costing NLe517,264.80 from two contractors without including the activity in the approved annual procurement plan.

Consequently, this could lead to budget overruns and financial inefficiencies, as unplanned purchases may not be subject to the same level of scrutiny and cost control. This practice undermines the strategic planning process and could result in resource misallocation, disrupting the Administration's priorities and objectives.

We recommended that the CEO should ensure that procurement plans are updated to reflect those activities the Administration intends to undertake, that were not in the original plan.

#### ***Official Response***

*It is conventional knowledge that the contractors are the authorised representative for Toyota vehicles within Sierra Leone. They provide genuine Toyota vehicles and spares, top-level repairs and maintenance expertise, genuine spares and advise on the specific oil products for each brand of Toyota vehicle, in the process providing genuine lubricants for maintaining these vehicles. A key ingredient for vehicle longevity and performance is having genuine and specific oil for use in our fleet. All the above cannot be provided professionally by other providers. Added to the above are issues surrounding security for our fleet and providing CCTV coverage within their repairs bay itself as a control to monitor their workers viz-a-viz performance and pilfering which we know is a big issue for garages. Going forward, we will put this activity in the Procurement Plan.*

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

Management's response only focused on the need to have maintenance arrangements with one of the contractors considering that they are the only authorized dealer in Sierra Leone. However, this does not preclude the RMFA from including these procurement activities in the procurement plan. Moreover, no response was proffered on the repairs and maintenance undertaken by the other contractor. Therefore, the issue remains unresolved.

### **6.22.3. Payment for Activities without a Signed Contract Agreement**

Despite the termination of a maintenance service contract with one of the contractors on 31st May 2022, the Administration continued engaging in business with the company without a signed contract agreement between the two parties. In this regard, we observed that payments totalling NLe335,017 were made to the contractor for vehicle maintenance services in 2023, contrary to section 149 (1) of the Public Procurement Regulations, 2020.

Without a signed contract, the Administration lacked legal protection and recourse in the event of disputes over the quality or scope of services provided. Moreover, payments made without a formal agreement could lead to overcharging, unauthorised services, or financial mismanagement, potentially resulting in financial losses for the organisation.

We recommended that the Procurement Officer should ensure that a signed contract agreement is entered into for all procurement activities undertaken by the Administration before the commencement of any work and payment. This contract must clearly outline the scope of services, pricing, terms, and conditions, as well as any relevant service-level agreements

#### ***Official Response***

*As per ASSL's recommendation, we have worked toward formalising all maintenance contracts through competitive methods. By way of Expression of Interest, we have advertised for maintenance of our vehicles through various newspapers. We have enclosed emails sent to the tabloids by the RMFA and the various adverts for your attention.*

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

Management's confirmation of the absence of a formal contract with the contractor is duly noted. We recommended that immediate action is taken to formalize the entire arrangement through a competitive bidding method that'll bring value-for-money in public procurement. Therefore, the issue remains unresolved.

## **6.23. NJALA UNIVERSITY – 2023**

### **6.23.1. Withholding Taxes not Deducted and Paid to the NRA**

We reviewed payment vouchers and observed that withholding taxes deducted from various payments to suppliers and contractors totalling NLe166,961.74 were not paid to the NRA.

Non-payment of withholding taxes could lead to a loss of public funds and government revenue.

We recommended that the Finance Director should ensure that the amounts deducted for withholding taxes are immediately paid to the NRA and evidence of payment is submitted to the ASSL.

#### ***Official Response***

*We had problems with the newly launched online tax payment system by the NRA called the Integrated Tax Administrative System (ITAS). This problem will soon be resolved by the NRA Regional Branch in Bo as they visited us couple of weeks ago to resolve the challenges. Regarding payment of WHT to the NRA, the Senior Commissioner, Income Tax, ordered the Ministry of Technical and Higher Education to knife-off our long standing Sierra Leone Government Grant-In-Aid income that was due us together with huge penalty. This was done together with the accrued PAYE we owed the government. Evidence relating to this "netting" situation is available for your verification. However, those for Njala Campus will be paid when funds are received.*

### **Auditor's Comment**

During the verification, we observed that withholding tax in respect of Njala and Bo Campuses amounting to NLe84,680.12 and NLe82,281.62 respectively, were still not paid to the NRA. Therefore, the issue remains unresolved.

### **6.23.2. Splitting of Procurement Activities to avoid NCB/ICB Procedures**

We evaluated procurement activities undertaken during the period under review, and observed that procurement transactions were split into requests for quotation in a bid to avoid the prescribed monetary thresholds for National Competitive Bidding/International Competitive Bidding procedures as follows:

#### **Njala University Secretariat**

We observed the following:

- Procurement of stationery, consumables, and sundry items was divided into six separate transactions, totalling NLe345,065.80.
- Contract value of NLe172,680 was divided into three separate transactions with the same service provider for internet connection services.
- Purchase of household equipment was split into three separate transactions, totalling NLe227,790.50 which were all approved in March 2023.
- Fabricated furniture materials purchased was divided into three separate transactions, totalling NLe286,500.
- Sourcing of carpentry materials was split into three different transactions totalling NLe249,140
- Contract value of NLe178,875 for the purchase of poles and materials for solar panel installation and submersible pump installation was split into two separate transactions.

#### **Njala Campus**

We observed the following:

- Procurement of building materials for civil works at the Njala Campus was similarly split into seven activities, totalling NLe383,517.40.
- Total purchase of materials for servicing of generator, valued at NLe461,543.50, was divided into eight distinct transactions.
- Njala Campus administrative units purchased stationery in three separate transactions, totalling NLe230,167.75.

The approved procurement plans for the Secretariat and Njala Campus were confirmed to be conducted through the National Competitive Bidding processes for value-for-money objectives. The deviation from the plan, and splitting activities into smaller components using RFQs/RFPs, instead of NCB or ICB methods, was in violation of section 37(2) of the Public Procurement Act (PPA), 2016.

Inappropriate application of the monetary thresholds set under the PPA, 2016 would discourage competition that could deprive the entity from optimising value-for-money objectives on these transactions.

We recommended that the Assistant Procurement Officer should provide valid explanations backed by relevant evidence why procurement activities were split to evade the monetary threshold. He should also engage the Vice Chancellor & Principal to secure annual framework contracts, in order to enhance efficiency and effectiveness in the operations of the Njala University Secretariat.

### **Official Response**

*During the period under review, we advertised for framework contracts and got the National Public Procurement Authority (NPPA) clearance to award contracts. Evidence of this is available for your verification. Notification of awards was sent to successful bidders.*

*Due to the fluctuation in exchange rates coupled with market prices, bidders were hesitant to sign a long-term contract for fear of losing the monetary value of their funds; so, we could not implement it. In addition, the availability of funds also affected our payment patterns to suppliers as we do so intermittently as funds were available. Management is however working harder to ensure this does not reoccur in future, as we are in the process of preparing a framework contract to avoid splitting in the ensuing years.*

### **Auditor's Comment**

We evaluated management's response to the issue of procurement splitting highlighted by the audit team. The pretext of fluctuating exchange rates and inflation cannot justify the abandonment of framework contract initiatives which should ideally envisage such adverse economic conditions. Therefore, the issue remains unresolved.

### **6.23.3. Contract Award Decisions not Appropriately Authorised**

#### **Njala University Secretariat**

We observed the following:

- The review of bidding documents, evaluation records, and contract documents for the installation of 100 KW solar systems at the Njala Campus revealed that Ekhlass Solar and Electrical Installation Enterprises was awarded the contract for NLe2,962,240.00, but no procurement committee resolution was found, as evidence such as minutes and attendance registers were not submitted.
- The Vice-Chancellor and Principal, who serves as the Vote Controller and Head of entity, did not approve requests for quotation/proposal transactions valued at NLe1,875,034.55, despite the monetary threshold requiring such approvals before supplies are made to the University.

#### **Bo Campus**

During an inspection of procurement activities using the Requests for Quotation method, we observed that the Deputy Vice-Chancellor, who is the Vote Controller and Head of the entity, did not grant approval for procurement transactions valued at NLe546,089 despite the monetary threshold requires approvals before goods and services are supplied. This action violated Regulation 66 (1) of the Public Procurement Regulations, 2020.

The procurement process could be misused and abused if the contract was awarded without proper approval from the Procurement Committee, leading to a failure to achieve value-for-money objectives.

We recommended that the Assistant Procurement Officer should provide valid explanations for not securing procurement committee's approval before the contract award for an ICB process. Henceforth, he should ensure that appropriate contract approvals are obtained before the supply of goods or provision of service is obtained.

### **Official Response**

- *Njala University has an existing Procurement Committee and other staff (with expertise and knowledge) are co-opted based on the requirements and approval required. The Procurement Committee met and approved the Solar System installation on Njala Campus. There were occasions when members were represented by staff in their respective units. During the time the audit team was carrying out the fieldwork exercise, we could not locate the files where they were kept. This file has been found and the minutes of the Procurement Committee meeting*

are now available for your audit verification. Evidence of these minutes is available for your confirmation. Therefore, the recommendations made will be implemented by Management in accordance with section 18(9) of the Public Procurement Act, 2016.

- The Vice-Chancellor and Principal was out of the country for revenue mobilization and university expansion when he was overwhelmed with work and state assignments. Upon his return, he accidentally couldn't sign the required documents, but they have now been signed by him and are ready for confirmation.
- The Deputy Registrar, who is also a signatory to the Bo Campus Account, was mandated by the Deputy Vice-Chancellor while he was on emergency medical treatment in India via phone conversation. Management will ensure a written delegated responsibility is done before such actions are made.

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

- Management's response was noted. The minutes of the Procurement Committee's approval was submitted and reviewed. The related attendance register to confirm that the meeting was indeed held as purported was not submitted for review. Therefore, the issue remains partly resolved.
- We noted management's explanation of the circumstances that led to the non-approval of quotations. Evidence in the form of signed Local Purchase Orders to confirm compliance with prescribed procedures was not submitted for review. Therefore, the issue remains unresolved.
- We noted the explanation proffered by Management regarding who should deputise the DVC whenever he is out of office. There was however no evidence submitted in the form of express authority to delegate the Vote Controller's responsibility to the Deputy Registrar whenever he is away. Therefore, the issue remains unresolved.

#### **6.23.4. Use of RfQ Instead of NCB Procurement Method (Bo Campus)**

The review of Requests for Quotation (RFQs) and Local Purchase Orders revealed that monetary thresholds were not complied with in processing two RFQs for stationery, consumables and office equipment at a total cost of NLe206,121 which should have been procured through the National Competitive Bidding process.

Value-for-money could not have been achieved in the procurement activities, which could result in the acquisition of sub-standard items.

We recommended that the Assistant Procurement Officer should provide valid explanations for not complying with the monetary thresholds in the processing of these procurement transactions.

#### **Official Response**

*Management is strongly against circumventing procurement regulations guiding the procurement of goods and services. This situation was unavoidable as the procurement activity was for the supply of examination materials and teaching and learning materials which were in dire need as examination by then was fast approaching. Therefore, management conducted the procurement activity using Request for Quotation and Local Purchase Order instead of National Competitive Bidding to ameliorate delay as that would have impeded the examination.*

*However, management has set up a plan to ensure that such will not occur in the future as procurement activities relating to these needful areas will be done well in advance of the exercise. Plans are in place to pre-audit all procurement transactions to avoid such occurrences in the future.*

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

We noted the explanation proffered by management which fell short of addressing the issue of wrong application of the monetary thresholds prescribed by relevant provisions of the procurement act and its ensuing regulations. Therefore, the issue remains unresolved.

## 6.24. EASTERN TECHNICAL UNIVERSITY – 2023

### 6.24.1. Withholding Taxes not Paid to the NRA

We observed the following:

- (i) Withholding taxes amounting to NLe32,159.82 were deducted from the payments to contractors and suppliers. However, these deductions were not paid to the NRA.
- (ii) Withholding taxes totalling NLe32,765 were not deducted and paid to the National Revenue Authority for activities undertaken by the University during the year.

We recommended that the Director of Finance should ensure the following:

- (i) The withholding taxes deducted totalling NLe32,159.82 are paid to the NRA and receipts justifying payment made available to the ASSL.
- (ii) The tax not deducted amounting to NLe32,765 is recouped from suppliers, payments made to the National Revenue Authority (NRA), and receipts justifying payment submitted to the ASSL.
- (iii) In the future, funds deducted as withholding taxes should be promptly paid to the NRA, and evidence of payment retained for accountability purposes.

### **Official Response**

- (i) *All necessary arrangements have been made to ensure that payment is done. The institution is having financial challenges due to government subvention not been paid as well as liability owed to SLG.*
- (ii) *Arrangement will be made with NRA to develop a schedule for the payment.*

### **Auditor's Comment**

- Evidence of payment of withholding taxes to the NRA totalling NLe32,159.82 were not made available during the verification. Our recommendation was not implemented. Therefore, the issue remains unresolved.
- Evidence of tax not deducted amounting to NLe32,765, that should have been recouped from suppliers, and paid to the NRA was not submitted during the verification. Our recommendation was not implemented. Therefore, this issue remains unresolved.
- 

### 6.24.2. End-of-Service Benefit/Termination of Employment not Effectively Managed

We observed the following:

- The University has a total of 314 staff; 142 Academic and 172 Administrative Staff. Since it transitioned to a university, it has utilised the revised conditions of service for senior staff of the Eastern Polytechnic.
  - (a) The condition only caters for the provision of end-of-service benefit (EoSb)/Exgratia for senior staff, leaving out junior staff.
  - (b) Since 2021 to the period under review, it has failed to make provision and recognition of EoSb for these staff in violation of section 29 of the 2019 Finance Act.
- On 30th April 2024, letters of termination of employment were issued by the Registrar of the University to all Academic and Administrative staff excluding the Vice-Chancellor and Principal, the Deputy Principal, the Registrar, and the Finance Director. The termination was retrospective; taking effect from 30th September, 2021. We further observed the following:
  - (a) The letter stated that the Ministry of Technical and Higher Education has effected payment of severance benefits to all affected staff. However, a schedule detailing the affected personnel whose services have been terminated, and evidence of payment made was not submitted for audit.
  - (b) Since the termination of all Academic and Administrative staff, they continue to render services but their employment has not been regularised.

- (c) They continue to receive salary and benefits under the conditions of service for Polytechnic, and are not in line with the University Act, 2021.
- (d) End-of-service benefits have not been paid to staff.

We recommended that the Human Resource Manager should exercise adequate control and supervision of staff and ensure the following:

- (i) In collaboration with the University Court, a condition of service is developed that must take into consideration the provision of end-of-service benefits for all staff of the University.
- (ii) A schedule of all staff whose services were terminated and evidence justifying payment of severance benefits by the Ministry of Technical and Higher Education/Ministry of Finance be submitted to the ASSL.
- (iii) The Registrar should liaise with the relevant authority in the education sector, and the Ministry of Finance for the services of all staff to be regularised and ensure that benefits are paid in line with the University Act.
- (iv) Evidence of agreed management actions and timeline for implementing these recommendations is submitted to the ASSL.

### ***Official Response***

- (i) A Condition of service as requested has already been developed and presented to the authorities for approval. Plans and actions are being taken for approval.
- (ii) The requested list is available for inspection.
- (iii) The Administration and the Court are in constant contact engagement with the authorities for the regularisation of staff employment status in line with the University Act.

### **Auditor's Comment**

- Conditions of service with the provision of end-of-service benefits for all staff of the University was not submitted for verification. Therefore, the issue remains unresolved.
- Payment vouchers justifying payment of severance benefits by the Eastern Technical University to five staff were submitted and verified. However, a schedule of all staff whose services were terminated was not submitted for verification. Therefore, the issue remains unresolved.
- At the time of verification, evidence to confirm that the services of all staff have been regularised, and benefits paid was not submitted. Therefore, the issue remains unresolved.

### **6.24.3. Salaries Paid to Retired University Staff**

We observed that three staff members retired from the University effective 30th September, 2022 but their names were still running on the Accountant-General's payroll up until May 2024. The total salaries received by these retired staff during this period amounted to NLe517,900.

We recommended that the Human Resources Manager in consultation with the Registrar should ensure the following:

- (i) The names of the three retired staff should be promptly removed from the Accountant-General's payroll to prevent further illegal payments.
- (ii) Management should recover the total salary of NLe517,900 paid to the three retired staff from 30th September 2022, to May 2024.
- (iii) Agreed management actions and timeline for implementing our recommendations should be submitted to the ASSL.

### ***Official Response***

Letters have been sent to the Accountant-General requesting the removal of those names from the payroll. The staff that have been receiving salaries from Accountant-General's Department after their retirement, have been contacted and the financial implications determined from the date of retirement.



The institution should pay them their Ex-gratia. The staff have consented to allow the institution deduct the amount from their payments.

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

- Evidence to confirm that the personnel details of the retired staff have been removed from the Accountant General's payroll to prevent further payments was not submitted. This issue remains unresolved.
- Evidence to confirm the management has initiated the recovery of the total salary of NLe517,900 paid to the retired staff from 30th September 2022 to May 2024 was not submitted. This issue remains unresolved.

#### **6.24.4. Non-deduction of Pay As You Earn (PAYE) Tax**

- The University deducted withholding taxes totalling NLe66,767 from the salaries of staff and paid to the NRA, instead of a PAYE taxes totalling NLe161,590.
- Similarly withholding taxes totalling £4,474.55 was deducted from PARES Project consultancy allowances instead of PAYE totalling £23,088.90 (£76,963 x 30%) which resulted in an overpayment of allowances and underpayment of PAYE by £18,614.36.
- PAYE for Senior Administrative Officer was wrongly calculated which resulted in an overpayment of salary and underpayment of taxes by NLe80,252.

We recommended that the Finance Director should ensure the following:

- (i) Going forward, PAYE is deducted from all staff emoluments and paid to the NRA.
- (ii) All statutory deductions are appropriately verified to identify the issue of over/underpayment before salaries or allowances are paid.
- (iii) The Registrar should ensure that tax compliance with regard to PAYE is immediately implemented.

#### **6.24.5. Progress Reports not Submitted for Staff on Study Leave**

A review of staff personal files revealed that 17 staff were on study leave with pay. However, documents such as evidence of approval, bond agreements, and 2022/2023 academic year progress reports were not submitted for audit.

We recommended that the Vice-Chancellor and Principal should ensure the following:

- (i) Academic progress reports, evidence of approval, and bond agreements for staff on study leave are submitted to the ASSL.
- (ii) In future, salaries should be paid to staff upon submission of their academic progress reports.

#### **Official Response**

*The supporting documents are now available for review.*

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

Academic progress reports, evidence of approval, and bond agreements for staff on study leave as indicated in the finding above were not submitted for verification. Therefore, the issue remains unresolved.

#### **6.24.6. Ineffective Management of Payables Balances**

We observed that suppliers for goods and services in the books of the University amounted to NLe295,391.39. Assurance was obtained through verifying invoices, receipts, and local purchase orders/contracts. There was however no schedule showing details of individual suppliers, the value of transactions taken on credit, the amount paid to date, and the balance outstanding as of 31st December, 2023.

We recommended that the Finance Director should exercise adequate control and supervision of the recording and management of payables and related liabilities and ensure that going forward, a schedule detailing individual suppliers/creditors, the value of transactions taken on credit, the amount paid to date, and the balance outstanding at a specific date should be prepared and maintained.

#### **6.24.7. Staff Challenges at the University**

We interviewed the Deputy Registrar, the Finance Director and other key staff of the University, and observed the following:

- The scope of the University courses is more profound and wide-ranging, and requires highly qualified tutors to teach and conduct quality research. The University had staffing challenges since transition in October 2021. Government had authorised the recruitment of staff through the Ministry of Technical and Higher Education (MTHE). However, funds to finance these recruitments and payment of salaries were not available. This necessitated the hiring of associate and part-time staff to fill the gap. As a result of this intervention, there had been a huge financial burden on the institution as the hired staff are paid from internally generated funds.
- The lack of funds to recruit more lecturers had affected the lecturer-to-student ratio, leading to more workload on the available lecturers.

The growth of the University may be severely affected, as funds that should be used for infrastructural development will be diverted to settle wage bills.

We recommended that the Registrar should collaborate with the Ministry of Technical and Higher Education (MTHE), the Ministry of Finance, the Tertiary Education Commission (TEC) and the Human Resources Directorate to ensure the following:

- (i) An appropriate manpower planning in line with the University's staffing needs and budgeted funds requirement for the payment of salaries should be done and submitted to the relevant supervising ministries for actions to be taken.
- (ii) Evidence of action taken or a timeline for recruiting highly qualified tutors and implementing our recommendation should be submitted to the audit office.

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

No management's response was received. Our recommendations were not implemented as the issues are the same.

#### **6.24.8. Inadequate Classrooms, Office Facilities and Equipment for Teaching and Learning**

We conducted a physical verification of the University's facilities, including equipment, and held interviews with Heads of Departments. We observed the following:

- The transition from a polytechnic to a university triggered a surge in student enrolment in diverse degree programmes. The classroom sizes were small for both academic and technical students, and the number of buildings for both classrooms and offices were inadequate. As a result, the available classrooms were overcrowded, thereby affecting teaching and learning.
- The equipment needed for teaching and learning, especially for practical lessons, were inadequate. There were insufficient computers and other ICT components in the computer lab. The carpentry, auto, electrical and building construction workshops were not well equipped with modern machines, and most of the available machines were obsolete.
- The following issues were identified during a physical verification of the University library:
  - (i) Important academic textbooks were lacking as most of the books in the library were old editions.

- (ii) The e-library section lacked electric fans or air conditioners to provide computer ventilation.
- (iii) There was no internet facility at the e-library section.
- (iv) In addition, over 30,000 e-books could not be accessed during the audit, as most of the desktop computers were faulty.
- (v) There was no appropriate office/section for sorting newly supplied textbooks.
- (vi) There was no cataloguing officer.

The quality of teaching and learning in a crowded environment could be compromised, leading to ineffective service delivery.

We recommended that the Vice-Chancellor and the Registrar should ensure the following:

- (i) An assessment of the classroom blocks, library and equipment needed for both teaching and learning (as required by the University), together with a budget to finance such ventures, should be done and submitted to the supervisory ministry and the Ministry of Finance for action to be taken.
- (ii) Forward to the Audit Service, the evidence of actions taken or a timeline for implementing the recommendations.

***Official Response***

*The University management did not provide any response on the above issues during follow-up.*

**Auditor’s Comment**

Our recommendations were not implemented as the issues remain the same.

**6.25. MILTON MARGAI TECHNICAL UNIVERSITY - 2023**

**6.25.1. Payable Balances not Reported in the Financial Statements**

Upon review of some correspondence and other supporting documents sent by the management of the University for end-of-service benefits, we observed that the sum of NLe28,049,189 was neither recognised in the general ledger, nor disclosed in the Financial Statements.

The omission of the payable figures could mislead users of the Financial Statements.

We recommended that the Finance Director should make the necessary adjustments in the books of the University for the receivable balances and immediately revise the Financial Statements.

In future, the Finance Director should ensure that the recording of financial transactions in the various books of account is properly supervised and reviewed, and all corrections effected before approval is granted.

***Official Response***

*The recommendation is noted by management. Appropriate action has been taken by the Finance Department to adjust the Financial Statement in order to disclose the end-of-service amount in respect of staff from the polytechnic as recommended. The adjusted Financial Statement is now available for your verification*

**Auditor’s Comment**

From a review of the revised Financial Statements, we observed that payables amounting to NLe29,987,672 was recognised instead of NLe28,049,189, giving rise to an unexplained difference of NLe1,938,483. Therefore, the issue remains unresolved.

## 6.25.2. Financial Reports and Schedules not Submitted

We observed the following:

- Amounts totalling NLe21,408,039 were reported as trade receivables in the Financial Statements. However, an ageing analysis report for trade receivable balances was not made available for inspection. Additionally, evidence that the University had invoiced these debtors was not submitted. As a result, we could not ascertain the accuracy and completeness of the balances recorded in the Financial Statements. See table below:

### Receivable Balances

Details	Amount (NLe)
Fees Arrears	3,581,776
Mobile company (Debtors)	132,563
Subvention (GOSL)	2,901,000
Gov't Grant-in-Aid (Debtors)	14,792,700
<b>Total</b>	<b>21,408,039</b>

- Amounts totalling NLe14,365.12 were reported as trade payables in the Financial Statements. However, an ageing analysis report of the trade payable balances was not made available for inspection. As a result, we could not ascertain the accuracy and completeness of the balances recorded in the Financial Statements. See table below:

### Payable Balances

Details	Amount (NLe)
Sierra Leone Commercial Bank Overdraft (101762)	145,706.50
PAYE	1,371,305
Ex-Gratia Payables	2,899,264
5% Withholding Tax	1,090,565
End-of-Service Benefit Accrued	5,365,608
Constructor Fees Accrued	714,342
Supplier Fees Accrued	1,503,235
Staff Allowance Accrued	1,235,594
Provision for Audit Fee	39,508
<b>Total</b>	<b>14,365,127.50</b>

The balances reported in the Financial Statements could have been misstated.

We recommended that the Finance Director should submit the schedules for the trade receivables, and the ageing analysis report.

### **Official Response**

*Financial reports and schedules not submitted for audit inspection. Management noted the Audit recommendation. The Finance Department used the cashbook balances in preparing the Financial Statements, and as such there is no overdraft in the bank statement. For subsequent audit, the Finance Department will endeavor to apply the indirect method of cash flow statement when preparing the Financial Statement.*

### **Auditor's Comment**

We conclude as follows:

- Trade receivable ageing analysis report and evidence that the University had invoiced these debtors was not submitted. Therefore, the issue remains unresolved.

- Trade payable ageing report was not submitted for verification, Therefore, the issue remains unresolved.

### **6.25.3. Names of Terminated Staff Still on Payroll**

From the sample of 33 staff files, we observed that the names of four staff who were terminated in 2022 were still on the staff list and payroll of the University. In FY2023, a total amount of NLe40,352 was paid to the four staff as salary without any justification.

The salaries could have been paid to non-staff, thereby leading to loss of government much-needed funds.

We recommended that the Human Resources Manager should immediately remove the names of the four staff from the staff list and notify the Director of Finance for the removal of those names from the payroll.

The Director of Finance should submit a justification for the payment of salaries to the four staff after termination of their services. Otherwise, the amount paid to them should be recouped, paid back into the Consolidated Fund, and evidence submitted for audit inspection.

#### ***Official Response***

*The current staff list contains their pin-codes indicating the university employees receiving salaries from the Accountant-General Department / Ministry of Finance.*

*In the next Audit period the staff list that will be presented after the recruitment will capture all what the audit team has recommended in their findings.*

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

The names of the three staff terminated in 2022 were still on the staff list and payroll of the University; and there was no justification for the payment of salaries totalling NLe40,352 in FY 2023. Therefore, the issue remains unresolved.

### **6.25.4. Documents not Submitted to Support Employment Extension of University Staff**

From our review of employment records, we observed that 33 staff (18 support staff and 15 lecturers) had attained the statutory retirement age of 60 or 65 years for support staff and lectures respectively. We requested the personal files and employment records for these staff to ascertain whether there was documentary justification for their extended service to the University. These documents were not submitted despite repeated requests. A total gross salary of NLe2,980,896 was paid to them for the period under review.

We recommended that the Human Resource Manager should ensure that the updated staff records are submitted for audit inspection to ascertain that the staff had the authority to extend their services.

In future, the Human Resource Manager should ensure that important documents on staff matters are obtained and filed appropriately.

#### ***Official Response***

*There is provision in the Conditions of Service that the services of staff attaining the age of 60 or 65 years could be extended for another five years on condition of necessity and approval. Minutes to the effect are available for verification.*

*The staff who are above the age will be removed after government pay their end-of-service benefit which they have started, and their names will not be removed since they have started receiving over 60% of their end of service benefits. Next audit their name will not be on the staff list.*

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

Of the 33 files requested, 30 were submitted.

From a review of these files, we observed that the authority to extend the services of these staff was not seen. The total gross salary of NLe2,980,896 was paid to them for the period under review. Therefore, the issue remains unresolved.

#### **6.25.5. Encroachment of University Land**

Despite our recommendations in previous reports, we continue to observe that the University land at Goderich and Brookfield campuses had been encroached upon. There is no evidence of an agreement or concurrent between the University Court and those encroachers. Of utmost importance was the fact that there was no litigation by the University against the land encroachers for the period under review.

We recommended that in the absence of any form of authority and agreement between the University and the illegal land occupants, the Vice Chancellor and Principal, in consultation with the University Court should enforce legal measures to secure properties of the University.

#### **6.25.6. Inadequate Control over the Management of Non-current Assets**

The following were observed:

- A comprehensive Fixed Assets Register was not submitted for audit. As a result, the team could not place reliance on the cost of non-current assets and respective depreciation figures in the Financial Statements for 2023.
- Furniture and equipment totalling NLe364,826 were not recorded in the fixed assets listing.
- An approved asset policy which sets guidelines and rules that the University establishes to govern the acquisition, usage, management and disposal of its assets was not in existence.
- Inventory lists were not displayed in different locations/offices.
- With the exception of motor vehicles and motorbikes, there was no evidence that other assets were insured against the risk of fire, theft, damage, or any natural or man-made disaster.
- Five motorbikes donated to the University were not made available for physical verification.

The assets owned and controlled by the University could be exposed to loss or misuse.

We recommended that the Estate Officer should ensure the following:

- (i) A non-current assets register in the required format should be developed and put into immediate use, and this should be updated regularly. In addition, the register should be made available for audit verification.
- (ii) An assets policy is developed.
- (iii) The assets owned and controlled by the University should be adequately insured and the insurance policy maintained for reference purposes.
- (iv) Provide the five motorbikes for physical verification.

#### **Official Response**

*The motorbikes and the relevant documents will be presented for subsequent audit as the said motorbikes were donated to the University in July 2024. The processing of the papers on the bikes has not yet been completed, but by the next audit period all the documents and the motorbikes will be presented to the Audit team.*

*Following the transition of the institution to a technical university series of policies have been drafted and are awaiting approval from the University Court. The draft policies were presented to the members of the University Court; but the policies are so many for some time to carefully read them through before presenting them for approval. The draft copy of the University Asset Policy is among the policies to be approve by the University Court in its sitting in November 2024. The Estate Department has displayed the inventory lists in some of the key offices like the Vice Chancellor, Finance Director, The Ag. Deputy Vice Chancellor, the Registrar. The other offices since rehabilitation is ongoing and some the offices will be vacated soon, the lists of assets in those offices will be displayed after the rehabilitation.*

## **Auditor's Comment**

We conclude as follows:

- The updated comprehensive Non-current Assets Register was not submitted for audit verification; therefore, this issue is unresolved.
- Evidence that an amount totalling NLe364,826 for furniture and equipment procured were not recorded in the fixed assets listing, therefore, this issue is unresolved.
- An approved Asset policy which sets guidelines and rules that the University establishes to govern the acquisition, usage, management and disposal of its assets was not submitted, therefore, this issue is unresolved.
- Some inventory listings are now displayed in some locations/offices, therefore, this issue is partly resolved.
- Management response is noted. Evidence of action taken by management to address that the other assets were insured against the risk of fire, theft, damage, or any natural or man-made disaster with the exception of motor vehicles and motorbikes was however not submitted. Therefore, the issue remains unresolved.
- Five motorbikes donated to the University were not made available for physical verification. Therefore, the issue remains unresolved.

### **6.25.7. General Observations**

#### **Delays in the Implementation of the Project Activities**

The three campuses (Goderich, Congo Cross and Brookfields) of the University are undergoing rehabilitation of some structures, and the construction of new structures. Government is supporting the project through the Sierra Leone Education Sector Support Project (SLESSP), with funding from the Arab Bank for Economic Development in Africa (BADEA), OPEC Fund for International Development (OFID), and Saudi Fund. The duration of the project is from 17th July 2023 to 16th July 2024. As at the time of writing this report, some of the activities were far from completion; thus gravely affecting the University's operations regarding the availability of adequate lecture rooms, meeting halls, offices etc.

Below are observations during a visit and follow-up on the project implementation:

#### **Brookfield's Campus**

- A laundry was identified to be renovated by the SLESSP for a cost of US\$131,849.13. During a physical verification, we observed that the laundry had been demolished, and without ongoing work on site.
- In the project document, the Tourism building at the campus was selected for rehabilitation by the SLESSP for a cost of US\$32,257.68. We however observed that the Enhance Integrated Framework had rehabilitated this building through the Ministry of Tourism and Cultural Affairs. There was no explanation why this amount was not repurposed.

#### **Congo Cross Campus**

- The multi-purpose hall was selected for rehabilitation by the project during the feasibility phase for a cost of US\$83,687.10. We however observed that the University had already renovated this building. There was no explanation why this amount was not repurposed.
- CCTV cameras play a vital role in enhancing safety and security in places where they are installed by deterring crime, improving monitoring, and providing valuable evidence for investigations.

We observed that out of 16 CCTV cameras installed at the campus, only five were operational.

## **Goderich Campus**

With the snail-pace at which work was progressing, it is unlikely that the objectives of the project could be met.

We recommended that the Estate Officer in collaboration with the University Technical Team and the Project Coordinating Unit in the Ministry of Finance should:

- (i) engage the contractor and set a realistic timeline for the completion of the project and
- (ii) repurpose funds for which activities had already been undertaken.

### **Official Response**

*The Administration noted the findings and recommendations in respect of the Project.*

- (i) *The pace of construction work has an external factor, not within the scope of the Estate Department.*
- (ii) *However, the Estate Department has been constantly monitoring the construction activities drawing the attention of the Project Coordinator to the timeline on the completion of the Project.*
- (iii) *Regarding the Enhanced Integrated Project implemented by the Ministry of Tourism through the National Tourist Board, the handing over of the equipment and assets of the facilities to the University for it to start running the Hotel has not yet been complete.*
- (iv) *One of the buildings was badly rehabilitated and it is seriously leaking to the extent that its ceiling has been destroyed. The National Tourist Board through the Consultant engaged the Administration on the remaining payment to the contractor stating that he will not be paid until the roof is properly fixed. As an alternative, it is considered that the funds be used to hire another contractor to properly repair the roof so that the building could be utilised for its intended purposes.*
- (v) *The Administration is kindly requesting the National Tourist Board to properly hand over the assets of the hotel as stated in the agreement on the project documents and that the roof of the classroom be rehabilitated as it is seriously leaking.*
- (vi) *On the CCTV Cameras at the Brookfields and Congo campuses, since the rehabilitation work is going on the contractor agreed to fix the cameras after they have completed their work. The contractor has also accepted to repair the route at Congo Cross and Goderich Campus that has been destroyed, promising to fix the road to the good condition in which they were before.*
- (vii) *Series of meetings were held and letters sent to the project Coordinator for the Sierra Leone Education Sector support Project, drawing the attention of the Contractors to explain to the administration about the funds allocated to the multipurpose building at Congo Cross campus. Letters were sent to that effect. Please find letters.*
- (viii) *Regarding the slow pace and non-clearing of the waste, the Administration has also engaged the contractors several times on that; but nothing has been done to correct the problems. The end users have not been given the space within the project to observe and address those concerns.*
- (ix) *Until the National Tourist Board completes the handing over of the equipment the hotel will not be utilized.*

### **Auditor's Comment**

Management acknowledged the issues identified. We were however not provided with evidence of actions on the recommendations made. Therefore, the issues remain unresolved.

## **6.25.8. Operational Effectiveness of Units and Departments**

### **Common Issues**

#### **Library not Updated and Fully Accessible**

An inspection of the University libraries at the Goderich and Congo Cross campuses revealed that they were not conducive for study and research work, as they lack proper ventilation, air conditioners and fans, and there were also leakages in the ceiling.





*MMTU Goderich Library with identified leakages in the ceiling*

We also observed that there were books packed on the bare floor, rather than stacked on the shelves for safety, ease of access and referencing by student and lectures. Moreover, there was no archiving system. Some books (claimed to have been outdated) were seen packed in the Library toilet.



*Books scattered on the floor of the Library*



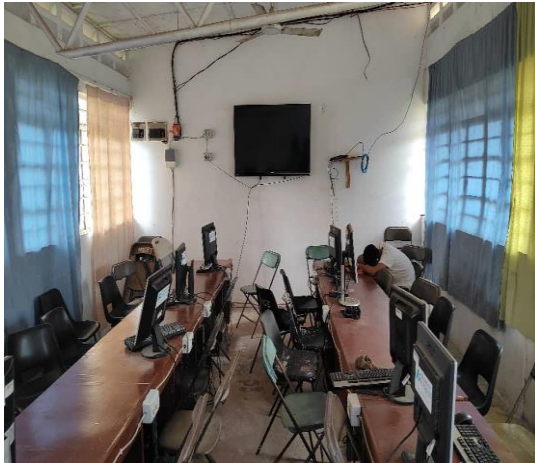
*Obsolete books in the toilet of the Library*

The University had an electronic library (e-library) that was not functional. This was because there were no internet connectivity and functional computers in the library.

#### **6.25.9. Computer Laboratory not Equipped**

Upon inspection of the University computer laboratory at the Goderich Campus, we observed the following:

- There were 12 desktop computers in the laboratory but none of them were functional. There were no printers, scanners, internet facility in the computer laboratory.



*Non-functioning Desktop Computers in the Computer Lab*

We further observed that there were no computer laboratories at the Congo Cross and Brookfield campuses, even though students paid for computer services.

We recommended that the VC&P in collaboration with the different Acting Deans of Faculties and Campuses should ensure that equipped libraries and computer laboratories are provided for students and lecturers.

#### **6.25.10. Non-Availability of Show Room and Basic tools**

At the Congo Cross campus, we observed that there are workshops for practical exercises in Electrical and Electronics, Carpentry and Masonry, and Food and Nutrition. There was however no showroom to exhibit these practical works.

We also observed that the Departments lacked adequate basic tools and equipment like hand gloves, boots safety glasses, toolboxes, drilling machines, diagnostic machines etc.

We recommended that the VC&P in collaboration with the different Acting Deans of Faculties and Campuses should ensure that the University is provided with a showroom for practical work done by students.

#### **Medical Facilities**

- There was no healthcare facility at the Brookfield's Campus.
- At the Congo Cross Campus, the healthcare facility lacks privacy, medical drugs, and test kits to carry out medical tests. There were no proper observation and admission beds, and no water supply.

The effective services that should have been delivered by the University could be gravely affected and the University objectives could not be met.

We recommended that the VC&P in collaboration with the different Acting Deans of Faculties and Campuses should ensure that the healthcare service is improved by providing the necessary healthcare facilities and drugs for students and staff.

#### ***Official Response***

*The Administration noted the observations and recommendations relating to the identified common issues.*

*Actions will be taken to address the challenges identified against the next audit review.*

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

Management acknowledged the issues identified. We are however not provided with evidence of actions on the recommendations made. Therefore, the issues remain unresolved.

### 6.25.11. Specific Issues

#### Inadequate Lecture Rooms at Goderich Campus

Lecture rooms at the Goderich Campus were inadequate to accommodate all the students during lectures. During a physical inspection of lecture rooms on 9th July 2024, we witnessed a situation where lecture was conducted for a group of students under a tree. Of uttermost concern was the fact that one of the students among those standing was physically challenged.



*Students taking classes in the open field*

#### 6.25.12. Non-use of a 24-Bedroom Hotel at the Brookfield Campus

The Enhance Integrated Framework through the Ministry of Tourism and Cultural Affairs refurbished a 24-bedroom hotel at Brookfield Campus and handed it over to the University in March, 2024. This upgraded facility is yet to be open to the public, which could have boosted the revenue of the campus and provided a hands-on learning environment for students on skills to handle customers in the Hotel and Tourism Department. Instead, the Head of Department for the Faculty of Hotel Tourism and Nutritional Sciences had arranged for students to be taken to the Country Lodge Hotel, in order to gain first-hand experience of how the industry operates.

Inadequate lecture rooms can affect students' academic performance. The University could miss out on potential opportunities for alternative revenue streams.

We recommended that the VC&P, in collaboration with the Deans of Campuses and Estate Officer should ensure that:

- (i) conducive lecture rooms are provided to accommodate the entire student population. In future, the intake of students should be based on the available accommodation and facilities provided by the University and
- (ii) the renovated 24-bedroom hotel is fully operationalised to meet the objectives of the University.

#### **Official Response**

*The Administration noted the observations and recommendations under Specific Issues and will work very hard to address the challenges/ recommendations presented prior to the follow up review.*

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

Management's acknowledged the issues identified. We are however not provided with evidence of actions on the recommendations made. Therefore, the issues remain unresolved.

## **6.26. SIERRA LEONE CIVIL AVIATION AUTHORITY - 2023**

### **6.26.1. Revenue Reconciliation not Carried Out**

Revenue Reconciliation was not carried out between the National Revenue Authority (NRA) and the Sierra Leone Civil Aviation Authority (SLCAA) for the Foreign Travel Tax (FTT) during 2023. There is the risk of misstatement in the revenue figures disclosed in the Financial Statements.

We recommended that the Finance Manager (FM) should submit revenue reconciliations to the ASSL for verification.

#### ***Official Response***

*Attached on this respond is the revenue reconciliation.*

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

During the verification, revenue reconciliation was submitted. From a review of the reconciliation statements, we observed that a total revenue of NLe157,104,530.86 was deposited into the revenue account. According to the 80% sharing ratio, a total of NLe125,683,625 should have been transferred to the SLCAA's operational account. However, only NLe96,906,456 was actually transferred, thereby resulting in a difference of NLe28,777,169 that was not transferred to the operational bank account. Therefore, the issue remains unresolved.

### **6.26.2. Foreign Travel Tax Assessment Records not Submitted by the NRA**

Foreign Travel Tax revenue totalling NLe50,472,398.06 was reported in the Financial Statements. Despite multiple requests, the assessment records of FTT transactions in the Integrated Tax Administration System (ITAS) was not submitted for audit inspection, in order to determine the accuracy and completeness of the revenue reported.

There could be misstatement in the revenue figures disclosed in the financial statements.

We recommended that the Acting Commissioner, Domestic Tax Department, should submit the FTT assessment records for audit inspection. In future, copies of assessment records should also be submitted to the SLCAA for audit and reference purposes.

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

Management did not respond to this finding. The assessment records was not submitted during the verification. Therefore, the issue remains unresolved.

### **6.26.3. Withholding Taxes not Paid to the NRA**

Withholding taxes totalling NLe454,795.28 were not deducted from payments to suppliers. Additional withholding taxes totalling NLe255,354.10 were deducted from payments to suppliers. Evidence of payments to the NRA was however not submitted for audit inspection. This was in contravention of section 130 of the Income Tax Act, 2000.

We recommended that the Director of Corporate Services should ensure that NLe710,149.38 relating to withholding taxes be paid to the NRA and evidence of payment submitted to the ASSL.

#### ***Official Response***

*The withholding tax payments preparation process is ongoing.*

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

There is no evidence that withholding taxes totalling NLe710,149.38 were paid to the NRA. Therefore, the issue remains unresolved.

#### **6.26.4. Wrong Computation and Nonpayment of PAYE Taxes to the NRA**

We observed the following:

- For the period under review, we observed that PAYE taxes amounting to NLe893,372.08 were not deducted from leave allowances paid to various staff.
- Contrary to Part 2, section 3 of the Income Tax Act, 2000 (as amended in the Finance Act, 2020) on the review of payroll vouchers and supporting documents, we observed that 5.5% withholding taxes were deducted from staff salaries as PAYE taxes, instead of the threshold prescribed in the Income Tax Act and the Finance Act.
- We computed and compared the PAYE taxes that should have been paid to the NRA, with the withholding taxes deducted, and observed that the sum of NLe2,520,146.55 was outstanding to the NRA as PAYE taxes during the year under review.
- We also observed that PAYE taxes were not computed correctly, as the Authority recorded PAYE taxes of NLe5,263,731.41, instead of NLe5,567,935.03 for the FY 2023. Additionally, there was no evidence of payment of the PAYE taxes totalling NLe5,567,935.03 to the NRA.

The non-payment of taxes could result in the loss of government revenue.

We recommended that the Director of Corporate Services should ensure the following:

- (i) Taxes should be deducted from leave allowances and paid to the NRA. Evidence of deductions and payments should be made available to the ASSL.
- (ii) The total amount of NLe8,088,081.58 (NLe5,567,935.03+NLe2,520,146.55) relating to PAYE taxes, should be paid to the NRA and evidence of payment submitted to the ASSL.

#### ***Official Response***

*We will look into this issue and work on the way forward.*

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

We were not provided with evidence of PAYE taxes totalling NLe8,088,081.58 paid to the NRA. Therefore, the issue remains unresolved.

### **6.27. NATIONAL MEDICAL SUPPLIES AGENCY - 2023**

#### **6.27.1. Warehouse Management**

##### *First and Last Mile Distribution not Done on Time*

Quarterly schedules of first and last mile distributions to district medical stores and PHUs were not met. This resulted in shortages of drugs and medical supplies at various stores and PHUs visited. For instance, the fourth quarter first and last mile integrated distribution for 2022 was done in February 2023.

Failure to carry out distribution in line with schedules could result in shortages of drugs and medical supplies at various district stores and PHUs.

We recommended that the Acting Managing Director should ensure that quarterly schedule of first and last mile distributions be done as planned, in order to forestall reoccurrence of shortages in drugs and medical supplies at district stores and PHUs.

##### *Deficiencies in the Warehouse Management at Central and District Stores*

The audit team conducted physical verification in selected District Medical Stores and observed the following anomalies:

- (i) Our review of store records in all district visited revealed that the Free Health Care drugs and other medical supplies were distributed to private medical facilities without justification.

- (ii) CCTV cameras were not installed at the Bombali, Kenema and Moyamba district medical stores. CCTV cameras installed at the central medical stores in Bo and Pujehun districts were not functional.
- (iii) There were poor ventilation systems at the Kenema, Pujehun and Moyamba district stores with non-functional air conditioners and no provision for natural ventilation.
- (iv) The Moyamba and Kenema medical stores were observed to be in bad shape with boxes of medical supplies littered all over the stores, and the shelves were also not properly organised. It was surprising to note that the bin-cards for several drugs and medical supplies at the Kenema District medical stores were not updated with products movements.
- (v) Disposal of expired drugs and medical supplies were not carried out in all district stores; and the Moyamba district stores did not maintain records of expired products in their custody.
- (vi) Six store hands (five in Bombali and one in Moyamba districts) were without pin codes and contract, but were performing critical stores functions such as recording of bin-cards and ad hoc supply of drugs to PHUs.
- (vii) Eight laptop computers and one Toyota Land Cruiser assigned to the Kenema District Medical Stores were not made available for inspection.

These anomalies could result in ineffective service delivery to patients and pregnant women who are in dire need of drugs and medical supplies.

We recommended that the Acting Managing Director, in collaboration with all the District Health Management Teams should ensure that anomalies identified are immediately resolved with evidence submitted to the ASSL.

#### **6.27.2. No-evidence of Payment of Goods and Services Tax (GST)**

Relevant records such as original GST invoice and receipt from printed NRA booklet or an electronic cash register were not attached to the payment vouchers to support GST payments of NLe258,858.11. The GST could not have been paid to the NRA by the service provider, thereby resulting in a breach of applicable laws and loss of public funds.

We recommended that the Director of Finance and Administration should obtain original GST receipts for the affected payments from the suppliers and submit them to the ASSL. Otherwise, the amount paid as GST should be recouped from the said suppliers and paid back into the Agency's account with evidence of deposit submitted to the ASSL.

#### ***Official Response***

*Management has taken note of the above issue and has made contact with the relevant suppliers to provide the GST receipts of payments.*

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

GST receipts totalling NLe3,160.20 were submitted and verified. This represented 1.21% of the total queried amount of NLe258,858.11, leaving a balance of NLe255,697.91 without evidence of payment to the NRA. Therefore, the issue remains unresolved.

#### **6.27.3. Non-Current Asset Management**

A total of 67 different assets, such as furniture and fittings, laptops and office equipment, 12 motor vehicles and 48 motorbikes assigned to various officers in Freetown were not made available for verification. Fourteen different assets verified in various offices were also not included in the assets

register of the Agency. These assets are exposed to theft and possible conversion for personal use, as they are not captured in the Ministry's assets records.

## **6.28. NATIONAL PUBLIC PROCUREMENT AUTHORITY (NPPA) - 2023**

### **6.28.1. Incomplete Information in the Authority's Financial Statements**

We observed that the draft Financial Statements submitted were incomplete and not suitable for external reporting purpose. They did not include relevant information such as the statement of changes in accumulated funds, notes to the accounts and comparative information of the Authority. The inclusion of the above will provide users of the Financial Statements with relevant and useful information for informed decision-making.

The Authority may have breached the standards of preparing Financial Statements. This may have a negative effect on the opinion.

We recommended that the Senior Finance Officer should revise the Financial Statements to include the missing information and make the revised Financial Statements available to the ASSL for verification.

#### ***Official Response***

*Financial Statements from the Authority for previous years have been fashioned according to accounting software (QuickBooks) used by the Authority for audit exercises. As recommended by the ASSL on the provision of the IAS 1 requirement for external reporting, the revised FS has however been prepared and submit the revised Financial Statements including the relevant elements of Financial Statements, notes to the accounts and comparative information including management commentary and ready for verification by the ASSL.*

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

During the verification process, the Authority did not submit the revised Financial Statements which should have included the statement of changes in accumulated funds, notes to the accounts and comparative information of the Authority. Consequently, our recommendation was not implemented, and therefore the issue remains unresolved.

### **6.28.2. Duplication of Transport Allowance**

A review of the Authority's payroll from the Accountant-General's Department indicated that 11 staff members of the Authority between grades 6 to 11 received transport allowances as part of their monthly salaries, amounting to NLe160,000 during the period under review. We further observed that weekly fuel worth NLe198,540 was awarded to the same staff members, even though they had received transport allowances as part of their salaries.

The weekly fuel payments made to staff may have been duplicated for the same purpose. This may create room for the Authority to encounter liquidity problems.

We recommended that the Director of Human Resources and Administration should recover the duplicated amount of NLe198,540 from staff, pay back this money into the Authority's account, and make the evidence of recovery available to the ASSL.

#### ***Official Response***

*The issue raised is noted. Notwithstanding, the issue of transport allowance has been addressed with the newly approved salary structure of the Authority by removing all allowances from the payroll of the NPPA.*

*However, Article 42(b) of the Authority's Terms and Conditions of Service provides for the allocation of fuel to Managers and Directors. As you observed in the audit, the Authority does not currently have roadworthy vehicles to be assigned to regional managers and directors in dispensing their responsibilities. Based on the above circumstances, the Terms and Conditions of the Authority make provision for the allocation of fuel to senior management staff using their private vehicles to perform official duties. This practice is not peculiar to the NPPA, but a normal practice in public service.*

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

During the verification process, no evidence was submitted to confirm that the duplicated amount of NLe198,540 was recovered and paid into the Authority's account. Therefore, the issue remains unresolved.

#### **6.28.3. Inability to Meet Short-Term Obligations**

A review of the Financial Statements revealed that the Authority had substantial sundry payables amounting to NLe2,848,626.20. This balance consists of amounts owed to suppliers for the provision of goods and services including office equipment and consumables, office furniture and fittings for which full payments were still outstanding. Additionally, we observed that a significant portion of these liabilities was long overdue, and no repayment plan was submitted for audit inspection.

We also observed that the current ratio which measures current assets to current liabilities was found to be 1:0.53. This means that the Authority's current resources including cash and other forms of short-term finance amounting to NLe1,502,663.42 were only sufficient to meet 53% of its short-term debt obligations as they fall due.

The significant overdue payables and lack of repayment plans could damage relationships with suppliers, leading to disrupted supply chains, and reluctance from suppliers to offer further credit facilities.

We recommended that the Senior Finance Officer should ensure that the debt portfolio of the Authority is effectively managed and controlled to avoid the curtailment of extended credit facilities by suppliers. In addition, the Senior Finance Officer should develop a payment plan with the suppliers and forward same to the ASSL.

#### **Official Response**

*This is correct. The recommendations are taken seriously. Due to inadequate budget allocations to the Authority, we are financially constraint to meet our current liabilities to our suppliers.*

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

The Authority did not provide a payment plan or submit documentary evidence of management's actions to ensure effective debt portfolio management during the verification process. Therefore, the issue remains unresolved.

### **6.29. SIERRA ESTATE MANAGEMENT COMPANY: 2023**

#### **6.29.1. Long Outstanding Debts not Recovered from Occupants**

From our review of the receivable register, we observed that the total amount of NLe12,046,404.17 relates to customers whose accounts had been dormant for at least three years as at 31st December 2023. Further enquiries revealed that, these customers could not be traced, as their businesses had been dissolved. In addition, we also observed from our review that no provision was made for bad and doubtful debts in the Financial Statement. This amount is more than 50% of the book value of receivables reported for the Company.



We recommended that the General Manager should ensure the following:

- (i) Immediately institute a system that will address the prompt collection of rental fees and other funds from customers, prior to having access to the facility.
- (ii) In the absence of collecting the above debts, the General Manager should consider seeking approval from the relevant authority for provisions to be made in addressing the risks of bad debts relating to the above receivable balances.
- (iii) For accounts whose customers cannot be traced and business dissolved, consider writing-off these amounts as bad debts. This action will help clean up the receivables register and prevent misleading financial reporting.

## **6.30. SIERRA BLOCK CONCRETE PRODUCTS LIMITED - 2023**

### **6.30.1. Outstanding Trade Receivables**

We observed that trade receivables totalling NLe816,329.00 had been outstanding for more than three years as at 31st December, 2023. This amount was owed by two organisations namely: Chandigarh Structures Ltd. NLe189,245.00 and Zakhem Construction International NLe627,084.00. In addition, no provision for bad debts was made in the accounts.

We recommended that the Chief Finance Officer should ensure the following:

- (i) Collect the debt from both institutions, with immediate effect.
- (ii) Seek approval from the Board for provision of bad debts to be made in the books of account.

### **6.30.2. Directors Remuneration Payable**

We observed that a provision of NLe1,663,578.00 was made in respect of Directors' Remuneration as at 31st December 2023. We however requested the analysis/break down of this amount, and the reason why it has not been paid. This analysis or breakdown was however not provided for audit inspection.

We recommended that the Management and Board should have a meeting to address the issue of the remuneration, and evidence of actions taken should be submitted to the ASSL.

### **6.30.3. Trade Payables**

We observed that 30 customers' credit balances totalling NLe233,261.00 had not moved for the past three years, indicating non-supply of customers.

We recommended that the Chief Finance Officer open a separate bank account for such deposits or the required product be supplied within a reasonable timeframe to avoid embarrassment in case of default of the Company.

### **6.30.4. No Movement in the Loan Account**

We observed that the loan account balance of NLe6,949,749.00, and the interests totalling NLe2,969,562.00 had not changed since 2021.

We also observed that interest on the loan since 2021 had not been taken into account in the preparation of the 2023 Financial Statements. In addition, we requested the loan agreement but was not provided for audit inspection.

We recommended that the Chief Finance Officer should forward a letter to the bank requesting the restoration of the loan. Where interest on the loan is suspended for a definitive period, loan repayment

installments should be reduced to an appreciable amount and if possible, the bank should write-off the loan.

#### **6.30.5. Land Encroachment & Legal Matters**

We observed that Sierra Block Concrete Products Limited's (SBCPL) had been engaged in court since 2013 with someone, who claimed ownership of the 79.2 acres of land Angola Town off the Peninsular Road, given to the Company by the Government of Sierra Leone for operations.

A court judgement in absentia was given in favour of the claimant in July 2018. This led to the vandalization of the company's assets valued about US\$8 million (eight million Dollars).

Later, this judgement was overturned in favour of the Company, by which time more than half of the land had been encroached upon.

On 12th March 2024, the writ of possession was enforced to secure the operational area of the factory. The plaintiff appealed the judgement given in favour of the company, and the case is in court. This affected the operations of the Company. This prolonged legal issues and the cost of keeping securities to protect the investment has been a drain on the finances of the company.

#### **6.30.6. Lack of Spare Parts and Equipment**

Since the demolition of the factory in July 2018 the Company had been struggling to raise funds to procure the required spare parts and equipment to revamp the operating capacity of the plant. These include machine parts, generators, forklifts, wheel loader, operational and delivery trucks. The core aspect of this Company has to do with plant and machinery, therefore, if most of them are not in working condition, then the Company is bound to fail.

We recommended the following:

- (i) That NASSIT (being the majority shareholder) coupled with fact that it's a government entity should take the lead in ensuring that this legal issue is addressed, considering it is over 10 years.
- (ii) A special fund should be set aside in the event that the court judgement goes against the company.
- (iii) The General Manager and Chief Finance Officer should ensure that funds are provided for the maintenance and replacement of plant and machinery.

#### **Official Response**

*The General Manager in his response stated the following:*

- (i) Even though NASSIT and the Board of Directors are aware of this, your recommendation will be forwarded to them.*
- (ii) Management will discuss with the directors and shareholders to agree on the way forward.*
- (iii) Management will do its parts to procure some of the equipment when funds are available.*

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

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

### **6.31. NATIONAL CIVIL REGISTRATION AUTHORITY - 2023**

#### **6.31.1. Overcrowding at the National Civil Registration Authority Headquarters**

The National Civil Registration Authority (NCRA) has offices in all the 16 districts. Due to the high demand for national ID card, there are long queues at the headquarters, causing traffic and noise disturbance around the immediate vicinity. Furthermore, construction work on the building housing

the ID Production Centre, canteen and conference hall is incomplete. As a result, the Authority has other departments being housed in two buildings in Freetown, costing government NLe568,735 in yearly rent.

This situation could adversely impact staff productivity and cause delays in processing of identity cards and other services to individuals.

We recommended that the Director General of the NCRA should expedite the construction of its headquarters and decentralise key civil registration services to the various district offices in order to minimise congestion at the Authority's headquarters.

### **Official Response**

*Management is aware of the congestion at its offices at HQ and the Births & Deaths Office resulting from limited office space to accommodate the increased demand by the public for Civil Registration and Vital Statistics (CRVS) and ID services. Management by way of alleviating the challenge, secured an old building from the GoSL to serve as the NCRA's headquarters. The rehabilitation of the building is 95% complete, with support from the GoSL and EUD. Relocation to the building is expected by the end of December 2024, and the Births and Deaths Directorate, currently housed at Wilberforce Street, will then relocate to the current NCRA building at Walpole Street. The new NCRA HQ is adequate enough to accommodate all NCRA operations and will be suitable for meeting public demand in terms of service delivery.*

*Management is monitoring the ongoing rehabilitation/construction work on the building housing the ID Production Centre, canteen and conference hall; it is, however, expected to be completed by mid-November 2024.*

### **Auditor's Comment**

We note management's response on this matter. At the time of the verification, work was still ongoing at the new NCRA headquarters, and overcrowding at the current NCRA headquarters continues. Therefore, this issue remains unresolved.

### **6.31.2. Revenue Collected but not Banked**

We observed that the Smart Korpor mobile application was used to collect non-tax revenues in 2023, which amounted to NLe2,043,439. A review of the bank statements maintained at the Sierra Leone Commercial Bank (SLCB) (January – April) and the Rokel Commercial Bank (RCB) (May – December) showed that NLe1,922,981 was deposited into the accounts, leaving a difference of NLe120,458 not banked. This could result in a loss of the much-needed revenue of government.

We recommended that the NRA Officer should investigate the amount not banked and provide evidence of outcome to the ASSL. If the matter is unresolved, the responsible parties should refund NLe120,458 into the Consolidated Fund and evidence of payment submitted to the ASSL.

### **Official Response**

*Management notes the audit observation on the issue relating to generated revenue not traced to the bank account. Management wishes to state that it has referred same to the National Revenue Authority (NRA) for appropriate response to constitute management's response on the issue raised for review and verification; since revenue collection is the mandate of the NRA who contracted the services of Smart Korpor for same.*

### **Auditor's Comment**

The issue has been communicated to the Management of the NRA. As at the time of the audit verification, the variance had not been addressed. Therefore, the issue remains unresolved.

### **6.31.3. No Disaster Recovery Plan**

There were no formal plans for disaster recovery. In the event of unavoidable disaster occurs, there would be no preventive or recovery plans for business continuity, especially the protection and restoration of data. Data could easily go missing or lost without trace.

We recommended that the Director of IT should ensure that a disaster recovery plan should be should be put in place without any further delay.

#### ***Official Response***

*On the issue of the Disaster Recovery Plan, management wishes to report that the cost of the Disaster Recovery forms are part of the NCRA FY2025 Domestic Capital Budget submitted to the Ministry of Finance for consideration. Additionally, the NCRA has engaged its development partners through its CRVS steering committee on the imperative need for a disaster recovery mechanism to save the huge investment made into the ICT infrastructure of the NCRA.*

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

Disaster Recovery Plan has however not been developed. Therefore, the issue remains unresolved.

## **6.32. POLITICAL PARTIES REGULATION COMMISSION - 2023**

### **6.32.1. Non-submission of Audited Financial Statements by Political Parties**

Sections 33(3) and 34(1 & 3) of the Political Parties Act, 2022 require political parties to have their Financial Statements audited yearly, and submit the reports to the Commission within three months after the end of the financial year. Despite reminders and warning letters, sent by the Commission to the various parties, only one of the 17 registered political parties submitted its audited Financial Statements for FY2023. This non-compliance undermines transparency and accountability, which are crucial for the integrity of the political system.

We recommended that the Commission should enforce the penalties in section 34(1 & 3) of the Act to uphold the law and ensure political parties fulfil their legal obligations.

#### ***Official Response***

*The Commission has written letters to the registered political parties in this regard. The Commission in its next meeting will discuss the above issue and take appropriate line of action pursuant to the provisions of the Political Parties Act, 2022.*

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

The appropriate line of action enshrined in the Act has not been addressed, therefore the issue remains unresolved.

### **6.32.2. Key Targets in the Sierra Leone Medium-Term National Development Plan not Met**

One of the key targets of Cluster Four - Governance and Accountability for Results of the Sierra Leone Medium-Term National Development Plan (SLMTNDP) 2019- 2023 states: "By 2023, the Political Parties Regulation Commission should have decentralised operations to all districts." Contrary to the above, the Commission is currently operational in only six of the 16 districts in Sierra Leone.

The remaining 10 districts lack the necessary oversight and regulation of political parties. This absence could hinder progress towards achieving a peaceful, stable and inclusive political environment across the country.

We recommended that the Executive Secretary in collaboration with the Ministry of Finance should ensure that the Commission is decentralised to meet the Sierra Leone's Medium-Term National Development Plan 2019-2023.

**Official Response**

*The Commission has and will approach the Ministry of Finance on this recommendation to ensure the fulfilment of the target for the PPRC as contained in the MTNDP 2019-2023.*

**Auditor's Comment**

The Commission did not achieve the set targets in the MTNDP and lacked the visibility to regulate political parties across the 16 districts. Therefore, the issue remains unresolved.

**6.33. UNIVERSAL ACCESS DEVELOPMENT FUND (UADF) - 2023**

**6.33.1. Financial Statements not Submitted by MNOs and ISPs**

Contrary to section 165(1)(2) & (3) of the National Communication Authority Act, 2021, we observed that of the 14 Mobile Money Operators (MNOs) and Internet Service Providers (ISPs), only three submitted their Financial Statements to the UADF. Failure to submit the Financial Statements by the MNOs and ISPs could prevent the UADF from ascertaining the correct amounts the MNOs and ISPs should pay as service levy to the fund.

We recommended that the Director of Finance should request the Financial Statements from the MNOs and ISPs, compute the expected service levy, adjust the Financial Statements and submit same to the ASSL.

**Official Response**

*We received two additional Financial Statements from one MNO and one ISP. The necessary adjustment has been made in the Financial Statements.*

**Auditor's Comment**

From a total of 14 Financial Statements from the MNOs and ISPs, only five were submitted to the UADF, leaving a balance of nine Financial Statements not submitted. The necessary adjustment has been made on the revised Financial Statements. The issue is partly resolved.

**6.34. SIERRA LEONE METEOROLOGICAL AGENCY - 2023**

**6.34.1. Limited Observation Networks System**

We observed that Sparse observation systems network across the country is limited and has led to constraints in providing climate services and information to the last mile (farthest area). With the limited observation systems network across the country, poor and insufficient weather information will sometimes be provided.

We therefore recommended that sufficient observation systems network are installed across the country.

**Official Response**

*The observation has been noted. Management will continue mobilizing support from external partners for an improved weather station observation network.*

### **Auditor's Comment**

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

## **6.35. SIERRA LEONE PORTS AND HARBOURS AUTHORITY - 2023**

### **6.35.1. Assets not Physically Verified**

We observed the following:

- The Authority acquired assets valued at NLe193,100.00. These assets were however not made available for physical verification.
- Nine vehicles and one motorbike were kept in various garages. The locations of these garages were however not made known to the audit team.

We requested site visitation to enable us physically verify these vehicles and motorbike, but we were not granted access to these garages.

We recommended that the Director of Technical Services should ensure that the assets in question are made available for verification.

### ***Official Response***

*Management strives to maintain adequate internal controls in the management of its non-current assets. The assets mentioned have been identified and are available for audit review.*

### **Auditor's Comment**

During the exercise, assets worth NLe70,950 were made available and physically verified, leaving balance of NLe122,150 unverified. Our recommendation was therefore partly resolved.

Of the nine vehicles, three were physically verified, leaving six unverified. Therefore, the issue is partially resolved.

## **6.36. COUNCIL OF LEGAL EDUCATION - SIERRA LEONE LAW SCHOOL: 2022 - 2023**

### **6.36.1. Payments not Supported by the Relevant Documentary Evidence**

We tested the School's transactions to ascertain whether expenses were incurred for the intended purposes and accurately reported in the Financial Statements for the period under review. We observed that transactions amounting to NLe104,422 for 2023 did not have adequate supporting documents such as delivery notes, invoices, business registration certificates and NRA tax clearance certificates.

We recommended that the Finance Officer should make the relevant supporting documents available to the ASSL.

### ***Official Response***

*The supporting documents are available.*

### **Auditor's Comment**

The missing supporting documents for 2023 expenditure amounting to NLe104,422 were not submitted for audit verification. Therefore, this issue remains unresolved.

## **6.37. NATIONAL ASSETS AND GOVERNMENT PROPERTY COMMISSION: 2019-2022**

### **6.37.1. Disbursements without Adequate Supporting Documents**

We observed that the retirement details in respect of imprests totalling NLe79,247 were not made available for inspection, contrary to section 124(1) of the PFMR, 2018.

We recommended that the Executive Secretary should ensure that the required supporting documents/retirement details are presented to ASSL for verification.

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

*The missing documents were available for audit verification.*

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

During the audit verification, the retirement details for imprest totalling NLe79,247 were not submitted. Therefore, the issue remains unresolved.

### **6.37.2. Inadequate Implementation of the Commission's Mandates**

We observed the following:

- The Comprehensive National Assets Register using an integrated computer software was not developed and presented for audit inspection.
- There was no record of the acquisition and holdings of any national assets or government property by all MDAs.

We recommended that the Executive Secretary should ensure that the documents requested are made available to the ASSL for verification.

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

*The Comprehensive National Assets Register is available for audit verification and that the Commission is still faced with challenges in receiving records of fixed assets acquired by MDAs.*

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

A comprehensive national assets register using integrated computer software was not submitted. Record of acquisition and holdings of national assets or government property by all MDAs were not made available for verification. Therefore, these issues remain unresolved.

## **6.38. NATIONAL CONSERVATION TRUST FUND: 2019 - 2022**

### **6.38.1. Inadequate Preparation of the Financial Statements**

The following issues were observed:

- The Financial Statements submitted for audit did not disclose by way of disaggregation or the sources of revenue received during the period under review.
- An approved budget with clear operational and financial targets was not submitted for audit inspection.

We recommended that the Finance Manager should ensure the following:

- (i) The Financial Statements should be revised to disclose by way of disaggregation or the sources of revenue received, and forwarded to the ASSL for verification.
- (ii) The approved budget of the Trust should be forwarded to the ASSL for verification.

### ***Official Response***

*The “Conservation Trust Fund (CTF) management is still engaging the National Protected Area Authority (NPAA) to ensure all revenues are paid to the Trust. This is still a major challenge, and an approved budget for FY 2019, 2020, 2021 and 2022 was submitted to the auditors. Documents are available for verification”.*

### **Auditor’s Comment**

- A revised set of Financial Statements appropriately disclosing by way of disaggregation/record, and the source of revenue received, and the approved budget of the Trust were not submitted for verification. Therefore, the issues remain unresolved.

### **6.38.2. Bank Balances not Confirmed**

Bank confirmation letter was sent to the Bank of Sierra Leone through the management of the Trust to confirm the Trust’s bank account balances of NLe73,072, NLe205,837, NLe456,173 and NLe170,715.84 for the years ended 31st December 2019, 2020, 2021 and 2022 respectively. We however did not receive any response to our request for bank confirmation.

We recommended that the Finance Manager, should liaise with the Bank of Sierra Leone for the response to our confirmation letter to be sent to the ASSL for verification.

### ***Official Response***

*We are making relentless follow-up with the bank to ensure they release the confirmation of these balances.*

### **Auditor’s Comment**

Bank confirmation of the Trust's bank balances as at 31st December 2019, 2020, 2021 and 2022 were not provided to the audit team. Our recommendation was not implemented. Therefore, the issue remains unresolved.

### **6.38.3. Inadequate Management and Control of Protected Areas**

We physically verified some of the protected areas such as the Kambui Forest in Kenema, Sea Coach in Aberdeen, and Crab Town in Lumley, Freetown, to ascertain whether they were effectively managed and preserved.

From the verification, we observed signs of environmental degradation. This was evidenced by the widespread illicit activities such as the mining and burning of coal, and the mining of gold along the streams.

The scale of these activities was alarming, suggesting a systematic disregard for environmental preservation.

According to some of the individuals who were involved in these activities, authority was given to them by the Chief of the community and these illegal activities have been going on for the past 10 years.

In an interview with one of the chiefs of the communities that we visited; he confirmed having awareness of these activities, but admitted that the village authorities were responsible for granting permission for these illegal activities to happen.

The inability of the Trust to manage and control these protected areas could be attributed to the lack of monitoring and enforcement of the related laws. In the area of monitoring, we were reliably informed that challenges relating to mobility, lack of patrolling equipment, medical resources and other



logistical constraints prevented the concerned personnel from effectively executing their roles and responsibilities.

We recommended that the Executive Chairman and the Board of Trustees should ensure the following:

- (i) Liaise with the Ministry of Finance and Parliament for funding to be increased for conservation and protected area management, and transition toward reliable long-term funding sources. In addition, institute a system to effectively monitor and report the development and problems relating to protected areas.
- (ii) Collaborate with the relevant stakeholders such as the Ministry of Lands, the Ministry of the Environment, and the Environmental Protection Agency for appropriate measures to be taken to deter communities, individuals and businesses so that these environmental challenges can be addressed.

### **Official Response**

*Both the CTF and NPAA management teams are collaborating to address these issues. There are numerous challenges faced by the Authority in addressing the issues.*

### **Auditor's Comment**

Management's comment is noted. At the time of verification, the audit team was not provided with documentary evidence relating to these issues. Therefore, these issues remain unresolved.

## **6.39. SIERRA LEONE MARITIME ADMINISTRATION - 2023**

### **6.39.1. Maritime Conventions not Ratified or Domesticated**

Section 10(1) of the Sierra Leone Maritime Administration (SLMA) Act, 2000 requires the SLMA to pursue the ratification or accession and implementation of international maritime conventions, in conjunction with other appropriate agencies of government.

The SLMA being a member of the International Maritime Organisation (IMO) has failed to ratify or domesticate into national laws several international conventions, protocols and guidelines. We observed that the SLMA has more than 20 international maritime conventions from the IMO that are to be domesticated into the laws of Sierra Leone. International treaties and conventions can only become law when implemented into national legislation.

Countries that do not ratify conventions may inadvertently fall short of global best practices, leading to non-compliance with international standards that could impact safety, security and environmental sustainability.

The Executive Director should liaise with the Ministry of Transport and Aviation and the Law Officers Department to ensure that these international conventions are ratified and domesticated.

### **Official Response**

*Six conventions have already been subsumed in the merchant Shipping Act. In addition, eight more conventions are with the Law Officers Department for concurrence. The Port and Security bill were submitted to the Fifth Parliament, but wasn't acted upon. This will be submitted to the Sixth Parliament for rectification.*

*Bills for the rest of the conventions are currently been developed with technical assistance from the International Maritime Administration.*

### **Auditor's Comment**

There was no evidence that the eight conventions were sent to the Law Officers Department for concurrence. Therefore, the issue remains unresolved.

### **6.39.2. No Navigation Aid in the Territorial Sea**

Section 10(b&c) of the SLMA Act, 2000 requires the SLMA to ensure the safety of navigation in territorial sea. It also requires the SLMA to regulate shipping in inland waterways including the safety of navigation therein.

Aids to navigation are placed on shore or on marine sites to assist a navigator to determine his position or safe course. They mark limits of navigable channels or warning of dangers or obstructions to navigation. Navigational aids are used to also ensure the safety of land, sea and crew.

During the verification exercise along the coastal areas of Sierra Leone, we observed that there was no evidence of navigation aid such as beacons and buoys along the coastal waters to assist in the navigation of ships and boats.

The lack of navigation aids will result in accidents at seas which will also lead to the loss of lives and property.

The Director of Safety in collaboration with the Executive Director should ensure that the necessary navigation aids are installed along the coastal seas of Sierra Leone.

#### ***Official Response***

*Following the referenced audit query for the period under consideration, the Maritime Safety & Security department wishes to communicate the following:*

- (i) The recently appointed executives have committed to providing these critical navigation devices, to which the Administration has committed to source and ring fence the budgeted figure to ensure the needful is done.*
- (ii) It is against this backdrop that I am assuring you that, this observation raised will not reoccur in subsequent audits.*

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

As at the time of audit verification, there was however no evidence of action taken to execute the plan. Therefore, the issue remains unresolved.

### **6.39.3. No Monitoring of Maritime Safety at Sea**

The audit team carried out a physical inspection of selected operational sites and observed the following:

- At the Mambolo and Rokupr wharfs, and the Matru Senehun Crossing Point, we observed that, most of the passengers in wooden boats were without life jackets, despite previous audit recommendations.
- At the Aberdeen Sea Coach and Murray Town Sea Bird terminals, although life jackets were available, there was no evidence that most passengers were using them whilst onboard the boats.

The Maritime Traffic Regulators had not issued fines against defaulters for non-compliance with the use of life jackets during sea travel.

In the event of accidents at sea, there is the risk of loss of lives due to non-use of life jackets.

We recommended that the Director of Safety should ensure that the Maritime Traffic Regulators enforce the wearing of life jackets by all passengers or levy penalties for non-use.

### **6.39.4. Revenue Assessment Records not Submitted**

We observed that invoices totalling NLe1,611,783 were without revenue assessment records such as maritime ship monitoring and cargo assessment forms.

This could lead to incorrect revenue computations, over- or under-reporting of income, and potential misleading of the Financial Statements.

We recommended that the Director of Finance should ensure that the revenue assessment records are submitted for audit inspection.

**Official Response**

*We will make available all supporting documents for invoices totalling NLe1,611,783 for your inspection and verification.*

**Auditor's Comment**

From a total invoice of NLe1,611,783, assessment records totalling NLe1,047,658, representing 65% of the total queried amount were provided; leaving a balance of NLe564,124 without revenue assessment records. Therefore, the issue remains partially resolved.

**6.39.5. Receivables Confirmations not Received**

Receivables circularisation letters were sent to 25 debtors on 19th September 2023 with an aggregate balance of NLe34,597,867. These confirmations had not been received as at the date of this report. The non-response from the debtors could create doubt on the existence, accuracy and completeness of the receivables amount recognised in the Financial Statements.

We recommended that the Director of Finance should ensure that a follow-up is made with debtors, and their response forwarded to the ASSL.

**Official Response**

*Management contacted the debtors and additional efforts are being made to reach out the customers/debtors to respond immediately.*

**Auditor's Comment**

Confirmation was received from one of the 25 receivables circularisation letters sent to debtors. The debtor however declined having any liability with the Sierra Leone Maritime Administration. Therefore, the issue remains unresolved.

**6.39.6. Unapproved and Unauthorised Expenditure**

We observed the following:

- On 15th March 2023, the Executive Director was refunded the sum of €7,590 and £9,850 in respect of maritime management courses. These payments were not approved by the SLMA Board, and there was no evidence of training certificate, and receipts to justify attendance and payments.
- An amount of NLe211,521 was paid to the Royal Fitness Gym in respect of one-year subscription and personal trainers for the Executive Director. The cost of the annual club membership was NLe27,565 whilst an additional amount of NLe183,956 was paid in respect of 288 sessions for the services of a personal trainer. A review of the benefit of the Executive Director revealed that, the Executive Director is entitled to only club membership.

There is a risk that these monies could have been expended on purposes not intended, thereby resulting in a loss of public funds.

We recommended that the Director of Finance should ensure that these amounts are fully brought to account with adequate justification and evidence of approval of the Board. Otherwise, the amounts should be recovered and paid back into the Administration's account, and evidence submitted to the ASSL

### **Official Response**

- (i) *Refund for Maritime Management Courses to the Executive Director - This was part of the capacity development of our staff of the institution for which the Executive Director is part of.*
- (ii) *Payment of Club Subscription and Personal Trainers - The Term and Conditions of the Executive Director obtained from State House made provisions for several benefits including three club membership without limitations. Copy of the Executive Director Terms and Conditions are available for inspection.*

### **Auditor's Comment**

- *Refund for Maritime Management Courses to the Executive Director-*  
Management's comment is noted. However, there was no evidence of the SLMA's board approval, receipt and training certificate to justify the spending. Therefore, the issue remains unresolved.
- *Payment of Club Subscription and Personal Trainers*  
We acknowledged that Club membership is part of the benefits of the Executive Director. However, the additional amount of NLe183,956 that was paid in respect of 288 sessions for the services of a personal trainer was not part of this benefits and thereby considered ineligible payment. Therefore, the issue remains unresolved.

### **6.39.7. Unsupported Payments**

We observed the following:

- Bank withdrawals totalling NLe2,651,211 were without payment vouchers and the relevant supporting documents such as requests, invoices, delivery notes and reports to substantiate the use of funds.
- Payments totalling NLe1,649,988 were without adequate supporting documents such as invoices, delivery notes, end-user requests, receipts and back-to-office reports.

As a result, we were unable to ascertain whether the funds were used for their intended purposes.

We therefore recommended that the Director of Finance should ensure that the required payment vouchers and supporting documents are provided for audit inspection. Otherwise, the amounts should be paid back into the Administration's account.

### **Official Response**

- (i) *In respect of amount totalling NLe2,651,211, there were payments for various activities and for which we experience delays in receiving the expenditure returns after the activities were completed. These documents have been assembled and are now available for your reviews.*
- (ii) *For the adequacy of documentation of payments made, we write to inform you that the manner in which the documents were filed resulted in this query. As you may have observed from the missing documents indicated in the Appendix, it is clear that some of the documents like BoQ and quotations from three suppliers related to procurement and should only be located in the procurement file for that particular activity and not in the disbursement file. We have now revisited all the files and have appropriately assembled the missing documents in respect of PVs amounting to NLe1,649,988.*

### **Auditor's Comments**

- From a total of NLe2,651,211, payment vouchers and supporting documents were submitted for payments totalling NLe2,193,704, representing 82% of the queried amount, leaving a balance of NLe457,507 without payment vouchers and the relevant supporting documents. Therefore, the issue is substantially resolved.

- We observed that from the total payment of NLe1,649,988, adequate supporting documents were submitted for NLe1,375,743 representing 83% of the queried amount, leaving a balance of NLe274,245 without adequate supporting documents. Therefore, the issue is substantially resolved.

#### **6.39.8. Staff Promoted without Evidence of Due Processes Being Followed**

We observed that several staff were promoted in 2023. These promotions resulted in an increase in payroll cost by NLe2,153,485.

The following were further observed:

- There was no evidence that the staff promoted were budgeted for in the 2023 budget.
- Performance appraisals were not done to inform decisions for the changes in the grades of these staff.
- There was no management approval for the promotion of staff below senior management, and board approval for staff at management level.
- There was no evidence that the affected staff were informed about their new grades or their specific job descriptions.
- There were inconsistent changes in the grades of various staff; whilst some were moved one point upwards, others were moved more than three points, without any evidence of justification submitted for audit inspection.

The process of staff promotion could not have been competitive, transparent and base on staff performance.

We recommended that the Director of Human Resources should provide evidence of a competitive staff promotion process, and evidence of management and board's approval for all promotions made during 2023.

#### ***Official Response***

*We noted the above query and revisited our processes and documentation on the above issues. We are pleased to make all supporting documents pertaining to recruitment and promotions available for verification. In addition, we also noted the following for each of the audit findings*

- Provision was made in the HR departmental budget for contingencies which include but not limited to promotion and recruitment.*
- Management has always undertaken performance appraisal annually. This will be made available again for your verification.*

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

There was no evidence of competitive staff promotion process and board's approval. Therefore, the issues remain unresolved.

#### **6.39.9. Staff Employed without Evidence of Recruitment Procedure**

The Administration employed 41 staff during the period under review. Eleven of these staff were on contract, and management absorbed six of the 11 contract staff into permanent and pensionable positions without evidence of relevant recruitment process being followed.

We could not confirm whether the recruitment process was open, fair, competitive and credible. Additionally, staff not needed could have been absorbed, resulting in increased staff costs.

The Director of Human Resources should ensure that relevant recruitment records are submitted to the ASSL.

### **Official Response**

*The relevant recruitment records are available for inspection.*

### **Auditor's Comment**

There was no evidence of recruitment records submitted for verification. Therefore, the issue remains unresolved.

### **6.39.10. Taxes not Deducted from Staff Medical and Rent Allowances**

During a review of payroll records we observed that taxes on medical allowances totalling NLe274,199, and rent allowances totalling NLe1,523,501, were not deducted and paid to the NRA.

The non-deduction of taxes and subsequent payment of same to the NRA could deprive government of its much-needed revenue.

We recommended that the Director of Finance should ensure that the amounts are recovered, paid to the NRA, and evidence of payment submitted to the ASSL.

### **Official Response**

*Rent paid to staff for 2023 was taxed but not paid to the NRA. Currently we are reviewing our cash flow and have reached out to the NRA for us to agree on a payment plan, with the view of resolving the said backlog. Evidence will be provided for inspection.*

### **Auditor's Comment**

There was no evidence of payment of the outstanding taxes deducted from the medical and rent allowances, or a correspondence between the Administration and the NRA in respect of payment plan for same. Therefore, the issue remains unresolved.

### **6.39.11. Procurement Documents not Submitted to Support Request For Quotations (RFQ) Activities**

Contrary to Regulation 111(2) of the Public Procurement Regulations (PPR) 2020, we observed the following:

- RFQ procurement activities worth NLe1,364,869 were without relevant bidders' documents such as valid business license, NASSIT clearance certificate and NRA tax clearance.
- Payments totalling NLe238,600 in respect of various procurement activities were without the relevant procurement documents.

The procurement activities could not have been competitive, thereby leading to loss of value-for-money.

The Director of Procurement should submit the relevant documents for audit inspection. In future, all relevant procurement documents should be retained for audit and reference purposes.

### **Official Response**

*(i) Management noted the above query and immediately took the necessary steps to retrieve and submit the necessary documents including business licenses, NASSIT clearance certificates, and NRA tax clearances. Additionally, new internal controls were implemented to ensure compliance with Regulation 111(2) of the Public Procurement Regulations (PPR), with the aim of preventing future occurrences, and ensuring all documents are retained for audit and reference purposes. The relevant documents are available for your review.*

*(ii) Management reviewed the said query and noted that payments totalling NLe92,000, NLe86,000 and NLe60,600 in respect of video documentary on training of Port state control, supplementary support for*

community engagement (printing of banners, T-shirt, caps etc.) and printing of ICT materials for community engagement were all done using the RFQ procurement method. The documents are available for verification.

### Auditor's Comment

We noted management's response, and observed the following:

- Procurement documents for NLe767,657, representing 56% of the queried procurement were submitted and verified, leaving a balance of NLe597,212 without the relevant procurement documents. Therefore, the issue is partially resolved.
- The relevant procurement documents were not submitted for audit inspection in respect of payments totalling NLe238,600. Therefore, the issue remains unresolved.

## 6.40. NATIONAL COMMISSION FOR SOCIAL ACTION - 2023

### 6.40.1. Incomplete Works after Expiration of Contract Dates

The Commission awarded several contracts for the rehabilitation and construction of schools, healthcare centres, markets, road crossing and bridges. From a sample of 10 contracts, we observed that eight of the contracts entered into in 2023 should have been completed by 31st December 2023. Even though substantial payments were made to the contractors (in some instances over 85% of the contract amount), and more than one year after the agreed completion dates, the contracts were yet to be completed.

Table below gives an analysis of the incomplete works:

No.	Contract Type	Sign Contract Date	Contract End date	Contract Amount (NLe)	Amount Paid (NLe)	Percentage Payment %
1	Construction of Community Health post (CHP), Walihun village, Tinkonko Chiefdom. Bo District	2 <sup>nd</sup> May 2023	30 <sup>th</sup> August 2023	2,821,795.83	1,975,257.081	70%
2	Construction of three classrooms in junior secondary school in Mokoba, Bumpe Gao chiefdom, Bo District	2 <sup>nd</sup> May 2023	30 <sup>th</sup> September 2023	1,460,759	949,493.35	65%
3	Construction of market Type B- Kendeyama Community, Kakua Chiefdom, Bo City, Bo District	2 <sup>nd</sup> May 2023	30 <sup>th</sup> September 2023	1,429,891.82	857,935.092	60%
4	Rehabilitation of Yikuma crossing point-Yardu kpendema Sandor 2.5km feeder road	3 <sup>rd</sup> February 2023	31 <sup>st</sup> December 2023	12,477.70	9,857.383	79%
5	Construction of 1No each Modern Market/Commercial Resource Centre	26 <sup>th</sup> October2020	12 <sup>th</sup> February 2023	4,300,351	3,793,994	82%

No.	Contract Type	Sign Contract Date	Contract End date	Contract Amount (NLe)	Amount Paid (NLe)	Percentage Payment %
	and Resilient Agriculture, Training Facility (RATF) at Massingbi Town, Kunike Sanda Chiefdom, Tonkolili District.					
6	Construction of 64.9 M Bridge along FR Fandu-Gbamandu, Kono District	3rd February 2023	31 <sup>st</sup> December 2023	8,191,825	6,979,060	85%
7	Construction of 43.2 M Bridge along FR Tombodu –Yardu, Sandor, Kono District	3rd February 2023	31 <sup>st</sup> December 2023	8,686,000	8,151,013	95%

The delay in the completion of the said projects could result in increased contract costs or contract abandonment thereby leading to a loss of public funds.

We recommended that the Commissioner, in collaboration with the Project Manager and the Engineer at HQ should ensure that the contracts are fully completed, and evidence of action taken submitted to the ASSL.

#### **6.40.2. Poor Management of Regional and District Offices**

The Commission has offices in the districts and regions to help decentralise its functions countrywide. We visited eight districts and observed that these offices were challenged with basic necessities such as furniture, vehicles and motorbikes. We also identified delays in rent payment. This has resulted in the Makeni and Kambia district offices being issued with vacation notices by their landlords.

We recommended that the Senior Management Team (SMT) should take immediate action to look into these concerns and immediately address them.

#### **6.40.3. National Competitive Bidding (NCB) Procurement Procedures not Observed in the Contract for the Construction of Community Infrastructure**

From the procurement relating to the construction of community infrastructure valued at NLe21,164,271.40 under the Community-Driven Development Project (CDDP) (divided into 10 lots), we observed the following:

- Performance security was not made available for audit inspection even when the contract periods had elapsed since September 2023 and May 2024. If the contractors abandon the work or execute substandard work, the government will have nothing to fall on to recoup the funds invested in these contracts. This was contrary to Regulation 127(3) of the Public Procurement Regulations, 2020. Upon review of the corrected BoQ for eight contracts, we observed that the contingencies figure on these contracts were increased by NLe79,193.83 (from NLe687,310.79 to NLe766,504.54) without any justification.
- Notifications to unsuccessful bidder(s) were not submitted for audit inspection. This was contrary to section 27 of the Public Procurement Act, 2016.



### **Official Response**

- (i) *This clause was not inserted into the bidding document approved by the NPPA. NaCSA has invited contractors to submit since the contracts are ongoing.*
- (ii) *Contingencies on contracts are provisional sum which cannot be use by NaCSA except we receive approval from the Ministry of Finance (MoF) and the NPPA. NaCSA has yet to pay any contingencies to contractors. The final contingencies amount will be shared with the NPPA and MoF for their approval.*
- (iii) *Both successful and unsuccessful bidders were notified before contracts were awarded, though the unsuccessful bidders were difficult to come and collect their letters. After all there were no complaint relating to the procurement process.*

### **Auditor's Comment**

We conclude as follows:

- Performance security was not submitted for audit verification. Therefore, the issue remains unresolved.
- No justification was given for the increase of the contingencies amount on the signed contracts. Therefore, the issues remain unresolved.
- Evidence of notification letters to unsuccessful bidders was not submitted. Therefore, the issue remains unresolved.

#### **6.40.4. Payment of Sitting Fees and other Related Expenses to Board Members without Evidence of Attendance**

A directive from the Secretary to the President dated 29th March 2021 for the payment of monthly allowances and sitting fees of the Board of Directors stipulates that, all board members appointed from the public to serve on various boards should be entitled to monthly allowances only and not sitting fees payment.

Despite recommendations in previous report, we observed that payments totalling NLe237,780 were made to board members as sitting fees and related expenses. In addition to receiving sitting fees, our review of the commission's payroll revealed that these board members were also paid monthly allowances amounting to NLe984,000. The payments could result in a waste of public funds.

We recommended that the Senior Director Support Services (SDSS) in collaboration with the Director of Finance should ensure that the sitting fees paid to board members are recovered and paid back into the Consolidated Fund.

### **Official Response**

*Management have now made available the board minutes including board extracts and board attendance register for meetings held in FY2023, including evidence of compliance with the directives of the Office of the President.*

*In addition, comments/ documents for prior year follow-up are available for review*

### **Auditor's Comment**

No evidence was submitted for compliance with the directives of the Office of the President related to board sitting fees and board allowances. Therefore, the issue remains unresolved.

#### **6.40.5. Non-Compliance with Statutory Obligations**

Despite recommendations from previous audits, we reviewed the payroll vouchers of three projects Pro-Poor Growth of Peace Consolidation Programme (GPC), Productive Social Safety-Nets and

Youth Empowerment Project (PSSNYE) and Sierra Leone Community-Driven Development (SLCDD) project and observed the following:

- PAYE taxes totalling NLe1,784,277, NLe1,712,136 and NLe3,736,003 in respect of the GPC, PSSNYE and SLCDD respectively, were not deducted from the salary of staff and paid to the NRA.
- A 5% NASSIT contribution was paid from staff salaries for both GPC and SLCDD, and the full 15% NASSIT contribution paid for the PSSNYE project. However, the remaining employer's contribution of 10% for both the GPC and SLCDD totalling NLe655,813 and NLe1,433,187 respectively, were not paid to NASSIT.

The non-compliance with the deductions of PAYE taxes could deprive government of its much-needed revenue. The non-payment of NASSIT contributions could also affect staff welfare when they retire, as there could be gaps in their contributions, which could impact the assessment of gratuity and pension payments.

We recommended that the Programme Manager in collaboration with the Director of Finance should submit evidence of payment of the outstanding PAYE taxes and NASSIT contribution. Otherwise, the amounts should be immediately paid to the relevant agencies and evidence of payments submitted to the ASSL.

#### **Official Response**

*These liabilities are normally paid by GoSL in the form of counterpart support to the NaCSA project activities. However, these funds have not been forthcoming for a while now. The Commission has initiated engagement with the NASSIT, the NRA, the MoF and the Solicitor General's offices to speedily resolve these statutory liabilities owed.*

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

We note Management's response. However, documentary evidence supporting the response was not submitted for verification. Therefore, the issue remains unresolved.

## **6.41. INDEPENDENT COMMISSION FOR PEACE AND NATIONAL COHESION - 2023**

### **6.41.1. Internal Control Deficiencies**

We reviewed the internal control mechanisms of the Commission and observed the end-users' requests generated from the technical unit were signed by the Administrative & Human Resources Directorate instead of being signed by the end-user's department. Despite repeated request for justification or authority for such an arrangement, there was however no evidence submitted to confirm that end-users initiated the request for implementing the activities.

We recommended that the Executive Secretary should clarify and formalise the internal authorisation procedures for end-user requests. End-users' requests for implementing activities should be signed by the relevant department or unit initiating the request, as opposed to the Administrative & Human Resources Directorate. The roles and responsibilities of all parties involved should be clearly documented and communicated.

### **6.41.2. Procurement Committee not Properly Constituted**

The Commission's procurement committee was not properly constituted. A review of a sample of procurement activities revealed that, in the procurement of consultancy services for the Peace Situation Room, the end-user department (the Directorate of Monitoring and Evaluation) was not a member of

the committee, contrary to sections 18(1&9) of the Public Procurement Act, 2016. Furthermore, there was no evidence of an evaluation of the bids (evaluation reports).

We recommended that the Deputy Executive Secretary should provide evidence of minutes from Bid Evaluation Committee meetings.

### **Official Response**

*I acknowledge receipt of the audit query is the management letter forwarded regarding the composition of the Procurement Committee and the issues identified in the review of procurement documents, specifically regarding the committee's membership and the absence of a Bid Evaluation Committee. The following actions have been taken to address the issues:*

- (i) Reconstitution of the Procurement Committee: The Procurement Committee will be reconstituted in accordance with Section 9 of the Public Procurement Act, 2016 to ensure compliance with the law. The relevant end-user units will be represented to provide necessary input during procurement deliberations. See attached revised procurement committee members for your verification.*
- (ii) Establishment of a Bid Evaluation Committee: For all future procurements, a Bid Evaluation Committee will be appointed as required by law. This committee will be responsible for evaluating bids and preparing detailed evaluation reports with justified recommendations for either the rejection of bids or the award of contracts. These reports will then be submitted to the Procurement Committee for approval, ensuring compliance with the established procurement processes.*

### **Auditor's Comment**

We note Management's response to reconstitute the Procurement Committee.

Minutes and reports of the bid Evaluation Committee meetings were not provided for audit inspection. Therefore, the issue remains unresolved.

#### **6.41.3. GST not Paid to the NRA**

We examined payment vouchers with an aggregate invoice of NLe1,083,126 and observed that GST of NLe162,465.15 were charged on the invoices, but there were however no GST receipts to confirm that the amount was paid to the NRA.

This could deprive government of its much-needed revenue.

We recommended that the Director of Finance should obtain evidence of the GST invoice to justify payments made to the NRA. Otherwise, the amount should be recouped from the supplier and paid to the NRA.

### **Official Response**

*Documentary evidence of GST payments by suppliers are ready for audit inspection.*

### **Auditor's Comment**

Contrary to management response, GST invoice to justify payments made to the NRA was not submitted during the audit verification. Therefore, the issue remains unresolved.

#### **6.41.4. Salary Paid to Staff After Resignation**

The former Deputy Director of Finance submitted his resignation letter on 7th September 2023 stating that his last day of work was on 30th September 2023. The Commission accepted his resignation and an exit meeting was conducted on 15th September 2023. From the review of the payroll, we however observed that a gross salary of NLe20,000 was paid to this staff for October 2023.

This has resulted in the loss of much-needed funds that could have been used by government in other thematic areas.

We recommended that the DAHR should ensure that the amount is retrieved from the former staff and paid back into the consolidated fund and evidence submitted to the ASSL.

**Official Response**

*The former Deputy Director of Finance tendered his resignation on 7th September 2023, and his last day at work was on 30th September 2023. The Commission acknowledged his resignation on 15th September 2023, with an exit interview held on the same day of acknowledgement. Removal letter from the Commission's payroll was sent to the Accountant General's Department on 29th September 2023. It was left with the Accountant Generals Department to remove the said staff from ICPNC payroll.*

**Auditor's Comment**

Evidence that a letter was sent to the Accountant-General for the removal of the staff's name was not made available. Additionally, evidence that the amount was retrieved from the former staff and paid back into the consolidated fund was not submitted during the audit verification. Therefore, the issue remains unresolved.

**6.41.5. Assets not Recorded in the Assets Register and not Made Available for Verification**

On various dates in FY2022, the Commission acquired assets valued at NLe222,500 that were paid for in FY2023. We observed that these assets were neither recorded in the Fixed Assets Register, nor were they made available for verification.

The table below gives a detail of the assets procured:

<b>Assets not Recorded and Made Available for Verification</b>			
<b>Details</b>	<b>Qty</b>	<b>Amount (NLe)</b>	<b>Total (NLe)</b>
Swivel Chair	10	4,000.00	40,000.00
Four-seater Workstation	2	24,000.00	48,000.00
Office Table (1.2m)	4	10,000.00	40,000.00
Swivel Chair	12	4,000.00	48,000.00
1TB External Hard Drive	1	1,500.00	1,500.00
4TB External Hard Drive	1	5,000.00	5,000.00
Four-seater Workstation	1	24,000.00	24,000.00
Office Table	2	8,000.00	16,000.00
<b>Total</b>			<b>222,500.00</b>

The assets could be easily converted into private property which could lead to loss of public funds.

We recommended that the Director of Finance should ensure that assets are submitted to the ASSL. Additionally, the assets should also be recorded in the FAR.

**Auditor's Comment**

There was no official response or evidence that the recommendation was implemented. Therefore, the issue remains unresolved.

**6.42. ERNEST BAI KOROMA UNIVERSITY OF SCIENCE AND TECHNOLOGY:  
2022 - 2023**

**REVENUE**

**6.42.1. Lack of Control in the Printing and Issuance of Receipt Books**

We observed that the printing and control of receipt books are not centralised. Each campus prints and issues its own receipt books. The accountable documents register showing receipt books printed and issued was not submitted, as such, we were unable to determine the total number of receipt books printed and issued by various campuses under the University for the period under review.

- i. Furthermore, the Finance Policy of the University did not mention the management of the printing and issuance of the university receipt books. We recommended that the Vice Chancellor should ensure the following:  
Update the Finance Policy to include the management of the receipt books.
- ii. Centralise the printing and issuance of receipt books for better management and accountability.
- iii. Each campus should maintain an accountable document register for all receipt books received from the centralised source.

**6.42.2. Payment without Adequate Supporting Documents**

We reviewed payment vouchers and other supporting documents, and observed that payments totalling NLe10,186,503.92 for the period under review were made without adequate supporting documents such as receipts, invoices, signed lists of beneficiaries, approved distribution lists, contact details of beneficiaries, etc. to substantiate the use of the said funds. See table below:

No.	CAMPUS	2022 (NLe)	2023 (NLe)
1	Makeni Campus	1,169,301.44	474,100.15
2	Secretariat	1,121,884.58	4,411,907.42
3	Port Loko Campus	104,896.00	57,582.95
4	School of Postgraduate Studies	1,209,598.00	1,637,233.38
	Totals	<b>3,605,680.02</b>	<b>6,580,823.90</b>
<b>Grand Total</b>		<b>10,186,503.92</b>	

We recommended that the Finance Director should ensure that the supporting documents in respect of the expended amounts are submitted to the ASSL.

In future, the Finance Director should ensure that all transactions, from initiation to completion are supported by the relevant documentary evidence which must be numbered and cross-referenced so that in cases of missing documents, such documents can be easily traced.

***Official Response***

*Supporting documents relating to payments made by various campuses highlighted in the schedules have been received, and necessary action has been taken.*

**Auditor's Comment**

Upon verification, we observed that the relevant supporting documents to the tune of NLe10,011,379.92 were submitted and verified. Adequate supporting documents for payments totalling NLe138,350.00 in 2022 and NLe36,774.00 in 2023 from the University's operations were still not submitted for verification. Therefore, the issue is partially resolved.

### **6.42.3. Withholding Taxes Deducted but not Paid to the NRA**

Contrary to section 117(4) of the Income Tax Act, 2000 we observed from the review of the payment vouchers and general ledgers that the University paid rent of NLe642,337.05 in 2022 and NLe2,399,000.00 in 2023 which attracted 10% withholding tax totaling NLe62,793.71 in 2022 and NLe235,580.00 in 2023. Management however failed to pay these taxes to the NRA.

We recommended that VC&P and the Finance Director (FD) should ensure that the total withholding taxes of NLe298,373.71 is paid to the NRA, and evidence of payment submitted to the ASSL.

#### ***Official Response***

*Withholding taxes deducted from suppliers from goods and services provided were paid and ready for further verification.*

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

Management's response is noted. The NRA tax receipts for the total withholding taxes of NLe298,373.71 were not submitted for verification. Therefore, the issue remains unresolved.

### **6.42.4. Cashbook, Bank Statements and Bank Reconciliation Statements not Submitted**

Of the 16 accounts operated and disclosed in the University's 2022 draft Financial Statements, cashbook, bank reconciliation and bank statements were submitted for only nine accounts, leaving seven accounts not submitted for audit.

We recommended that the Finance Director should ensure that the cashbook, bank statements, and bank reconciliation statements for all accounts operated by the University are submitted to the ASSL.

#### ***Official Response***

*All reports relating to the above were submitted for audit except the FIB Account which had been closed three years ago. We are resubmitting for your review.*

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

We noted management's response. Management did not submit the cashbook, bank statements, and bank reconciliation statements relating to the queried bank accounts. Therefore, the issue remains unresolved.

### **6.42.5. Unpaid NASSIT Contributions for Support Staff**

We made several requests for the submission of the University's 2022 payroll. We were however not provided with the payroll schedules for 2022, relating to staff employed and paid by the University. Therefore, we could not confirm the total amount paid and reported in the Financial Statements for these staff.

For 2023, we observed that a total of NLe1,283,254.01 was paid to staff of the University. During the verification exercise, management submitted the payroll schedules for 2023, and we observed that it includes a total of NLe477,654.22 as NASSIT contributions. Management however failed to submit evidence of payment for the NASSIT contributions.

We recommended the following:

- The FD should provide the payroll schedules of staff employed and paid by the University for 2022 and 2023.
- The Assistant HR Officer should ensure that all staff without NASSIT registration numbers are duly registered with the NASSIT.
- The FD should ensure that payment of NASSIT contributions is made to the required authority and evidence of payment forwarded to the ASSL.

### ***Official Response***

*The University will provide schedules for staff members employed in 2022 and 2023, as well as NASSIT contributions outstanding for the period under review.*

### **Auditor's Comment**

During the verification exercise, management submitted the payroll schedules for 2023. We observed that it includes a total of NLe477,654.22 as NASSIT contributions. However, management failed to submit evidence of payment for the NASSIT contributions of NLe477,654.22. Therefore, the issue is unresolved.

### **6.42.6. Title Deeds of the University Land and Buildings not Submitted for Audit**

We conducted interviews with the University's Estate Officer, the Registrar and we visited the Secretariat, the Magburaka/ITVET campus, Port Loko and the Makeni campuses. We observed that the University owns several pieces of land and buildings. Despite several requests the title deeds of these high-valued assets were not submitted for audit. Request for submission of documents was sent to the University on 12th August, 2024.

We recommended that the Finance Director should collaborate with the VC&P to ensure that the title deeds for all the University's land and buildings obtained through purchase, donation or lease are submitted for audit.

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

*We have been working closely with the Ministry of Lands to ensure that the title deeds for the University's land and buildings have been recovered. During this process, we discover the Makeni Campus while the others were being sought after.*

### **Auditor's Comment**

Management's response is noted. However, the title deeds for all the University's land and buildings were not submitted. Therefore, the issue remains unsolved.

### **6.42.7. Documents Relating to Receivables not Submitted**

Despite several requests, the schedule list of student's receivables, and the Sierra Leone Government grant-in-aid amounting to NLe31,407,759.34 in 2022 and NLe31,263,273.24 in 2023, were not submitted for audit.

In addition, the list of staff loans and advances and loan application forms detailing the names, amount and payments for loans given to staff of the University amounting to NLe334,879.20 in 2022 and NLe338,379.20 in 2023, were also not made available for audit.

We further observed that the University did not maintain a loan register to record information of loans given to staff.

We recommended that the Finance Director should ensure the following:

- Make available to the ASSL the list of student's receivables and government Grant-In-Aid (SLG) with detailed analysis of payment and arrears for each student.
- The Finance Director to make available the list of staff loans and advances and loan application forms detailing the names of each staff and amounts of loan approved and re-payment terms.

### ***Official Response***

*All schedules relating to students' fees and SLG receivables were submitted and are still available for verification.*

### **Auditor's Comment**

Management submitted electronics copies of the schedules relating to student fees and SLG receivables for Port Loko and Makeni campuses. However, receivable and SLG schedules for the SPG was not submitted during verification. Therefore, the issue remains partly resolved.

### **6.42.8. Secretariat and Magburaka Campuses**

#### **6.42.8.1. Non-submission of National Competitive Bidding Documents for Contracts in 2022 the Secretariat and Magburaka Campuses**

We reviewed the procurement plan, list of procurement activities, bid opening and evaluation documents, and the contract agreements. The Procurement Unit for the Secretariat and Magburaka Campuses advertised in the Success Newspaper on 14th December, 2021 for the award of framework contracts for the supply of simple goods in 2022 with procurement number EBKUST/GD/NCB/2022/001-008 for eight lots.

We observed the following:

- Bid documents were sold at NLe300. However, the bid advert did not include details for the payment of bid documents such as bank name, account name, and account number. Furthermore, the bid register was not submitted to ascertain the total number of bid documents paid for. Therefore, we could not confirm the amount and quantity of bids paid for by bidders.
- Eight framework contracts were signed with different suppliers amounting to NLe2,601,416. However, bid documents submitted by the bidders were not submitted for audit. The Procurement Officer submitted a file containing expired NRA tax clearance and NASSIT clearance from bidders. There were no bid securities, no council registration certificates and no signed integrity fact forms. Therefore, the issue remains unresolved.

#### **6.42.8.2. Non-submission of Procurement Documents for Security Service**

We reviewed the Financial Statements, procurement plan and list of procurement activities and noted that the University reported in the Financial Statements an amount of NLe999,642 in 2022 and NLe989,780 in 2023, to security agencies for providing security service at the three campuses. Procurement documents that led to the security contract(s) award were not submitted to the ASSL.

We recommended that the Procurement Officer should ensure the following:

- Submit procurement documents for both Secretariat and the Magburaka campus.
- Requested from three different bidders RFQs.
- Thoroughly scrutinise all procurement documents before contracts are awarded.
- Observed all procurement processes going forward.

### ***Official Response***

*The University will ensure the full implementation of the audit team's recommendations moving forward and will also ensure that the procurement documents requested are submitted for audit verification.*

### **Auditor's Comment**

Management's response is noted. However, management's response did not address our findings and recommendations as procurement documents queried were not submitted. Therefore, the issues remain unresolved.

### **6.42.9. Makeni Campus**

#### **6.42.9.1. Non-submission of Procurement Documents**

We reviewed the Financial Statements, procurement plan, and list of procurement activities and observed that the Makeni Campus did not submit procurement documents for goods procured amounting to NLe360,281.87 in 2022 and NLe181,735.75 in 2023.



#### **6.42.9.2. Suppliers' RFQs, Business Registration, NRA and NASSIT Certificates not Submitted**

We reviewed procurement documents for the supply of goods, works and services to the Makeni Campus and observed that, the PO did not submit RfQs, Business Registration Certificates, NASSIT and NRA Tax Clearance for contracts amounting to NLe242,663 in 2022. Business Registration Certificates, NASSIT and NRA tax clearance for contracts amounting to NLe681,020 and RfQs for goods amounting to NLe148,025 in 2023 were not provided.

We recommended that the Assistant Procurement Officer should ensure the following:

- Submit procurement documents to the ASSL.
- Request at least three RfQs from selected bidders.

#### ***Official Response***

*Documents relating to the procurement of the Makeni campus are now ready for verification.*

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

We reviewed procurement documents submitted by management and observed that amounts totalling NLe60,281.87 for 2022, and NLe181,735.75 for 2023 were still outstanding. Therefore, the issue remains partly resolved.

Similarly, management failed to submitted the Business Registration, NRA and NASSIT Certificates for amounts totalling NLe242,663 and NLe681,020 in 2022 and 2023 respectively. Therefore, the issue remains unresolved.

### **6.43. BANK OF SIERRA LEONE - 2023**

#### **6.43.1. Variances between Vault System Balances, Vaults Records, Vault Telling and Physical Cash in the Vault**

We observed from our review of currency in circulation and cash count conducted at both Bank of Sierra Leone Freetown and Kenema branches that the physical cash (notes and coins) in Vault I (new notes and coins), Vault II (mutilated notes and coins) and Vault III (operation vault for currency management) does not agree with the system balances (trial balance) for the respective vaults.

Also, in line with the Banks Operational Manual, it is expected that a vaulting telling which shows the different categories and total value of currency in the vaults should be compiled daily by extracting the various balances of the vaults' records and should be confirmed by agreeing the balances with the physical stock in the vaults. It is equally stated that when completed, the vault telling balances should be reconciled and agreed with the treasury book balances maintained by the Manager, Currency Management.

However, during our audit visitation to Kenema Branch and based on surprised cash count conducted on 11th June, 2024 at the Branch, we observed a variance of NLe2,175,000,000 between the physical cash held in the vaults and the vault records.

We also observed that the Kenema Branch has a net overage of NLE3,605,815 of total physical cash in the vaults as against the total system balances for the respective vault balances detailed below. We particularly observed with concern that the new redenominated Leones is having huge variances between the physical cash in vaults for both minted and reissue notes and coins and their vaults system balances.

### **Official Response**

*We note your observations. Action has been taken to account for the surplus difference as other liability. Following the above, a special working group has been constituted to continue investigating the variance and bring the issue to closure by end March, 2025.*

### **Auditor's Comment**

During the verification process, we observed that the unreconciled difference of NLe4.282 million is yet to be resolved as we noted that the surplus has been booked in the Bank's book as other liability. The verification team further noted that NLe4.381 million was booked as against the NLe4.282 million, as it was revealed that this was due to an omission of a reconciled balance of NLe98,600. Therefore, the issue remains unresolved.

### **6.43.2. Non-reconciliation of Vaults System Balances and Physical Cash in Vaults**

During our review, we observed that no reconciliation was done between the physical cash in vaults I (new notes and coins), II (mutilated coins and notes) and III (operational vault for currency management), and their respective system balances for the period 1st January, 2023 to 31st December, 2023 as no documented evidence was provided to confirm that this was done.

### **Official Response**

*We note your observations. Staff have been admonished to ensure that reconciliation between physical cash and system balance are done on a daily basis.*

### **Auditor's Comment**

During the exercise, the verification team was not provided with any reports to support management's response that daily reconciliation between physical cash in vaults and vaults system balances has been done. The team also noted from discussion with the Manager of Reconciliation – Banking, that a reconciliation between the physical cash in vaults and the system balance was only done on 30th August, 2024 for which the report is yet to be prepared.

Therefore, the issue remains unresolved.

### **6.43.3. Vault Cash Bin Cards and Register not-signed Off**

Sections 11.1 and 12.1 of the Banking Operational Manual state that relevant ledgers and bin cards should be maintained in the vault for each denomination in accordance with the category of the bank notes. It further states that every entry made on each card shall be signed by an officer or senior manager and counter signed by the "A" Panelist (The Director of General Services or his representative) on duty. However, during our review of samples of withdrawals and deposits made by various commercial banks during the year, we observed that Panel "A" has been inconsistent in signing the various vault cash bin cards and register for various deposits and withdrawals by commercial banks to the Banks Policy.

We equally observed that the cash register that was maintained for old currency in the vaults was not signed by Panel 'A' for the year under review which is contrary to the Bank Policy and Procedures.

### **Official Response**

*We note your observation. Action has been taken to sign off on all vault cash bin cards and register. Staff have also been admonished to ensure that all entries on the vault cash bin cards and register are signed off immediately a transaction is completed.*

### **Auditor's Comment**

During the verification exercise, the bin cards and vault register for the above listed was provided for our review. We however observed that there was no evidence of signature of Panel 'A' on the bin cards and vault register.

Therefore, the issue remains unresolved.

#### **6.43.4. Notes Destroyed without the Approval of the Executive Management and Non-signing of Notes Destruction Register**

Section 18 (i and ii) of the Banking Operational Manual states that whenever the need arises for note destruction, authority indicating the quantity and value of notes to be destroyed should be obtained from the executive management of the Bank. A photocopy of the authority shall be forwarded to the Internal Auditor and the Director, General Services, indicating the proposed date for the commencement of the exercise and requesting them to provide appropriate and adequate personnel for the exercises.

During our review of notes destroyed during the year, we observed that an amount of Le105,500,000 was destroyed without authority from the Executive Management of the Bank, contrary to the Bank policy.

We also noted that Panel 'A' (Director of General, Services or representative) has been inconsistent in signing the Notes Destruction Register as evidence of witnessing the destruction.

#### **Official Response**

*We note your observation. Reconciliation of notes destroyed against approvals was done to confirm same. A report of notes destroyed, and certificates issued over the period has been forwarded to the executives for their retrospective approval. Furthermore, an excel spread sheet has been developed that shows clearly the amount approved for destruction, amount destroyed on a daily basis and the amount outstanding. This spread sheet would be shared with the following:*

- i. Risk Management Unit*
- ii. Internal Audit Department*
- iii. The line Heads of Departments or Units assigned to destruction*
- iv. The Director of Banking and Payment Systems Department*
- v. Assistant Director, Currency Management Division*

*The Risk Management Unit would be requested to provide weekly update to the Governors and the Director, Banking and Payment Systems Department on the status of the amount approved for destruction*

*Meanwhile approval had been sought for a retroactive approval of the variance.*

#### **Auditor's comment**

During the verification we were provided with a memorandum requesting for approval for the amounts destroyed. However, approval is yet to be provided for our review. Therefore, the issue remains unresolved

#### **6.43.5. Commercial Bank Reconciliation**

Contrary to section 21.7 of the Banking Operational Manual, we observed that commercial banks did not submit monthly reconciliation statement to the Bank which should be reviewed by the reconciliation section. We also observed inconsistency in the review in line with the banks policy. We also observed that this review is not been carried out on a monthly basis for all the commercial banks.

#### **Official Response**

*We note your observation. A reminder letter has been forwarded to all Managing Directors of Commercial Banks to submit reconciliation statements latest by the 15th of the subsequent month.*

### **Auditor's Comment**

Our recommendations were not implemented, therefore, the issue remains unresolved.

#### **6.44. SIERRA LEONE COMMERCIAL BANK - 2023**

##### **6.44.1. Procurement of 2024 Calendars and Diaries – Contract Sum: NLe832, 219.25**

From a review of the procurement documents, we observed the following:

- Payment slips and bid purchase register were not sighted in the file during the review.
- During our review we observed that bid security submitted by the bidders were not sighted in file during the review despite them being deemed responsive in the evaluation report.
- Individual evaluation sheets completed by the five members of the evaluation committee were not sighted in the file during the review.
- Bidding documents submitted by the various bidders were not sighted in the file.
- Minutes of the bid opening report was also not sighted in file.
- Supplier acceptance letter and signed contract document was also not sighted.
- Copy of the supplier advance payment guarantee and performance bond was also not sighted.
- Copy of the supplier delivery note and invoice was also not sighted.
- Copy of the goods receive note was also not sighted.
- The name of the supplier was not captured in the approved supplier database.

##### **6.44.2. Procurement for the Supply of 51 Note Counting Machines**

**Contract Sum: NLe1,348950**

From a review of the procurement documents, we observed the following:

- Minutes of the procurement committee in which the bidding document was approved was not sighted.
- Several discrepancies between the date in which the bidding document was issued by the SLCB (8th May 2023 and recorded on the bid issued register on 8th April 2023)
- The evaluation report stated that the bid was submitted on 10th May 2023 at 12:00 noon GMT. However, the bid submission register signed by the bidder stated that the bid was submitted on 10th April 2023 at 14:21 GMT.
- The individual evaluation sheets completed by members of the evaluation committee were not sighted.
- Evaluation report was not dated by members of the evaluation committee.
- Despite restricted bidding was the approved procurement sourcing method, bid was only solicited from just one bidder rather than a minimum of five as stipulated in section 42 (2) of the Public Procurement Act, 2016.
- The integrity pact form was not completed by both the SLCB and Break Through Technologies.
- Letter of notification of award was also not sighted.
- The declaration of conflict-of-interest form was not completed by members of the procurement committee and technical evaluation committee.
- The bidding document was issued for only two days from 8th to 10th May 2023, without any justification for such as shorter protracted period as stipulated in the Public Procurement Act, 2016.

#### **6.44.3. Procurement for the Construction of Building at Adonkai**

**Contract Sum: US\$1,502,131.51**

From a review of the procurement documents, we observed the following:

- The bidding document submitted by the various bidders were not sighted.
- The evaluation report stated that the bidding document was published on 7th March 2023; however, the date on the issued bidding document was dated 18th August 2022.
- We further noted that the technical consultant advice was not adhered to or followed as it was clearly stated in the report that the cost quoted by the winning bidder Larubasa was over 19% above the consultant estimate and above the amount approved by the board.
- We noted that neither the evaluation report, nor procurement committee minutes were not dated.
- Letters of regret sent to the two unsuccessful bidders were also not sighted during the review.
- Copy of the advance payment guarantee was also not sighted
- The correspondence from the NPPA with the subject submission of evaluation report and restricted bidding document with respect to the procurement of building at Adonkai bears the same dates 16th May 2023 but with different wordings. These variances between these documents bearing the same date question the legitimacy and credibility of this document.

#### **6.44.4. Procurement for the Supply of SLCB's Imported Letterheads –**

**Contract Sum: NLe368,000**

From a review of the procurement documents, we observed the following:

- Copy of the no-objection obtained from NPPA for the use of sole sourcing as the approved sourcing method was not sighted during the review.
- The bidding document issued to the most responsive bidder was not sighted during the review.
- The evaluation report and procurement committee minutes for the award of contract were not sighted.

#### **6.44.5. Procurement and Implementation of Switch & Card Management Systems and Mobile Application Services – Contract Sum: US\$2,832,739.79**

From a review of the procurement documents, we observed that the bidding document issued to the bidder was not sighted.

#### **6.44.6. Procurement for the Supply of 650 KVA Generator for Head Office**

**Contract Sum: NLe3,172,194.50 (US\$134,987)**

From a review of the procurement documents, we observed the following:

- Bidding document issued to and submitted by the sole bidder was not sighted.
- Evaluation report was also not sighted.
- Procurement approval minutes for the award of contract and the NPPA's 'No-Objection' for the award of contract were not sighted during the review.

#### **6.44.7. Procurement for Consultancy Service for the Supply and Installation of New 650 KVA Generator set at the Head Office - Contract Sum: US\$17,434.44**

From a review of the procurement documents, we observed the following:

- Request for proposal (RFP) issued to consultant was not sighted.
- Proposal submitted by the consultant was not sighted during the review process.
- Report submitted by the consultant was also not sighted.

#### 6.44.8. Procurement for 24 Port Cisco Switch 2960 Poe - Contract Sum: NLe174,000

From a review of the procurement documents, we observed that this sourcing activity did not adhere to any procurement process despite the amount falling with the procurement threshold for the NCB.

#### 6.44.9. Facilities Granted Without Collateral

During our review, we observed that facilities totaling NLe235,511,756.00 were granted without collaterals.

Grouping	The sum of the Original Balance (NLe)	Sum of Outstanding Balance (NLe)
Amortized loans	23,156,690.00	14,283,681.00
Ordinary loans	129,250,433.00	94,864,054.00
Overdraft	55,970,896.00	61,783,233.00
Parliamentarian loan	7,762,000.00	7,406,805.00
Personal auto loan	165,000.00	12,125.00
Staff car loans	5,760,787.00	3,465,592.00
Staff personal loans	10,980,950.00	6,939,349.00
Trade finance loan	600,000.00	402,722.00
Women's Banking loans	1,865,000.00	851,555.00
<b>Grand Total</b>	<b>235,511,756.00</b>	<b>190,009,116.00</b>

We recommended that Management of the bank should review and adjust the collateral requirements in order to ensure adequate coverage for facilities granted aligning them with enhanced supervision. Additionally, we recommend that the bank implement stricter controls to mitigate exposure risks.

#### **Official Response**

*Section 51 of the Bank of Sierra Leone Revised Prudential Guidelines for Commercial Banks 2022 provides room for the Bank to lend up to 10% of its capital base on an unsecured basis to a single obligor. In all cases noted by the auditors, management considered creditworthiness of the customers and made decisions based on these assessments. Also, the total outstanding balance on names listed in the annex was NLe190 million. Furthermore, it is worth noting that these facilities are not all the same.*

#### **Auditor's Response**

The bank confirmed that in some instances, facilities were issued with no collateral. In 2023, the bank also breached the single obligor limit of 10%. Therefore, the issue remains unresolved.

#### 6.44.10. Facilities Granted without Board's Approval

During our review, we observed that facilities totalling NLe89,530,000 were granted without Board approval. Instances of these are detailed below:

Category	Facility Amount (NLe)	Date Granted	Maturity Date
Ordinary Loans	57,680,000	10/05/2023	10/11/2023
Ordinary Loans	17,850,000	18/04/2023	16/06/2023
Ordinary Loans	14,000,000	16/02/2023	14/04/2023
<b>Total</b>	<b>89,530,000</b>		

We recommended that management urgently rectify the unauthorised facilities granted without Board approval by conducting a thorough review of the approvals process. Implement stringent controls to ensure that all credit facilities exceeding the threshold requiring Board approval undergo proper scrutiny and authorisation. Reinforce Board oversight mechanisms to enhance governance, transparency and compliance with regulatory frameworks.

**Official Response**

*Management confirmed that there are approvals for facilities granted in the table above. Evidence is available for auditor’s verification.*

**Auditor’s Comment**

Board approval was submitted and verified for the sum of NLe14,000,000, representing 16% of the queried amount, leaving an outstanding amount of Ne75,530,000. Therefore, the issue remains unresolved.

**6.44.11. Non-compliance with the Banking Act**

During our review, we observed that the Bank did not comply with the Banking Act, 2019 about the following as at 31st December 2023:

- The single-borrower limits for unsecured loans of 13% exceeded the allowable maximum of 10%.
- The non-performing loan ratio of 16% exceeded the allowable maximum of 10%.

We recommended that the bank should take immediate steps to address the breaches of the Banking Act, 2019 by adjusting the single-borrower limits for unsecured loans and reducing the non-performing loan ratio. Furthermore, strengthen credit assessment procedures, monitor non-performing loans closely, and establish robust measures to improve asset quality and mitigate credit risk exposure.

**6.44.12. Facilities Granted to Customers without Collateral**

We selected and reviewed a sample of trade finance facilities issued to customers for the period under review and observed that the facilities listed below were granted to customers without collateral.

Product	Effective Date	Expiry Date	Currency	Guarantee Amount
Letter of Credit	14/06/2023	21/08/2023	US\$	5,000,000
Bank Guarantee	20/07/2023	19/07/2024	NLe	1,000,000.00
Advance Payment Guarantee	18/05/2023	17/05/2024	NLe	6,592,774.14
Advance Payment Guarantee	29/05/2023	31/12/2024	NLe	72,049,293.6
Bid Security	14/04/2023	13/07/2023	NLe	180,000.00
Bid Security	22/11/2023	21/03/2024	NLe	868,560.00

We recommended that the bank obtains adequate security for the facilities granted.

**Official Response**

*Collateral is available on file for your review and verification. Other Customers provided cash collateral valued at NLe43,428.00 and was collected on 27th November 2023. Cash collateral. A customer provided a 5% cash collateral collected on 4th September 2023: US\$165,630.55 and US\$66,252.20 18th October 2023 US\$16,563.05 and US\$41,407.65 and we also have remaining 95% secured with insurance. Additionally, 30% cash collateral of NLe1,883,240.00 was collected on 31st October 2022 and insurance cover for remaining 70%.*

### **Auditor's Comment**

Customers who provided collateral of 5% cash margin and 95% Counter Guarantee have also been provided and verified. However, property valuation certificate was provided for a customer but the valuation done was as at 11th March 2014. Collateral for other customers was not provided. Therefore, the issue remains partially resolved.

### **6.44.13. Facility Letters Approved Before the Contingent Approval Memorandum**

Generally, from the sample selected, we observed that facility letters and bank guarantee were approved before the Contingent Approval Memorandum was signed by the Credit Risk Committee.

We recommended that management must ensure that all facility letters and bank guarantees are approved only after the Contingent Approval Memorandum has been signed by the Credit Risk Committee to enhance control and oversight.

### **Official Response**

*Due to the competitive nature of the business and the need to provide Swift service to high valued customers. The bank had to approve certain facilities due to exigency by the Managing Director through Director Business Development whilst we await MCAC and board approval.*

### **Auditor's Comment**

There was no evidence of the CAM and CRB approval before the facility letter was provided. Therefore, the issue remains unresolved.

### **6.44.14. Supporting Documents as Per System Documentation not Seen**

During our review of trade finance facilities, some supporting documents which were to be obtained to support the facilities as per the system documentation and the Prudential Guidelines/best practice were not seen as at the time of our review. Instances of these are noted below.

#### **Letter of Credit**

- a) Invoices submitted to the bank after the facility letter has been signed
- b) Letter of credit facility not seen
- c) Board resolution not seen

#### **Bank Guarantee**

- a) Business Certificate not provided
- b) Board approval not sighted

#### **Advance Payment Guarantee**

- a) Facility letter not sighted
- b) Approval from MCAC not sighted
- c) Evaluation report for collateral not seen
- d) Customers' bank statement not sighted
- e) Insurance bond not seen
- f) Business certificate not sighted
- g) Evidence of cash margin not seen

#### **Bid Security**

- a) Customer's certificate of incorporation not seen
- b) Evidence of Board approval not sighted
- c) Evidence of CRB from BSL not seen



- d) Contingent Approval Memorandum not seen
- e) Facility letter not provided
- f) Evidence of collateral not sighted
- g) Bid security application letter not seen
- h) Facility letter not approved by the Head of Trade Finance Unit

We recommended that all relevant information should be obtained and made available for audit verification.

**Official Response**

*There is a difference between Pro-forma Invoice and Commercial/Final Invoice, the former is produced at issue stage whilst the latter is received after shipment. All offer letters, Board Resolutions are submitted for review.*

**Auditor's Comment**

Evidence of the sub-committee's approval was provided. However, the Board's resolution was not provided. Therefore, the issue remains partly resolved.

**6.44.15. Performance Reviews not Carried Out**

There was no review work carried out on inputs into the system and therefore there is a risk that incorrect calculations are processed. For instance, the wrong rate of 39% was charged to a customer leading to a wrong interest charge of NLe1,080,664.74, instead of the approved rate of 19%. In this case, the customer could have been charged NLe531,479.43. These errors were only noticed several months later.

We recommended that inputs into the system should be reviewed and approved before postings into the system.

**Auditor's Comment**

There was no management response or additional evidence provided by management. Therefore, the issue remains unresolved.

**6.44.16. Non-compliance with the Banking Act**

Contrary to the Banking Act, 2019 we observed the following:

- The cash reserve ratio of 11% was below the prescribed minimum ratio of 12%
- The liquidity ratio of 54% was lower than the tolerable minimum ratio of 75%

We recommended that the Bank should take immediate steps to address the breaches of the Banking Act, 2019 by enhancing compliance with the prescribed cash reserve ratio and liquidity ratio. Management must develop and implement a remediation plan to bring the ratios within the regulatory limits promptly. Furthermore, the bank should conduct a comprehensive review of its risk management processes, particularly in liquidity risk management and enhance liquidity management.

**6.44.17. Supporting Documents not Submitted for various Categories of Expenditure**

During our review of supporting documentation in relation to the various categories of expenditure undertaken during the year, we observed the under-listed issues:

**Advertisement**

For the period under review, the bank made a total of NLe1,808,093.00 in respect of advertisement with various advertisement service providers. We however observed the following:

- There was no evidence of the completion of a detailed procurement process before the contract was awarded.
- Evidence of contract between the service provider and the SLCB was not sighted

- Evidence for the transfer of fund for service rendered was not traced to the customer's bank statement.

We recommended that all recorded expenses should be adequately supported by the required third-party documentation.

**Official Response**

*The bank has the following documentation to support various procurement cumulated in the observation: (i) Local Purchase Order Forms (ii) SPF 1 (iii) Certificates of Verification (iv) Suppliers' Invoices and (v) Statement of Accounts as proof of payments made to various suppliers.*

*Furthermore, these items of expenditure do not have predeterminable patterns and it may be difficult to establish contracts for requirements that come on an ad-hoc basis.*

*Finally, every payment can be traced to supplier's account with us if they are customers and where such suppliers are not customers of the bank, Swift / RTGS messages are available as proof of payments.*

**Auditor's Comment**

The following documents were not submitted. Therefore, the issues remain unresolved.

- Evidence of service contract
- Evidence of the completion of a detailed procurement process before the contract was awarded
- Evidence of service provider contract to confirm the legitimate contract price
- Evidence for the transfer of fund for service rendered was not traced to the customer's bank statement.

**6.44.18.Asset not Physically Verified**

As part of our audit procedures, we performed physical verification of fixed asset to confirm the existence of assets recorded in the bank's books of accounts. We were however not able to verify certain assets due to the fact that they were not sighted.

We recommended that the bank promptly conduct the bi-annual physical verification of its fixed assets as outlined in the control procedures manual, as this will enable any discrepancies and/or misclassifications to be identified on a timely basis.

**Official Response**

*We normally conduct physical verification of assets when they are delivered by the suppliers. Within the year, we conduct another physical verification of all assets bank wide. This exercise is conducted in conjunction with asset labeling.*

**Auditor's Comment**

There was no evidence that the bi-annual report was provided. Therefore, the issue remains unresolved.

**6.44.19. Confirmation not Received**

We sent circularisation letters to the equity investment companies for independent confirmation of the total number of shareholdings and values in favor of the bank as at the year-end. We are however yet to receive confirmation from Home Finance and Swift Brussels – Euro

We recommended that management urge the investees to respond to the request for confirmation.

**Official Response**

*We continue to engage the Investor Relations Department of Swift Brussels for independent confirmation to be sent to auditors.*

*Furthermore, we observed that Home Finance Company is now named Consumer Finance and Leasing Company*

Limited, and a share certificate detailing the number of shares, and their value is available for verification. We continue to engage Consumer Finance and Leasing Company Limited for independent confirmation to the auditors.

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

Confirmations have not been received from both Swift Brussels and Consumer Finance and Leasing Company Ltd. Therefore, the issue remains unresolved.

#### **6.44.20. Variances between Amount Reported by Investee and the Investor**

We compared the amount confirmed by investee to the amount reported by the investor (SLCB) and we observed the variance as indicated below:

<b>Investment</b>	<b>Total value per Investment (NLe)</b>	<b>Amount Confirmed (NLe)</b>	<b>Variance (NLe)</b>
First Discount House Ltd.	360,000	480,000	(120,000)
Capital Discount House Ltd.	350,000	670,085	(320,085)

We further compared the amount indicated on the share certificate issued by the investee to the amount reported by the investor (SLCB) and we observed the variance as indicated below:

<b>Investment</b>	<b>Trial Balance (NLe)</b>	<b>Share Certificate Amount (NLe)</b>	<b>Variance (NLe)</b>
Home Finance – Sierra Leone	62,305	200,000	(137,695)
First Discount House Ltd.	360,000	310,000	50,000
Capital Discount House Ltd.	350,000	670,085	(320,085)
HFC Mortgage/Savings Ltd.	46,071	25,000	21,071
Swift Brussels – Euro	70,950	65,340	5,610

We recommended that management verify and correct the above difference.

#### **Official Response**

*These are cases of accretion in value of investments held by the bank with these companies. As noted, delays in receipts of this information are responsible for these variances. We are committed to ensure that the information is received from the investees in a timely manner to forestall recurrence.*

#### **Auditor's Comments**

No additional evidence was provided. Therefore, the issue remains unresolved.

#### **6.44.21. Significance Balances in the Suspense Accounts**

We observed that some operational suspense accounts had significant balances as at the year end. These accounts are mostly transit accounts where the entries are supposed to be cleared with passage of time. However, the lists of items/transactions comprising this balance were not made available to us and as a result we could not test for long outstanding items.

We recommended that management step up its efforts to monitor and investigate these balances and have the accounts properly reconciled.

#### **Official Response**

*Items are broadly classified into GLs with manual postings and GLs with systems postings.*

*We have reconciliations for all GLs with manual postings as at year-end 2023 for auditors' verification.*

*For GLs with systems postings, due to huge size of data involved, we have soft copies available for auditors' verification.*

### Auditor's Comment

We note management's response. However, evidence of clearance of the above-mentioned accounts after the year-end have not been provided. Therefore, the issues remain unresolved.

#### 6.44.22. Long Standing Items not Cleared

We reviewed reconciliations submitted for other liabilities as at the year-end and noted some long outstanding items that have not been cleared as detailed below.

Other Liability Long Outstanding Items	Currency	Amount (NLe)
Draft issued liability ACHACP	NLe	1,206,693.20
Cheque book recovery suspense	NLe	226,512.39
Salary processing transit	NLe	35,202.33
Salone link system	NLe	(183,688.43)
Unclaimed balances	NLe	408,056.04
Sundry credit suspense EUR (€)	EUR (€)	55.40
Sundry credit suspense US\$	US\$	28,737.37
Sundry credit suspense NLe	NLe	6,423,281.65

We recommended that management should ensure they conduct a detailed investigation into the long outstanding items to identify reasons for discrepancies and take necessary actions to clear them, ensuring the accuracy of the Financial Statements.

#### Official Response

*We have reviewed the various reconciliations relating to Liability, Salary Processing Transit, Salone Link system, and unclaimed balances. Eight hundred and six of these long outstanding items have been cleared, while the remaining items are investigated, and corrective entries will be posted to regularise these general ledgers.*

### Auditor's Comment

We note management's response. Evidence of the clearance and details of the investigation of the above-mentioned accounts have however not been provided. Therefore, the issues remain unresolved.

#### 6.44.23. Incorrect Application of the Income Tax Rate

The income tax legislation has explicitly distinguished between an employee and an independent contractor. Employees offer a "Contract of Service", and independent contractors offer a "Contract for Service". Therefore, withholding tax (WHT) rates in line with section 117 of the Income Tax Act, 2000 (as amended) and section 36 of Finance Act, 2016 (National Health Insurance Levy) are 5.5% (residents) and 10.5% (non-residents), as opposed to Pay-As-You Earn (PAYE) tax rates with a maximum of 30%.

During the audit assessment, we observed that the bank is incorrectly remitting Pay-As-You Earn (PAYE) tax and National Social Security and Insurance Trust (NASSIT) contributions for employees classified as contract staff, rather than applying the prescribed withholding tax (WHT) rates as per section 117 of the Income Tax Act, 2000 and section 36 of the Finance Act, 2016.

We recommended that management rectify the tax remittances for contract staff by applying the appropriate withholding tax rates set forth in the Income Tax Act, 2000 and Finance Act, 2016. Ensure timely adjustments and corrections to comply with tax regulations and mitigate the risk of non-compliance.

### **Official Response**

*The distinction between "Contract of Service" and "Contract for Service" is not limited to the nomenclature or label that is used. A whole range of factors need to be considered in determining whether an individual is an employee or an independent contractor. For instance:*

- a. does the person run the business and take responsibility for its success or failure?*
- b. does the person decide how, when and where the work is done?*
- c. is the person free to hire other people to work for with them at their expense?*
- d. does the person provide the main items of equipment to do the work?*
- e. is the person responsible for returning their taxes and NASSIT?*

*Having considered all these factors instead of focusing on the "label", it is clear that contract staff are in the employment of the bank and are not independent contractors.*

### **Auditor's Comment**

The bank is still not in compliance with section 36 of the Finance Act, 2016. Therefore, the issue remains unresolved.

#### **6.44.24. Evidence of Investment Approval not Sighted**

During our review of investment securities, we observed that evidence of approval was not sighted from the Asset and Liabilities Committees (ALCO) or from the relevant authorities prior to bidding for investment securities.

We recommended that the approvals are obtained from the relevant authorities and evidence of same maintained in the files for future reference.

### **Official Response**

*Investment in money market requires a proactive stance to capture emerging opportunities and mitigate risk on a daily basis. Prior to this time, Treasury Department has obtained a delegated authority from ALCO to invest excess funds and borrow to cover liquidity gaps as and when such scenarios emerge.*

*Furthermore, every deal is approved by the Managing Director, who directly supervises the activities of the department. In his absence, a senior management staff of the bank may approve such deals.*

### **Auditor's Comment**

There is still no approval prior to the investments being made. The deal slips are approved after the transaction has been effected. Therefore, the issue remains unresolved.

#### **6.44.25. Foreign Exchange Trading without Supporting Documentation**

Part VII sub section 21 of the Anti-Money Laundering Act, states that 'a reporting entity shall verify the identity of the customer on the basis of reliable and independent source documents (the customer whether an existing customer or not) carries out an international or a domestic wire transfer of an amount equal to or above three million Leones or its equivalent in foreign currency)'.

We however requested sample supporting documentation in relation to FX purchase and sale amounting to NLe15,641,549.36 to confirm the existence and legitimacy of transactions that occurred during the year under review which are still outstanding.

We recommended that the supporting documents be made available for audit verification.

### **Official Response**

*We confirmed that all supporting documentation relating to FX purchase and sale noted in annex XI are available for verification. Management ensured adequate KYC procedures in line with Anti-Money Laundering Act.*

### **Auditor's Comment**

We await management to provide supporting documentation for a sample of FX purchase and sale that we've sent to them. The issue remains unresolved.

#### **6.44.26. Report on Liquidity Breaches not Provided**

We were not provided with any proof and or documentation between the BSL and the SLCB in relation to liquidity breaches for the year under review.

We recommended that the bank should establish a systematic approach to document and store relevant records, including those related to liquidity breaches. This will provide evidence of compliance and facilitate better tracking and reporting of liquidity risks and breaches.

#### ***Official Response***

*Such proof and/or documentation is not required because liquidity ratio is computed using 28 days' average ratio. Therefore, while there are occasions of breaches on an average the bank did not fall below the 12% required ratio at any point in time in 2022.*

### **Auditor's Comment**

There is evidence that there are breaches in cash reserve and liquidity ratio during 2023. Therefore, the issue remains unresolved.

## **6.45. ROKEL COMMERCIAL BANK 2023**

### **6.45.1. Loan Granted to Non-performing Customers**

During our review on loans and advances given to customers, 3 out of the 10 major customers were granted loans and advances even though they were not performing. Credit references obtained from the bank of Sierra Leone clearly stated that these customers have several outstanding loans with the Bank, some of which were not performing.

Furthermore, a loan facility of NLe14,462,500 was granted to one of these customers. It was however stated in the facility letter that this customer was to repay an overdue balance of NLe 2,900,000 at the Sierra Leone Commercial Bank for the release of the collateral for the said loan. This implies that the loan was given without adequate collateral.

#### ***Official Response***

*One of the customers is a manufacturing company with an impressive turnover and a performing account, and the other two were granted overdraft facilities with re-structured term loans, and not fresh facilities.*

### **Auditor's Comment**

Even though the customer may have an impressive turnover and a performing account, our review however shows that the customer is heavily indebted in the banking sector with several loans and advances from different banking institutions.

The other two customers are now in court, awaiting court order. Therefore, the issue remains unresolved

### **6.45.2. Non-submission of Minutes of Committee Meetings**

We observed that Board and EXCO committees have not been meeting regularly as required and such, the minutes provided were not complete.

Minutes of the Assets and Liability Committee (ALCO) meetings were also not provided for review.

### **Official Response**

*We acknowledge the importance of the observation raised concerning the regularity of meetings and the provision of complete minutes for Board and EXCO committee meetings, including the ALCO Committee. The Rokel Commercial Bank (SL) Ltd. adheres to a strong corporate governance structure and places significant emphasis on compliance with the Bank of Sierra Leone's regulations and best practices in risk management.*

*We wish to clarify that the Bank has maintained a commitment to governance and risk management practices. While there may have been instances where meetings did not occur with the expected frequency or where minutes were incomplete, these are not indicative of a systemic issue within the Bank. The Bank has continuously strived to ensure that all relevant committees are operational and fulfilling their governance roles effectively.*

*Moving forward, we will continue to enhance our internal processes to ensure that all committee meetings are conducted as required, and that comprehensive minutes are recorded and made available for review. This approach aligns with our ongoing commitment to robust corporate governance and effective risk management, ensuring that strategic decisions are well-informed and that all Board members are fully apprised of the Bank's activities.*

*We remain dedicated to preventing unwarranted risk and strengthening the governance functions within The Rokel Commercial Bank (SL) Ltd. and will take proactive measures to address areas of concern identified in the audit.*

### **Auditor's Comment**

During the verification exercise no further information was provided. Therefore, the issue remains unresolved.

#### **6.45.3. No Interest Rate policy**

We observed that the Bank operates without an interest rate policy that will act as a guide and benchmark in giving out loans to customer.

### **Official Response**

*We have drafted an interest rate policy, awaiting review and subsequent ratification.*

### **Auditor's Comment**

Interest rate policy has been drafted and is awaiting review and subsequent approval. Therefore, the issue remains partially resolved.

#### **6.45.4. Reporting of Fraud**

According to section 5 (4.8) of the Prudential Guidelines, banks are required to immediately inform the Bank of Sierra Leone of all cases of fraud as per Schedule 3.

Upon completion of the investigation, a copy of the full report should be sent to the Bank of Sierra Leone.

We however observed that fraudulent transactions which were investigated and concluded by the Bank were not reported to the Bank of Sierra Leone in accordance with the Prudential Guidelines.

Below is a summary of the fraudulent activities that occurred during the period under review:

<b>DATE</b>	<b>DETAILS</b>	<b>AMOUNT (NLe)</b>
29th December, 2023	SIM KORPOR	76,168.00
29th December, 2023	SIM KORPOR	225,850.00
29th December, 2023	SIM KORPOR	117,210.00
<b>Total</b>		<b>419,228</b>

### **Official Response**

*We acknowledge that there have been delays in reporting certain fraudulent transactions to the Bank of Sierra Leone. We take this matter seriously and understand the importance of compliance to maintain operational integrity. The delay in reporting is unacceptable and will be closely monitored going forward. We are committed to rectifying this issue and ensuring a quicker response time moving forward. The issue will be reported immediately to forestall any further delay.*

### **Auditor's Comment**

Management acknowledges delay in reporting of fraudulent transactions. There was however no further information to confirm whether these fraudulent transactions has been communicated with the Bank of Sierra Leone during the verification.

Therefore, the issue remains unresolved.

### **6.45.5. No Policy on Moratorium Granted to Customers**

We observed that there is no policy on moratorium given to loan customers that will act as a guide or benchmark when giving out loans.

### **Official Response**

*The moratorium policy has been incorporated within the revised lending policy of the Bank, and is in its draft stage.*

### **Auditor's Comment**

Moratorium policy has been drafted, and is awaiting review and approval.

Therefore, the issue is partially resolved.

### **6.45.6. Facility Letters not Sighted**

Based on the samples selected and tested, we observed that different types of loans amounting to NLe26,416,854 were granted to various customers without evidence of facility letters in their respective credit files.

### **Official Response**

*Facility letters were signed by customers whose requests were approved by the Board. However, facilities not approved by the Board some were done on the loan repayment schedule.*

*Going forward, we will ensure that the facility letter embedded within the core banking software system be revised to suit our needs and then printed out to be signed by customers.*

### **Auditor's Comment**

Samples of the draft facility letters were provided for review during the verification exercise. The draft facility letter was prepared by the ICT team, and were awaiting review and approval by Management. Therefore, the issue is partially resolved.

### **6.45.7. Non-performing Loans to Total Loans**

The bank-breached section 4.9 of the Bank of Sierra Leone prudential guidelines 2012 for the period under review, which required that the tolerable limit of the ratio of non-performing loans to gross loans (NPL ratio) should be 10%. We however observed that the Bank default for six months for the year under review as listed below:

<b>Month</b>	<b>Ratio Computed</b>	<b>Regulatory Limited</b>
June	14%	10%
July	14%	10%
August	14%	10%



Month	Ratio Computed	Regulatory Limited
September	14%	10%
October	12%	10%
November	15%	10%
December	13%	10%

**Official Response**

*Efforts have been made to bring the NPL rate to its present position of 12% as at end of July 2024. We continue to pursue delinquent debtors.*

**Auditor’s Comment**

Further information was not provided to confirm whether the NPL rate was brought to 12% as at the stated date (July 2024). Therefore, the issue remains unresolved.

**6.45.8. Supporting Documents and Daily Reconciliation**

Supporting documents were not made available for account number: 124300000060P OS CORRESPONDENCE with a closing balance of NLe(5,111,820.01).

This account is credited when the cardholder makes an online payment on any POS transaction, and is debited manually upon settlement on a daily basis. We also observed that daily reconciliation was not conducted for this account and as such, the bank is unable to provide the necessary supporting documents. In addition, daily reconciliations were not prepared for the following accounts: RIA, Western Union and Corresponding ATM acquiring.

**Official Response**

*The POS correspondence issuing account number 124300000060 is not reconciled because the reference number in the EP705 report is different from the transaction reference number in the core banking application (X100). Reconciliation will commence when this issue is rectified. We have engaged Visa to work on the EP705 settlement report to capture the Reference Number which is the unique identifier to prepare the extract for the said account.*

*The ATM Acquiring Account number 115100000021 has been reconciled as of 31st December 2023.*

**Auditor’s Comment**

No evidence of reconciliation was provided during the verification exercise. Therefore, the issue remains unresolved.

**6.46. NATIONAL TOURIST BOARD:2023.**

**6.46.1. Outstanding Licenses and Fees**

A detailed review of the aged debtors' listing revealed customer balances totalling NLe3,048,060.00 that have been outstanding for over a year. There was no evidence of efforts being made by the National Tourist Board (NTB) to recover these debts.

Long-outstanding balances could adversely affect cash flow and increase the risks of bad debts, indicating weakness in the institution's credit control and debt recovery.

We recommended that the Acting Finance Manager and the General Manager should ensure that these amounts are collected from the debtors.

**6.46.2. Non-payment of Statutory Deductions to NRA**

We observed the following:

- Contrary to section 117(4) of the Income Tax Act of 2000 withholding taxes totalling NLe78, 843.55 were not paid to the NRA.

- A total of NLe52,504.13 was included in several contracts as GST. However, GST invoices and receipts were not submitted for audit inspection, and there was no evidence of payment to the NRA.
- PAYE taxes totalling NLe128,652 were not deducted from staff salaries (one Community Liaison Officer, one Communication/PR Officer, and 11 contract staff) and paid to the NRA.

The government might have been deprived of its much-needed revenue.

We recommended that the Acting Finance Manager ensure that the unpaid withholding taxes and GST be paid to the NRA and evidence of payment is submitted to the ASSL. Additionally, the Acting Finance Manager should ensure that the PAYE taxes are deducted and paid to the NRA and evidence of payment is submitted to the ASSL.

#### **Official Response**

- (i) *We note your findings and recommendations. Management will make a payment plan for the said amount. Going forward, we will make sure all withholding taxes are paid accordingly and on time.*
- (ii) *Management notes your findings and recommendations. We have written to the various vendors in question to provide GST Invoices and Receipts for verification by the audit team.*
- (iii) *Management notes your findings and recommendations, going forward; we will ensure that all Taxes are deducted accordingly.*

#### **Auditor Comment**

- (i) A payment plan was not submitted, and the withholding taxes of NLe78,843.55 remain outstanding. Therefore, the issue remains unresolved.
- (ii) The GST was not paid as invoices and receipts were not submitted to the ASSL. Therefore, the issue remains unresolved.
- (iii) Evidence of deductions and payment of PAYE taxes totalling NLe128,652 were not submitted to the ASSL. Therefore, the issue remains unresolved.

#### **6.46.3. Operational Effectiveness of the NTB**

The following were observed,

- (i) The legal regulatory framework, of the Tourism Act 1990 has not been reviewed, and there is no regulation to guide the effective implementation of the Act.
- (ii) The verification of beaches and various identified touristic sites and establishments revealed the following:
  - The NTB mainly focuses its operation at the Aberdeen-Lumley beach. Beaches such as Levuma, Hamilton, Lakka, Sussex, River No. 2., Tokeh, York, Mammah, Bureh Town, Kent, and Banana Island, did not have Beach Marshals, Beach Combers, and Life Guards.
  - Signposts were not erected in various locations at the Lumley-Aberdeen beach to display warning messages.
  - Towers were not erected along the Lumley-Aberdeen beach to help the Life Guards effectively carry out their work
  - There was an inadequate supply of essential rescue equipment for use by lifeguards in the event of drowning.
  - The NTB has touristic sites and tourist establishments in the provinces. However, there were no dedicated offices in the four regions and 15 districts across the country to manage the affairs of the entity.

The beaches could not be attractive touristic locations.

We recommended the following:

- (i) The General Manager should collaborate with the Permanent Secretary at the Ministry of Tourism and Cultural Affairs to initiate and accelerate the review of the Act and its regulation.
- (ii) The General Manager should also ensure that the issues identified during the audit visits are immediately address to enhance effective touristic service delivery.

## CHAPTER VII - PERFORMANCE AUDIT

<b>MAIN POINT .....</b>	<b>373</b>
<b>7.1. INTRODUCTION .....</b>	<b>374</b>
<b>7.2. THE NATURE AND PRACTICE OF PERFORMANCE AUDITING .....</b>	<b>374</b>
<b>7.3. DISTRIBUTION OF WATER SUPPLY IN THE WESTERN AREA .....</b>	<b>375</b>
<b>7.4. MANAGEMENT OF FOREST HARVESTING .....</b>	<b>375</b>

## **MAIN POINT**

This Chapter summarises the performance audit reports submitted to Parliament in 2024. Section 11 (2c) of the Audit Service Act, 2014 confers on the Audit Service the right to carry out value-for-money and other audits to ensure that efficiency and effectiveness are achieved in the use of public funds.

### **What We Examined**

We carried out two performance audits, which include: the Distribution of Water Supply in the Western Area by the Guma Valley Water Company: (2020 – 2022), and the Management of Forest Harvesting by the Ministry of Environment and Climate Change: (2020 – 2022).

We focused our audits on whether specific programmes, projects or functions of institutions were working, with due regard to the principles of economy, efficiency, effectiveness, environment and equity in the use of public resources. This is accomplished by examining results of programmes and outputs of institutions' operations against suitable criteria and by analysing causes of deviations from set criteria. The aim is to answer key audit questions and provide recommendations for improvement.

### **Why It Is Important**

Performance audit determines whether the matter under examination has been done the right way, and for the intended purpose. This means, assessing whether the subject matter was carried out with due regard to economy (at the lowest cost), efficiency (in the best way), and effectiveness (achieving intended results). Performance audit plays an important role in keeping Parliament, citizens and donors well informed about government's actions and their outcomes. It increases transparency and accountability, provides objective and reliable information on the performance of the public service. Performance audit goes beyond the question of whether programmes, projects and activities carried out were authorised by the relevant authorities. It goes deeper to examine whether value-for-money was achieved with respect to the principles of economy, efficiency, and effectiveness.

### **What We Found**

#### **1. Distribution of Water Supply in the Western Area – GUMA Valley Water Company**

We observed the following:

- The auditors observed massive logging and deforestation around the catchment areas which stretch about 22km from Kaningo in the West to Thunder Hill in the East ends of Freetown.
- The audit revealed leakages in the GVWC distribution system, resulting in significant water loss between the production point and the customer or end-user point.
- The auditors noted that the GVWC could not accurately measure the amount of water that flows into the operational areas, nor does it account for water losses due to limited metering system.
- There were inadequate working tools such as leak detection machines, ultra-sonic machines, bulk flow meter, turbines, transmission valves, cock valves to carry out work efficiently and effectively.

#### **2. Management of Forest Harvesting - Ministry of Environment and Climate Change**

We observed the following:

- There were no standard guidelines to monitor and report on forest activities. In this regard, the Forestry Department (FD) did not have an up-to-date national forest inventory and national forest management plan. The last national forest inventory was undertaken in 1975.
- The audit disclosed that, revenue collection remained low due to lack of forest user database, revenue collection plan, and variations in forest fees levied across the districts.

- During our field visits to the four districts, we observed that, of the 167 power saws inspected only 85 were registered; moreover, 17 timber harvest licenses were issued as against the expected 85 power saws registered. Therefore, total revenue loss was estimated at NLe422,000.
- There was no evidence that the 193 vacancies for forest rangers were filled. Furthermore, only 126 positions for the forest guards were filled as against the planned and approved 500 vacancies.
- The Ministry of Environment and Climate Change was able to produce only 450,000 tree seedlings nationwide annually, due to poor operation and maintenance of the district tree nurseries.

## **7.1. INTRODUCTION**

The Audit Service Sierra Leone (ASSL) started conducting performance auditing since 2008 as a component of an audit capacity development project. Performance auditors require strong, critical and analytical skills. The ASSL has succeeded in establishing this unit by drawing performance auditors from the ranks of financial and regularity audits, both of which are traditional audit areas that have long been the focus of the ASSL.

The ASSL has also recruited staff with social sciences background. It has further committed to continuous capacity building of performance audit staff in all areas of the discipline including, environmental and SDG audits.

The professional audit standards that apply to it have been developed by the International Organisation of Supreme Audit Institutions (INTOSAI), of which the ASSL is an active member of.

## **7.2. THE NATURE AND PRACTICE OF PERFORMANCE AUDITING**

Performance audit promotes accountability by assisting those charged with governance and oversight responsibilities to improve performance. It also examines whether decisions by Parliament, or are efficiently and effectively implemented by MDAs. Performance audit promotes transparency by providing taxpayers, donors, citizens and the media with an insight into the management and outcomes of different government programmes, projects and activities.

The users of performance audit reports expect reliable evidence-based and clear information on the questions addressed, along with findings, conclusions and recommendations.

At the outset of the audit, the criteria are established, against which the performance of the audited entity will be evaluated. The ASSL's approaches to performance auditing are in line with what is adopted by the AFROSAI-E. These approaches include problem, system and result oriented. In the reports summarised below, we assessed the performance of the MDAs responsible for the audited activity and indicated how performance could be improved.

In selecting areas for performance audit, we consider significant matters of social and economic development, and the risk that performance could not meet the goals of economy, efficiency effectiveness, environment and equity.

Below is a summary of the performance audit reports that were submitted to Parliament in 2024.

### **7.3. DISTRIBUTION OF WATER SUPPLY IN THE WESTERN AREA**

Access to safe and readily available water is essential for a healthy life, and it is a basic human right. Goal 6 of the Sustainable Development Goals (SDGs) advocates for access to water and sanitation for all. Target 6.1 calls for universal and equitable access to safe and affordable drinking water.

The Guma Valley Water Company relies principally on a single source - the Guma Dam and the Guma Water Treatment Plant at Mile 13 - with over 90% of the total water supply distributed to over 1.5 million people in the capital city, Freetown. The Dam was built during colonial era to serve about 500,000 inhabitants residing in the city by then. With the passage of time which comes along with the ever-growing population in the city, water is rationed to many areas in the city with almost no customers getting 24-hour supply. Despite efforts made by the Government over the years with assistance from development partners, access to water has been a challenge.

It is against this background and the Auditor-General's mandate, as enshrined in section 11 (2c) of the Audit Service Act, 2014 that we carried out a performance audit on 'the distribution of water supply in the Western Area', for 2020 - 2022.

The following is a summary of the key findings arising from the audit:

#### ***Encroachment On Water Catchment Areas***

A review of the stakeholder assessment report on the Western Area Water Catchments done by the National Water Resources Management Agency (NWRMA), and interviews conducted with key stakeholders revealed that deforestation and massive logging around the catchment area which stretches about 22km from Kaningo in the west to Thunder Hill in the east are alarming due to increase population density and demand for land and other forest reserves.

#### ***Leakages In The Distribution Network***

We noted that leakage is a significant issue for the GVWC distribution system; resulting in water loss between production point and the customer or end-user point. These leakages are primarily due to burst pipes, illegal connections, non-registered meters and aged distribution networks.

An interview conducted with key staff disclosed that report on water balance has not been maintained, as there are limited metering system; thus, the GVWC could neither accurately measure the amount of water that flows into the operational areas, nor account for water losses.

#### ***Inadequate Equipment***

From interview conducted with key staff, it was revealed that there were inadequate working tools, including leak detection machines, ultra-sonic machines, bulk flow meter, turbines and transmission valves to carry out their duties efficiently.

### **7.4. MANAGEMENT OF FOREST HARVESTING**

In 2010, the total forest cover in Sierra Leone was estimated at about 5.43 million hectares. By the end of 2020, the annual rate of forest loss was reported at 19,700 hectares per year (FAO, 2020). Historically, about 70 per cent of Sierra Leone's total land cover was dominantly covered by forests, today only less than five per cent of the original forests remains, and the impacts of this change are already being felt heavily.

In 2017, according to experts, the loss of vegetation covers was due to increased settlements in the Western Area, resulting in increased rainwater runoff which led to mudslides causing the death of at least 1,100 people.

At the end of 2021, Sierra Leone was already ranked 47<sup>th</sup> among 181 nations on the climate vulnerability index (high susceptibility and lack of coping capacities). Therefore, between 2020 and 2022, the GoSL allocated a total of NLe62,181,400 to the Ministry of Environment and Climate Change (MECC) to address vulnerabilities to climate change through forest sector management.

It is against this background that the Audit Service Sierra Leone conducted a performance audit on 'The Management of Forest Harvesting in Sierra Leone' by the Ministry of Environment and Climate Change between 20th November, and 8th December, 2023.

The following is a summary of the key findings arising from the audit:

### **Implementation of Timber Licensing Procedure**

#### **▪ *Lack of Evidence on Environmental Impact Assessment***

The audit team observed a lack of evidence on the environmental impact assessment (EIA) reports due to lack of EIA guidelines for the Forestry Sector. No EIA report was found in place. Without an environmental impact assessment guideline for the forestry sector, it is challenging for the forest department to undertake environmental risk assessment for proposed activities; and proposed management measures that will support sustainable forest harvesting for effective implementation of the timber license procedure.

#### **▪ *Inefficiencies in the Registration of Power Saw and Timber***

The audit revealed that 167 power saws were operational. The FD however registered only 85. Similarly, it is expected that 85 timber licenses should have been issued, to directly correlate with the 85 power saws registered. However, only 17 timber harvest licenses were issued as against the expected 85 power saws licenses. Therefore, total revenue loss was estimated at NLe422,000.

### **Effectiveness of Monitoring and Enforcement System**

#### **▪ *Lack of Monitoring Guidelines***

There were no standard monitoring guidelines to monitor and report on forest activities. In this regard, the Forestry Department (FD) did not have an up-to-date national forest inventory and national forest management plan. The last national forest inventory was undertaken in 1975.

Our review of the 17 timber licenses issued revealed that, none was monitored due to the absence of a standard monitoring guidelines.

#### **▪ *Understaffing at the Forest Department***

The auditors noted that, the staffing requirement for the FD was 785 staff. However, only 147 (23.04%) positions were filled, with a gap of 638 (76.96%) unfilled, especially for the forest rangers and guards, to cover all the chiefdoms according to the approved manpower plan.

Further review revealed that out of the 193 vacancies for forest rangers, none was filled. Additionally, of the 500 vacancies planned for forest guards, only 126 positions were filled. We also observed that a good number of volunteers were recruited by the DFOs and acting as forest guards. The FD presented the lack of a wage bill as the cause of the unfilled positions of forest rangers and guards.

#### **▪ *Variation in Levies on Forest Products***

During the audit, we observed that the four districts were found levying different charges on various forestry products. In some cases, the unpermitted charges were levied in place of permitted charges. Interviewees from the Timber Association Sierra Leone, Koinadugu District, revealed that they pay NLe600 for a transport permit per 2in. x 12in. x 12in. trailer. This was an extra charge of NLe200 against the established fee of NLe400 in the 2014 User Guideline. One volunteer in the Kenema



District forestry office revealed to the audit team that they charge NLe600 as transport permits for a six-tire truckload, not included in the User Guideline of 2014.

### ***Ineffective Coordination and Collaboration Among Stakeholders***

We observed that the MECC was found operating in isolation. The only strong and successful coordination and collaboration identified was for the Gola Rainforest National Park Management Project implemented by the Royal Society for the Protection of Birds (RSPB). This was the first and ever successful project in the region due to participatory approach to planning and design, community co-management and sharing of benefits.

At the district level, we found no collaboration and engagement with CSOs, and environmental and social offices (ESOs) by the DFOs. The CSOs and ESOs disclosed that they interface with the DFOs, only at district budget conferences and performance review meetings, excluding the work planning, budgeting, implementation, and monitoring of activities. While at the headquarters, we observed no coordination between the FD and the NPAA, and with other MDAs such as the Ministry of Lands, Ministry of Agriculture and Food Security, the Environment Protection Agency, etc. There are settlements, agricultural and mining activities taking place in the forest reserves and protected areas without any form of technical assessment and clearances.

### **Implementation of Afforestation and Reforestation Campaigns**

#### **▪ *Delayed Implementation of the National Tree Planting Project (NTPP)***

The implementation of the NTPP was delayed due to unclear overall project target. The project missed out on its planned quota, lack of criteria for district quota allocation and no needs analysis. In addition, the audit team also identified issues of delay in procurement of seedlings, missing out on the total planned district quota allocation, lack of sustainability plan, poor maintenance of planted trees. Similarly, the audit also revealed that the implementation of the NTPP Phase 2, between July 2021 and June 2022 was full of unclear targets in terms of total hectares. As at 31st December 2022, government has spent NLe62,181,400 on this project.

**APPENDICES**

<b>APPENDIX 1</b>					
<b>DETAILED ANALYSIS OF IRREGULARITIES WITH FINANCIAL IMPACTS ACROSS THE GPFS, MINISTRIES AND DEPARTMENTS</b>					
<b>NAME OF MD</b>	<b>NATURE OF IRREGULARITIES</b>	<b>AMOUNT</b>			
		<b>(NLe)</b>	<b>US\$</b>	<b>€</b>	<b>Paragraph</b>
<b>GENERAL PURPOSE FINANCIAL STATEMENTS</b>		-	-	-	
	Revenue not traced to the CF(NLe494,059.87 + NLe1,033,094.07 + NLe33,000,526.91 + NLe1,146,252.48 )	34,527,680.85	-	-	<b>1.1</b>
	Duty waivers and concessions given to individuals without documentation (NLe3,197,986.10 + NLe8,698,923.58)	11,896,909.68	-	-	<b>1.1</b>
	Non-compliance with clauses in contract agreements (US\$1,440,000 + US\$5,275,434)	-	6,715,434.00	-	<b>1.1</b>
	<b>Sub Total (A)</b>	<b>46,424,590.53</b>	<b>6,715,434.00</b>	-	
<b>MINISTRIES AND DEPARTMENTS</b>					
<b>Ministry of Agriculture and Food Security-HQ</b>	Outstanding revenue from Machine Ring Operators	32,308,124.00	-	-	<b>4.1.7</b>
	Lease not paid by private business organisations for Combined Harvesters and Driers	10,496,000.00	-	-	<b>4.1.8</b>
	Double payment of salaries to staff on secondment (NLe14,456+NLe1,283)	15,739.00	-	-	<b>4.1.9</b>
	Salary paid to a deceased staff	13,125.00	-	-	<b>4.1.10</b>
	Salary paid to staff not available for physical verification	400,917.00	-	-	<b>4.1.13</b>
<b>Sierra Leone Chamber for Agribusiness Development (SLeCAD)</b>	Absence of reliable records justifying the utilisation of funds (NLe146,895 + NLe40,000 + NLe1,200)	188,095.00	-	-	<b>4.1.14</b>
	PAYE not paid to NRA	47,779.50	-	-	<b>4.1.14</b>
<b>Seed Multiplication Project</b>	Rent from a client but not paid to bank or brought to account	138,276.95	-	-	<b>4.1.14</b>
	Funds remitted but not brought to account	900,000.00	-	-	<b>4.1.14</b>

APPENDIX 1 DETAILED ANALYSIS OF IRREGULARITIES WITH FINANCIAL IMPACTS ACROSS THE GPFS, MINISTRIES AND DEPARTMENTS					
NAME OF MD	NATURE OF IRREGULARITIES	AMOUNT			
		(NLe)	US\$	€	Paragraph
<b>Sierra Leone Agri-Business Initiative (SABI)</b>	Harvested rice and maize not accounted for (NLe121,450+NLe23,000)	144,450.00	-	-	<b>4.1.14</b>
<b>Ministry of Foreign Affairs and International Cooperation</b>	Special imprest not retired	768,285.10	-	-	<b>4.4.1</b>
	Boat Hiring Services: duplicated payment and payment without an agreement (NLe50,000+NLe287,161.88)	337,161.88	-	-	<b>4.4.2 &amp; 4.4.3</b>
	Withholding Taxes not paid to NRA	29,228.00	-	-	<b>4.4.4</b>
	Pay-As-You-Earn (PAYE) taxes deducted but not paid to the NRA by the Foreign Service Academy	1,004,091.28	-	-	<b>4.4.5</b>
	Child allowances paid for children over the age of 18years	-	3,900.00	-	<b>4.4.6</b>
	Child allowances paid without evidence of child's birth certificate	-	11,700.00	3,615.48	<b>4.4.6</b>
	Salary paid to staff that were not available for physical verification	402,570.00	-	-	<b>4.4.7</b>
	Spending above the contracted amount without approval	1,183,900.00	-	-	<b>4.4.8</b>
	Price adjustment in the framework contracts without authority	1,725,770.00	-	-	<b>4.4.9</b>
	GST not paid	113,240.85	-	-	<b>4.4.11</b>
	Fixed assets not available for physical verification	826,500.00	-	-	<b>4.4.13</b>
	<b>Ministry of Health-HQ</b>	Expenditure returns not submitted	933,901.00	-	-
Salary paid to staff not available for physical verification		230,316.00	-	-	<b>4.10.6</b>
<b>National Emergency Medical Services (NEMS)</b>	Withholding Taxes not paid to NRA	273,276.00	-	-	<b>4.10.9</b>
	PAYE not paid to NRA	1,760,232.00	-	-	<b>4.10.9</b>
<b>Connaught Hospital</b>	Withholding Taxes not paid to NRA	244,895.00	-	-	<b>4.10.9</b>
<b>Jui Government Hospital</b>	Revenue not banked	61,510.00	-	-	<b>4.10.11</b>

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DETAILED ANALYSIS OF IRREGULARITIES WITH FINANCIAL IMPACTS ACROSS THE GPFS, MINISTRIES AND DEPARTMENTS					
NAME OF MD	NATURE OF IRREGULARITIES	AMOUNT			
		(NLe)	US\$	€	Paragraph
<b>Magburaka Government Hospital</b>	Salary paid to staff not available for physical verification	8,623,150.00	-	-	<b>4.12.2</b>
<b>Ministry of Basic and Senior Secondary Education-HQ</b>	Non-supply of TLMs (NLe2,035,509 + NLe434,843)	2,470,352.00	-	-	<b>4.17.1</b>
	Payment for WASSCE fees not brought to account	7,246,102.00	-	-	<b>4.17.4</b>
	Salary paid to staff not available for physical verification	29,248.00	-	-	<b>4.17.6</b>
<b>Ministry of Basic and Senior Secondary Education-Bo District</b>	Withholding Taxes not paid to NRA	13,198.35	-	-	<b>4.18.2</b>
<b>Ministry of Defence</b>	Imprest not retired(NLe37,800+NLe29,115)	66,915.00	-	-	<b>4.20.2</b>
	Bank withdrawals without supporting documents	4,183,156.00	5,819.00		<b>4.20.4</b>
	Overpayment of DSAs	49,130.78	-	-	<b>4.20.5</b>
	Salary paid to staff not available for physical verification	834,804.00	-	-	<b>4.20.6</b>
<b>Ministry of Development and Economic Planning</b>	Unsupported payments	67,893.00	-	-	<b>4.23.3</b>
	Revenue from registration and renewal of NGOs not paid to bank	28,720.02	-	-	<b>4.23.4</b>
<b>Ministry of Technical and Higher Education</b>	Expenditure returns not submitted (NLe681,718.85 + NLe560,000 + NLe800,000)	2,041,718.85	-	-	<b>4.24.1</b>
	Withholding Taxes not paid to NRA(Sierra Leone Education Sector Support Project)	1,141,858.46	-	-	<b>4.24.5</b>
<b>Ministry of Lands, Housing and Country Planning</b>	Withholding Taxes not paid to NRA	17,875.00	-	-	<b>4.25.1</b>
	Salary paid to staff not available for physical verification	64,436.00	-	-	<b>4.25.2</b>
<b>Ministry of Works and Public Assets</b>	Excess cost included in rental payment (NLe414,725 + NLe148,903.76)	563,626.76	-	-	<b>4.28.1</b>
	Payments for work not done(NLe193,500+NLe199,010)	392,510.00	-	-	<b>4.28.2</b>

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NAME OF MD	NATURE OF IRREGULARITIES	AMOUNT			
		(NLe)	US\$	€	Paragraph
	Salary paid to staff not available for physical verification	1,022,511.00	-	-	4.28.4
	Assets not available for physical verification	421,382.00	-	-	4.28.5
Ministry of Tourism and Cultural Affairs	Payment for work not done	81,500.00	-	-	4.29.3
	Bank withdrawals without supporting documents(NLe222,034 +NLe40,987 +NLe400,000 +NLe120,000 )	783,021.00	-	-	4.29.4
	Withholding Taxes not paid to NRA	20,087.20	-	-	4.29.5
Ministry of Social Welfare	Bank withdrawals without supporting documents	-	2,982,968.25	-	4.30.1
	Salary paid to staff not available for physical verification	38,758.32	-	-	4.30.3
Ministry of Youth Affairs	Payment for work not done	112,025.00	-	-	4.31.3
	Outstanding proceeds from disposal of vehicles not paid	10,600.00	-	-	4.31.5
Ministry of Trade and Industry	Salary paid to staff not available for physical verification	37,915.00	-	-	4.33.1
Ministry of Mines and Mineral Resources	Salary paid to contract staff without employment contracts	198,972.00	-	-	4.34.1
Provincial Secretary's Office North-West	Payment for work not done	70,000.00	-	-	4.37.1
Provincial Secretary's Office-East	Withholding Taxes not paid to NRA	47,592.00	-	-	4.39.1
Immigration Department	Royalty not paid into the CF	-	744,993.00	-	4.40.1
	Revenue not paid to the CF	7,434,387.00	-	-	4.40.2
	Salary paid to staff not available for physical verification	279,524.00	-	-	4.40.5

<b>APPENDIX 1</b>					
<b>DETAILED ANALYSIS OF IRREGULARITIES WITH FINANCIAL IMPACTS ACROSS THE GPFS, MINISTRIES AND DEPARTMENTS</b>					
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		<b>(NLe)</b>	<b>US\$</b>	<b>€</b>	<b>Paragraph</b>
<b>Human Resource Management Office</b>	Salary paid to staff not available for physical verification	3,067,911.00	-	-	<b>4.41.1</b>
<b>Sierra Leone Police</b>	Salary paid to staff not available for physical verification	6,611,633.43	-	-	<b>4.42.2</b>
	Salary paid to employees who have departed service due to death, discharge or retirement	130,475.18	-	-	<b>4.42.2</b>
<b>Sierra Leone Correctional Service</b>	Withholding Taxes not paid to NRA	1,772,768.96	-	-	<b>4.46.4</b>
	Salary paid to staff not available for physical verification	167,830.32	-	-	<b>4.46.5</b>
<b>Judiciary of Sierra Leone</b>	Withholding Taxes not paid to NRA	259,546.73	-	-	<b>4.50.4</b>
	Revenue collected but not banked	69,559.00	-	-	<b>4.50.5</b>
<b>Office of the Administrator and Registrar General</b>	Salary paid to staff on alleged sick leave for a year without medical report	162,377.00	-	-	<b>4.51.2</b>
<b>Office of the Chief Minister</b>	Withholding Taxes not paid to NRA	503,154.80	-	-	<b>4.54.1</b>
	Salary paid to staff not available for physical verification	230,616.00	-	-	<b>4.54.2</b>
<b>Office of the Vice President</b>	Salary paid to staff not available for physical verification	55,424.00	-	-	<b>4.55.1</b>
<b>Office of The President</b>	Assets not available for physical verification	208,500.00	-	-	<b>4.56.4</b>
<b>Sub Total(B)</b>		<b>106,180,148.72</b>	<b>3,749,380.25</b>	<b>3,615.48</b>	
<b>Grand Total(A+B)</b>		<b>152,604,739.25</b>	<b>10,464,814.25</b>	<b>3,615.48</b>	

**APPENDIX 2  
DETAILED ANALYSIS OF IRREGULARITIES WITH FINANCIAL IMPACT ACROSS LOCAL COUNCILS**

<b>NAME OF COUNCIL</b>	<b>NATURE OF IRREGULARITIES</b>	<b>FINANCIAL IMPACT NLE</b>	<b>Paragraph</b>
<b>Freetown City</b>	Unsupported payments	76,197.00	<b>5.3.1</b>
	PAYE deductions not paid to the NRA	624,555.66	<b>5.3.2</b>
	Revenue not banked(NLe50,000+NLe16,000)	66,000.00	<b>5.5</b>
	Withholding Taxes deducted not paid to the NRA	330,075.39	<b>5.3.2</b>
	Payments to Contractors without evidence of work done(NLe10,260+NLe15,500+NLe25,000+NLe38,000+NLe411,770+NLe26,456)	115,216.00	<b>5.6.2</b>
<b>Kono District</b>	Unsupported payments (NLe55,835 + NLe 80,803.80)	136,638.80	<b>5.3.1</b>
<b>Kambia District</b>	Unsupported payments	445,089.00	<b>5.3.1</b>
	Withholding Taxes deducted not paid to the NRA	210,842.93	<b>5.3.2</b>
	Fixed assets not available for physical verification	234,000.00	<b>5.5</b>
	Payments to Contractors without evidence of work done(NLe262,924+NLe178,512+NLe179,781+NLe136,085.90)	757,302.90	<b>5.6.2</b>
<b>Kailahun District</b>	Unsupported payments	30,700.00	<b>5.3.1</b>
	Withholding Taxes deducted not paid to the NRA	52,773.79	<b>5.3.2</b>
	Salaries paid to staff without employment records(NLe207,570+NLe26,139)	233,709.00	<b>5.5</b>
<b>Koidu New Sembehun City</b>	Withholding Taxes deducted not paid to the NRA	261,818.00	<b>5.3.2</b>
<b>Western Area Rural District</b>	PAYE deductions not paid to the NRA	43,482.00	<b>5.3.2</b>
	Fixed assets not available for physical verification	164,590.00	<b>5.5</b>
	Revenue not banked	22,200.00	<b>5.5</b>
<b>Bombali District</b>	PAYE deductions not paid to the NRA	13,845.00	<b>5.3.2</b>
	Withholding Taxes deducted not paid to the NRA	327,520.37	<b>5.3.2</b>
	Revenue not banked	16,800.00	<b>5.5</b>
<b>Karene District</b>	PAYE deductions not paid to the NRA	1,120.00	<b>5.3.2</b>
	Withholding Taxes deducted not paid to the NRA	3,302.97	<b>5.3.2</b>

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DETAILED ANALYSIS OF IRREGULARITIES WITH FINANCIAL IMPACT ACROSS LOCAL COUNCILS**

<b>NAME OF COUNCIL</b>	<b>NATURE OF IRREGULARITIES</b>	<b>FINANCIAL IMPACT NLE</b>	<b>Paragraph</b>
<b>Falaba District</b>	Withholding Taxes deducted not paid to the NRA	92,005.00	<b>5.3.2</b>
	Payments to Contractors without evidence of work done	52,300.00	<b>5.6.2</b>
<b>Port Loko City</b>	Withholding Taxes deducted not paid to the NRA	4,160.75	<b>5.3.2</b>
<b>Kenema District</b>	Withholding Taxes deducted not paid to the NRA	1365.89	<b>5.3.2</b>
<b>Kenema City</b>	Alleged payment of salary to support staff that were indefinitely suspended by management without salary	17,310.50	<b>5.5</b>
<b>Moyamba District</b>	Fixed assets not available for physical verification	243,230.00	<b>5.5</b>
	Staff Loan not Recovered	40,000.00	<b>5.5</b>
<b>Tonkolili District</b>	Payments to Contractors without evidence of work done	27,320.00	<b>5.6.2</b>
<b>Bo District</b>	Payments to Contractors without evidence of work done	119,411.65	<b>5.6.2</b>
<b>Total</b>		<b>4,764,882.60</b>	



**APPENDIX 3**

**DETAILED ANALYSIS OF IRREGULARITIES WITH FINANCIAL IMPACT ACROSS DONOR PROJECTS, COMMISSIONS AND PUBLIC ENTERPRISES**

NAME OF PUBLIC ENTERPRISES	DETAILS	AMOUNT				Paragraph References
		US\$	€	£	NLe	
<b>Health Systems Strengthening Project (GAVI)-2023</b>	Outstanding PAYE not recovered and paid to NRA				126,651.27	<b>6.2.7</b>
	Foreign exchange loss				18,758.30	<b>6.2.10</b>
<b>Sierra Leone Free Education Project 2023</b>	PAYE taxes not paid to NRA				5,144,301.00	<b>6.3.2</b>
<b>Agriculture Value-Chain Development Project-2023</b>	Withholding taxes not paid to NRA(NLe27,502.86 +NLe6,600)				34,102.85	<b>6.4.3</b>
<b>Iceland Partnership Corporation Project-2019-2023</b>	PAYE taxes not paid to NRA				418,885.89	<b>6.5.1</b>
<b>Rural Finance and Community Improvement Programme (RFCIP Phase II) - 2023</b>	Funds not brought to account				205,000.00	<b>6.6.7</b>
<b>Sierra Leone Agro Processing Competitiveness-2023</b>	PAYE taxes not paid to NRA				1,738,314.58	<b>6.7.1</b>
<b>Sierra Leone Economic Diversification Project-2023</b>	PAYE taxes not paid to NRA				1,805,554.92	<b>6.8.1</b>
<b>Sierra Leone Financial Inclusion Project-2023</b>	PAYE taxes not paid to NRA				386,778.04	<b>6.9.1</b>
<b>Sierra Leone Skills Development Project-2023</b>	PAYE taxes not paid to NRA				1,055,005.04	<b>6.10.2</b>
<b>Electoral Commission for Sierra Leone-2023</b>	Withholding taxes not paid to NRA				8,988,887.33	<b>6.12.1</b>
	Unsupported payments(NLE1,272,541+NLe92,219 +NLe157,353 )				1,522,113.00	<b>6.12.2</b>

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NAME OF PUBLIC ENTERPRISES	DETAILS	AMOUNT				Paragraph References
		US\$	€	£	NLe	
<b>Electoral Commission for Sierra Leone-2023</b>	Fuel not brought to account(NLe964,324+NLe507,256)				1,471,580.00	<b>6.12.3</b>
	Imprest not Retired				520,249.00	<b>6.12.4</b>
	Expenditure returns not submitted				1,073,045.50	<b>6.12.5</b>
	GST not paid				116,474.87	<b>6.12.7</b>
<b>Sierra Leone Broadcasting Corporation-2023</b>	Withholding taxes not paid to NRA(NLe45,144 +NLe257,574 )				302,718.00	<b>6.13.2</b>
	GST not paid				30,757.00	<b>6.13.3</b>
	Fixed assets not made available for physical verification				1,120,991.00	<b>6.13.4</b>
<b>Guma Valley Water Company-2023</b>	Withholding taxes not paid to NRA				1,617,597.26	<b>6.14.1</b>
	PAYE taxes not paid to NRA				17,153,696.46	<b>6.14.1</b>
<b>Electricity Distribution and Supply Authority-2023</b>	Withholding taxes not paid to NRA(NLe81,840+NLe148,500)				230,340.00	<b>6.15.6</b>
	Unsupported payments				1,052,981.00	<b>6.15.7</b>
	Retirements not submitted for cash advances				104,560.00	<b>6.15.9</b>
<b>Sierra Leone Airport Authority-2023</b>	PAYE taxes not paid to NRA				2,206,271.00	<b>6.17.1</b>
<b>Sierra Leone Roads Safety Authority-2023</b>	PAYE taxes not paid to NRA				5,680,414.01	<b>6.18.2</b>
	Withholding taxes not paid to NRA				1,099,140.42	<b>6.18.2</b>
	Revenue in respect of routing fees not brought to account				681,900.00	<b>6.18.5</b>
	Duplication of driving license payments				460,700.00	<b>6.18.6</b>
<b>Njala University-2023</b>	Withholding taxes not paid to NRA(NLe84,680.12 +NLe82,281.62)				166,961.74	<b>6.23.1</b>

**APPENDIX 3**

**DETAILED ANALYSIS OF IRREGULARITIES WITH FINANCIAL IMPACT ACROSS DONOR PROJECTS, COMMISSIONS AND PUBLIC ENTERPRISES**

NAME OF PUBLIC ENTERPRISES	DETAILS	AMOUNT				Paragraph References
		US\$	€	£	NLe	
<b>Eastern Technical University-2023</b>	Withholding taxes not paid to NRA(NLe32,159.82+NLe32,765.00)				64,924.82	<b>6.24.1</b>
	Underpayment of PAYE			18,614.36		<b>6.24.4</b>
	Salaries paid to retired University staff				517,900.00	<b>6.24.3</b>
	PAYE taxes not paid to NRA{NLe161,590-NLe66,767+NLe80,252}				175,075.00	<b>6.24.4</b>
<b>Milton Margai Technical University-2023</b>	Salaries paid to terminated Staff				40,352.00	<b>6.25.3</b>
<b>Sierra Leone Civil Aviation Authority-2023</b>	Withholding taxes not paid to NRA				710,149.38	<b>6.26.3</b>
	PAYE taxes not paid to the NRA				8,088,081.58	<b>6.26.4</b>
<b>National Medical Supplies Agency-2023</b>	GST not paid				255,697.91	<b>6.27.2</b>
<b>National Public Procurement Authority- 2023</b>	Duplicated payment of transport allowance				198,540.00	<b>6.28.2</b>
<b>National Civil Registration Authority-2023</b>	Revenue not paid into the CF				120,458.00	<b>6.31.2</b>
<b>Sierra Leone Ports and Harbours Authority-2023</b>	Assets not available for verification				122,150.00	<b>6.35.1</b>
<b>Council of Legal Education Sierra Leone Law School-2022-2023</b>	Unsupported payments				104,422.00	<b>6.36.1</b>
<b>Sierra Leone Maritime Administration</b>	Unapproved and unauthorised payments		7,590.00	9,850.00	183,956.00	<b>6.39.6</b>
	Unsupported payments				457,507.00	<b>6.39.7</b>
	Withholding taxes not paid to NRA(NLe274,199+NLe1,523,501)				1,797,700.00	<b>6.39.10</b>
	Payments of sitting fees to board members				237,780.00	<b>6.40.4</b>

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**DETAILED ANALYSIS OF IRREGULARITIES WITH FINANCIAL IMPACT ACROSS DONOR PROJECTS, COMMISSIONS AND PUBLIC ENTERPRISES**

NAME OF PUBLIC ENTERPRISES	DETAILS	AMOUNT				Paragraph References
		US\$	€	£	NLe	
<b>National Commission for Social Action-2023</b>	PAYE taxes not paid to NRA(NLe1,784,277+NLe1,712,136 +NLe3,736,003 )				7,232,416.00	<b>6.40.5</b>
<b>Independent Commission For Peace and National Cohesion-2023</b>	GST not paid				162,465.15	<b>6.41.4</b>
	Salary paid to staff after resignation				20,000.00	<b>6.41.5</b>
	Assets not available for verification				222,500.00	<b>6.41.6</b>
<b>National Tourist Board-2023</b>	Withholding taxes not paid to NRA				78,843.55	<b>6.46.2</b>
	GST not paid				52,504.13	<b>6.46.2</b>
	PAYE taxes not paid to NRA				128,652.00	<b>6.46.2</b>
<b>Total</b>		<b>-</b>	<b>7,590.00</b>	<b>28,464.36</b>	<b>76,407,663.58</b>	