

Transmittal Letter



December, 2018

Honourable Segepoh Solomon Thomas
Deputy Speaker of Parliament
Sierra Leone House of Parliament
Tower Hill
Freetown

Dear Sir

In accordance with Section 119(4) of the 1991 Constitution of Sierra Leone, I have the pleasure and honour to submit my report on the Accounts of Sierra Leone for the financial year ended 31st December, 2017.

Yours faithfully

Lara Taylor-Pearce (Mrs.) FCCA FCA (SL)
AUDITOR GENERAL OF SIERRA LEONE

TABLE OF CONTENTS

	PAGE
List of Acronyms	iv
Foreword	v
Executive Summary... ..	vii
Introduction	xvi
 PART I	
Chapter 1 – Auditor General’s Opinion on the Public Account	1
Chapter II - Cities, Districts and Municipal Councils	56
Chapter III - Performance Audit	84
Chapter IV – Civil Society Organisations	99
 Chapter V – Follow-Up on Previous Recommendation	105
 PART II	
Chapter VI – Ministries, Departments and Agencies (MDAs)	112
Chapter VII – Public Enterprises, Commissions and Donor Funded Projects	233
Chapter VIII– Schools	341
 APPENDIX	348

LIST OF ACRONYMS

AFROSAI-E	-	African Organisation of English-speaking Supreme Audit Institutions
ASSL	-	Audit Service Sierra Leone
BSL	-	Bank of Sierra Leone
CA	-	Chief Administrator
CMO	-	Chief Medical Officer
CRFA	-	Consolidated Revenue Fund Account
CRF	-	Consolidated Revenue Fund
CSO	-	Civil Society Organisation
DAO	-	District Agriculture Officer
DD	-	Deputy Director
DG	-	Director General
DHMT	-	District Health Management Team
DMO	-	District Medical Office(r)
DOD	-	Disbursed Outstanding Debts
FO	-	Finance Officer
GBAA	-	Government Budgeting and Accountability Act
GST	-	Goods and Services Tax
HRMO	-	Human Resources Management Office
HQ	-	Headquarters
IFRS	-	International Financial Reporting Standards
IT	-	Information Technology
IPSAS	-	International Public Sector Accounting Standard
LGA	-	Local Government Act
LGSC	-	Local Government Service Commission
LPO	-	Local Purchase Orders
MAFFS	-	Ministry of Agriculture Forestry and Food Security
MD	-	Managing Director
MDA	-	Ministries, Departments and Agencies
MEST	-	Ministry of Education, Science and Technology
MoFED	-	Ministry of Finance and Economic Development
MOHS	-	Ministry of Health and Sanitation
MS	-	Medical Superintendent
NPPA	-	National Public Procurement Authority
NASSIT	-	National Social Security and Insurance Trust
NGO	-	Non Governmental Organisation
NRA	-	National Revenue Authority
PA	-	Performance Audit
PFM	-	Public Financial Management
PHC	-	Primary Health Care
PHU	-	Primary Health Unit
PO	-	Procurement Officer
PS	-	Permanent Secretary
RFQ	-	Request for Quotations
SAI	-	Supreme Audit Institution
SDGs	-	Sustainable Development Goals
TSA	-	Treasury Single Accounts
USD	-	United States Dollars

Foreword



I herewith present the Annual Audit Report on the Public Accounts of Sierra Leone for the Financial Year ended 31st December, 2017. This is done in accordance with my mandate as stipulated in Section 119 of the Constitution of the Republic of Sierra Leone and as amplified by the Audit Service Act, 2014. This report indicates the manner in which budgeted allocations were utilised, unnecessary expenditure incurred, expenses incurred contrary to the law, and instances of wasteful expenditure. This exercise consisted of a financial audit of the Public Accounts, compliance audits of Ministries, Department and Agencies, as well as schools and vocational institutions.

This year has been eventful for Sierra Leone with a presidential election as well as votes for parliament and local councils. The entire electioneering process has had an effect on our audit coverage due to poor cooperation from key officials at most MDAs during the audit period. That notwithstanding, my positive response to the request of the government to conduct audits in key institutions and on specific activities, has extensively engaged our already meagre human resources. In spite all of this, we were able to audit 71% of the government budgeted expenditure.

I continue to emphasise that good governance matters for sustainable development. It holds the key to building a stable and secure society. In addition, fair, reliable, accountable and well-governed institutions help build trust between people and government. Such institutions, which I audit on an annual basis, should therefore be less susceptible to corruption.

I produced the annual report before the statutory deadline of 31st December, 2018. It includes comments arising from the financial audit of the Public Accounts, compliance audits in ministries, department and agencies as well as public enterprises, commissions and government projects. This report also comprises of three summarised performance audit reports on the management of fertiliser, school facilities and medical waste.

In this report we included, a summary of our review of activities in selected civil society organisations, which was the subject of a separate report submitted to State House. This is a new initiative on our part with the primary objective to ascertain whether donor funds and other resources allocated to the CSOs are utilised for their intended purpose and in accordance with applicable rules and regulations. We also included an analysis and comment on the implementation of audit recommendations for the past two years.

In summary, the report reflects all our activities nationwide. It portrays a comprehensive picture of the work of my office. Our audits are conducted in accordance with professional auditing and ethical standards generally recognised around the world.

At this juncture, I wish to acknowledge the media; a very important group, which ensures that the content of my audit reports reaches many Sierra Leoneans. They create public awareness of important issues in my reports. My report is in the public interest and enhances the rule of law which is so essential to nation building and strengthening of our young democracy.

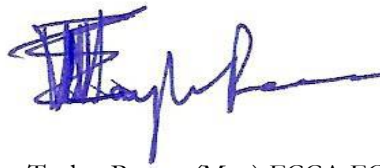
I also acknowledge the support from Parliament especially the Public Accounts Committee (PAC). I will however, bring to the attention of the Committee that the habitual non-production of requested documents during the audit process by auditees continues to obstruct my output. In many instances, these are eventually produced at the PAC hearings, when in actual sense this should have occurred earlier.

This practice should be discouraged if we are to fulfill the accountability and transparency drive which are key areas in the government's agenda.

Furthermore, I thank the Sierra Leonean public, whom we are ultimately serving, and strongly encourage them to continue demanding and pushing for greater accountability on the use of public resources, a dream of every patriotic Sierra Leonean.

Finally but very importantly, I acknowledge the support of the Audit Service Board and my committed staff for their enthusiasm and single-minded tenacity in pursuing audit issues during the past year.

Thank you.



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

EXECUTIVE SUMMARY

About this Executive Summary

This executive summary represents the main issues of each chapter in this annual report. On a whole, it accurately reflects the content of Parts I and II. It is laid out in the same sequence as the chapters in the report and hopefully summarises these in such a way that readers can rapidly become acquainted with a large body of material without having to read all the detail.

The Role of the ASSL

ASSL is a leading agency promoting good public sector governance. It strives to be proactive in ensuring value for money in the use of public funds in terms of economy, efficiency and effectiveness.

We provide an unbiased, accurate, transparent and objective assessment of whether public resources are managed responsibly and effectively to achieve intended results. In addition, we help public sector organizations achieve accountability and integrity, improve operations, and instill confidence about these matters among taxpayers, donors and other stakeholders.

In our role, we provide oversight on whether public sector entities are doing what they are supposed to do and we help detect and deter corruption. We assess how public funds are used in terms of economy, efficiency and effectiveness as well as the quality of reporting on these activities in terms of clarity, fairness, accuracy and transparency.

We use financial, compliance and performance audit methodologies, amongst other tools, to fulfill each of these roles. We report to Parliament in the first instance and ultimately to the citizenry of Sierra Leone and other stakeholders.

Audit of the Financial Statements of the Consolidated Revenue Fund Account (CRFA)

The enactment of the Public Financial Management Act (PFMA) in 2016 put public financial management (PFM) at the centre of policy reform. The reforms are aimed at ensuring both fiscal efficiency and discipline in the use of public finances for the betterment of the people of Sierra Leone. The enactment of this law repealed the Government Budgeting and Accountability Act (GBAA), 2005. The PFMA 2016 is meant to provide for effective management of public finances by the national and local governments.

Notably also is the preparation of the annual financial statements of the Consolidated Fund in compliance with Section 87 of the PFMA of 2016. This Section requires the Accountant General to draw up and sign the annual financial statements of the Consolidated Fund no later than three months after the end of a financial year, and to submit them together with his explanatory report to the Auditor-General for auditing through the Minister of Finance and Economic Development (MOFED) in accordance with Section 119(2) of the Constitution of the Republic of Sierra Leone, 1991.

This year, I rendered an unqualified audit opinion on the 2017 financial statements. The opinion is based on my professional judgement after evaluating the evidence gathered during the audit of the Consolidated Revenue Fund Account, and indirectly, on the findings of the many other audits undertaken throughout 2018 on transactions carried out in 2017. The issues giving rise to the unqualified audit opinion on the 2017 Consolidated Revenue Fund Account are summarised below.

External Public Debt

I compared the disbursed outstanding debts (DODs) disclosed in the public accounts with those in the books of the creditors and reports from the Commonwealth's Secretariat Debt Recording Management

Systems (CSDRMS). Despite the fact that the confirmations received as part of the 2017 audit initially revealed a number of errors in the Consolidated Revenue Fund Account, I was able to verify consistency between the revised DODs and confirmations from creditors for majority of the loans in the final version of the Consolidated Revenue Fund Account.

Domestic Revenue

I continue to see improvement in the controls over assessment, collection and reporting of government revenue. The Government revenue in 2017 was Le 3.2 trillion, increasing by 8% over the amount of Le 2.96 trillion collected in FY2016. This was made possible by improvement in control procedures. Nonetheless, there is need for regular reconciliations to be performed between the National Revenue Authority (NRA), Accountant General's Department and other stakeholders like transit banks and the Bank of Sierra Leone. Recent focus has largely been on reducing Government spending to help to balance the books; of course, the other side of this coin is the need to maximise Government revenue. Much more effort is however required in this area.

Financial Reporting Framework

Section 1.3.24 of the IPSAS Cash requires the disclosure of payments made by third parties. Few years back, this requirement was hardly met. However, in recent years (including 2017), the Accountant General has added a narrative disclosure to the Consolidated Revenue Fund Account acknowledging that the government received from various sources donations in kind such as vehicles, equipment or personnel services but that they cannot possibly identify and reliably ascertain the financial value received for such donations.

UNQUALIFIED OPINION

In my opinion, the General Purpose Financial Statements of the Consolidated Fund give a true and fair view, in all material respects, of the financial position of the Government of Sierra Leone as at 31st December, 2017 and its receipts and payments and additional financial statements (Statement of Comparison of Budget and Actual Revenue and Expenditure, and the Statement of Cash Position), and have been prepared in accordance with the Cash Basis International Public Sector Accounting Standards (Cash Basis IPSAS), Public Financial Management (PFM) Act, 2016, and other applicable laws and regulations.

EMPHASIS OF MATTER

Difference between Bank of Sierra Leone's Society for Worldwide Interbank Financial Telecommunication (SWIFT) payment records and Disbursed Outstanding Debts

The Bank of Sierra Leone's (BSL) SWIFT payment records revealed repayments and service dues of Le75,260,214,046 which could not be traced to the schedule of Disbursed Outstanding Debts (DODs) prepared by the Public Debt Unit. This makes it difficult for me to be sure that the figure as presented in the accounts is free from misstatement.

OTHER MATTERS

Taxes not deducted from allowances and paid into the Consolidated Revenue Fund by the Accountant General's Department

Taxes amounting to Le9.10billion were not deducted from top-up allowances paid to employees and consultants, and paid to the relevant authority. Failure to deduct tax from employment income could

mean due diligence was ignored in the payment of allowances to employees and consultants of MDAs. This may have led to the loss of much needed government funds.

Foreign Travel (Ticket) Tax not deducted properly and paid to the NRA

The Foreign Travel (Ticket) Tax Act, 1975 (amended by Act No. 4 of 2004) requires airlines to deduct 10% tax from the procurement of tickets by every person departing from Sierra Leone via ship, aircraft or other means of transport. The act also states that a penalty of 15% per month is chargeable where a person collects the tax and fails to pay it to the NRA on time. However, from January to June 2017 the effective tax rate of 10% was not properly calculated and remitted from the sales made by Kenya Airlines and Air France. A reperformance of the calculations revealed that the sum of Le1,086,913,317 was not deducted from the sales made by the stated airlines and paid through the NRA into the CRF. It was also evident from my audit that the NRA did not levy any penalty charge on the concerned airlines. This may have resulted in the loss of government much needed revenue and thus deprived the Government from meeting its planned commitments.

Arrears in respect of customs duty and domestic tax not collected

Taxes due for collection from individuals, corporate bodies and other institutions by the Domestic Tax Department and Customs Division of the National Revenue Authority, but which had remained uncollected, stood at approximately Le16 billion based on our samples tested. Most of the irregularities arose from unpaid tax assessments, as well as poor supervision of schedule officers, failure to enforce tax laws and financial regulations, and management's failure to promptly settle disputes and sanction offenders.

Government's contribution to defray the cost of funeral expenses without any regulation/policy

Funds amounting to Le2.3billion and US\$4,447 were withdrawn from the Consolidated Revenue Fund account at the Bank of Sierra Leone to defray the cost of funeral expenses of some senior government officers who had passed away without any regulation, policy or other legal instrument to justify the stated disbursements. In the absence of a legal instrument, such disbursements are considered ineligible. Apart from the fact that no legal instrument existed for the disbursement of such funds, there was also no evidence to indicate how the stated amounts were expended on the funerals of the deceased. This may create suspicion that government's much needed funds have been misappropriated.

Other Commentary on the Public Accounts

The financial statements are an expression of the government's accountability to parliament and civil society on how well it has exercised its responsibilities as custodian of the public purse.

The purpose of the annual audit of the financial statements is to provide the users thereof with an opinion on whether the financial statements fairly present, in all material respects, the key financial information for the reporting period, in accordance with the financial framework and applicable legislation.

This year I have issued an unqualified opinion, on the financial statements of the Consolidated Revenue Fund Account of the government. This signifies consistency from last year 2016 when I also issued an unqualified opinion. This year's report seems to be consistent with last year as I continue to see improvement on a number of control issues including (i) the preparation of regular and complete financial and performance reports; (ii) review and monitoring of compliance with legislation; (iii) better records management system; and (iv) better controls over daily and monthly processing and cash management practices resulting in an increase in domestic revenue collection by 8% in 2017. This increase was as a result of the increase in the payment of non-tax and other revenue collected and paid into the Consolidated Revenue Fund Account, reduction of tax irregularities and unauthorised payments,

as well as the provision of adequate records on revenue collection. However, more work needs to be done on reconciliation of transactions in respect of tax and non-tax revenue between the relevant institutions.

Such basic controls and disciplines if sustained will continue to ensure that errors, omissions and non-compliance are prevented, detected and corrected in a timely manner.

Through my rigorous audit exercises and regular interactions with those charged with governance over the years, I have seen a moderate improvement in audit outcomes in recent years. However, I still continue to report the root causes of poor audit outcomes in governance as being:

- A slow response by those charged with governance to our message of embracing their responsibility to guide and direct the development and performance of a strong system of internal controls in ministries, departments and agencies (MDAs). This includes improving their oversight function, demonstrating effective and ethical leadership, strengthening the audit committees and insisting on credible and regular reports on the finances and activities of MDAs.
- A lack of consequences for poor performance and transgressions in general governance; this is evident from the inadequate response to the high levels of unauthorised, irregular as well as fruitless and wasteful expenditure, as detailed in the audit report in other paragraphs indirectly supporting the opinion; and the weaknesses in performance management, which include a lack of credible and effective performance management systems across MDAs.
- MDAs are not taking effective action to address the basic problems of lack of monitoring and supervision, and non-adherence to legislation, due to the outright disregard for established laws and regulations in the conduct of public financial business

The intervention of the PAC in following up on the implementation of the audit recommendations will make a real contribution to enhancing scrutiny of the report of the Auditor-General. It continues to be my fervent hope and belief that with greater collaboration between the executive, parliament and the Auditor-General, we could ensure that those charged with the implementation of programmes and/or projects, adhere to the constitutional and statutory provisions aimed at effective public financial management, enhanced transparency, accountability and good governance. This will ultimately build trust in public officials, institutions and systems responsible for effective financial management.

I have again in this report drawn attention to several instances of non-compliance with financial and other regulations, as well as errors that occurred in the processing of transactions. These instances, though not of a material nature to the financial statements as a whole, are the results of systemic weaknesses that have persisted over time and other breakdowns in internal control. I have provided recommendations which, if implemented, can serve to reduce the incidence of the irregularities and correct the causes of the conditions I have reported on.

Cities, Districts and Municipal Councils

The annual financial statements for 19 local councils were submitted for audit. We however noted that 14 (or 74%) of the councils submitted their financial statements after the legislative deadline of 31st March 2018 and that there was massive transfer or absence of key council personnel during the entire audit process. These absences negatively affected the timeliness of the publication of the audited reports as the statutory reporting deadline date of 30th June, 2018 was not met. Significant matters identified in the audit examinations across local councils fall into the following categories:

- Material deviation from the legislative framework for the submission and audit of financial statements.
- Ineffective implementation of outstanding audit recommendations.

- Unsatisfactory budgetary performance.
- Ineffective human resource management.

In as much as the above issues are common across different councils, there were a few that performed better than most.

Performance Audit

In this chapter, we present summaries of a number of performance audits we tabled in Parliament this year. These are tabled as special reports under Section 95(6) of the Public Financial Management Act 2016. In principle, Section 11 (2c) of the Audit Service Act of 2014 mandates the Auditor General to carry out value-for-money and other audits to ensure that efficiency, effectiveness and economy are achieved in the use of public funds”.

Three performance audit reports were submitted to Parliament for tabling. These audits were:

- Management of healthcare wastes at regional referral hospitals by the Ministry of Health and Sanitation.
- Management of fertiliser scheme by the Ministry of Agriculture, Forestry and Food Security.
- Management of school facilities by the Ministry of Education, Science and Technology.

A report on the preparedness of Sierra Leone for implementation of the Sustainable Development Goals (SDGs), was also approved by the Auditor-General for onward submission to Parliament.

Below are highlights of issues from the various performance audit reports.

(i) Preparedness for Implementation of the Sustainable Development Goals

The following were observed:

- The Department of Central Planning, Monitoring and Evaluation (CPME) that was at MOFED and currently at MODEP, had not integrated the SDGs into its National Development Plan (NDP), which is the Agenda for Prosperity (2013 – 2018).
- Content analysis of the advanced draft report on adaptation of the goals in Sierra Leone indicates that the country has failed to identify and explain the gaps between the NDPs and the SDGs.
- The CPME unit at the MOFED did not inform the government agencies of their roles and responsibilities in the integration and implementation of the SDGs.
- No process has been designed to identify the stakeholders that are relevant for the successful implementation of the SDGs.
- The MOFED has erected billboards and posters of the 17 SDGs in most MDAs, and along some major highways. However, it has not reached out to the national, sub-national and local level with information and other materials that are tailored to their specific functions, roles and responsibilities.
- The Sierra Leone advance adaptation report on the SDGs was silent on the resources and capacities needed for the implementation, monitoring and reporting of the 2030 Agenda.
- The thirteen sector papers have not been consolidated into the National SDGs Investment Plan (NaSIP) apparently due to unavailability of funds.
- The CPME unit at the MOFED has not been able to identify and secure the capacities required to implement, monitor and report on the priorities in the 2030 Agenda.
- There was no evidence of partnership opportunities created to invest in areas critical to sustainable development.

- There was no evidence to show that MOFED had set up task forces for managing all the risks associated with resources and capacity for the implementation of the SDGs.
- There was no evidence that the Office of National Security (ONS) designed a framework for:
 - Effectively overcoming uncertainty, change and surprise across all areas geared towards the implementation of the SDGs.
 - Testing system mechanism that will be applied regularly in the development planning.
 - Policy-making process for detecting emerging issues and examining the ability of plans, policies and programmes.
- Some relevant institutions were not aware of their roles and responsibilities towards implementation of the SDGs.
- Statistics Sierra Leone (SSL) did not have the capacity to measure the goals that were related to the environment.

(ii) *Management of School Facilities by the Ministry of Education, Science and Technology*

The following findings were observed:

- There was overcrowding in all 35 schools visited.
- There was insufficient furniture in almost all of the schools visited.
- Out of the thirty-five sampled schools, ten were in a deplorable condition as they lacked maintenance.
- Water, sanitation and hygiene facilities were poor in some schools and lacking in others.
- Various schools visited did not have any form of science laboratory; some schools that had the facility were dilapidated and unusable.
- Inadequate and inappropriate recreational facilities were observed in most of the schools visited and the Ministry did not have any plans in place for the maintenance of such facilities.
- Maintenance of school facilities was not budgeted for by the MEST.
- Infrequent inspection of school facilities was observed.
- School Inspectorate Inspection Forms were not properly completed.

(iii) *Management of healthcare wastes at regional referral hospitals by the Ministry of Health and Sanitation.*

The following were observed:

Planning of Healthcare Waste Management Activities

- No specific plan for healthcare waste activities.
- Healthcare waste management not adequately budgeted for.
- No healthcare waste management team in existence.
- Inadequate steps taken to minimise healthcare waste.
- Lack of mechanisms for waste tracking.
- Inefficient monitoring of waste management activities
- Environmental Impact Assessments license not obtained by the MoHS for treatment and disposal of waste.

Compliance with Healthcare Waste Standards

- Improper use of bins and bags in the segregation of healthcare waste.
- Inappropriate segregation of healthcare waste.
- Overfilled waste containers in the hospitals.
- Waste not treated before disposal.
- Inappropriate on-site storage of waste prior to disposal.

- Unsafe disposal of healthcare waste.
 - Disposal of infected general waste in municipal dumpsite.
 - Liquid waste discharged into the Atlantic Ocean.
 - Dumping healthcare waste close to the facility.
 - Unsafe methods adopted for final disposal of healthcare waste.
 - Inappropriate burning of healthcare waste.
- Lack of trained and certified staff to operate modern waste equipment.
- Insufficient consumables.
- Waste equipment are kept idle.
- Wastes handlers are not adequately protected.
- Inadequate mechanisms to create public awareness on risks associated with healthcare waste.

(iv) *Management of Fertiliser Scheme by the Ministry of Agriculture, Forestry and Food Security*

The following findings were reported:

- Neither a policy document on the management of the fertiliser scheme nor a redistribution criterion had been developed by the Ministry to guide the redistribution process of seed rice recovered from fertiliser scheme.
- In spite of the fact that there was over pricing and delay in the purchase and delivery of fertilisers respectively; fertiliser supplied did not meet the required technical specifications and the Ministry did not claim payment for damaged fertiliser from the suppliers.
- Fertilisers were missing at the MAFFS stores at Kissy.
- There were poor storage conditions.
- The stacking of fertiliser in the stores was not done in an orderly manner.
- Store issue procedures were not observed.
- The Ministry failed to develop a fertiliser distribution plan.
- Perished and unusable fertilisers were distributed to farmers.
- The cost and basis of the recovery of fertiliser was observed to be very low.
- There were unauthorised withdrawals as well as unsupported utilisation of recovered fertiliser funds.
- Recovered seed rice were not accounted for.
- There was poor management of records for the distribution of fertiliser.

Civil Society Organisations

We present a consolidated report on the review of the activities of selected civil society organisations (CSOs) in Sierra Leone. The review was conducted on the basis of a request received from the Office of the President and the Auditor-General's mandate to audit all institutions that are receiving monies from the Consolidated Revenue Fund, or receiving monies for and on behalf of the Government and people of Sierra Leone. It covered the period 2015-2016 and focused on the operations and activities of the following CSOs: FOCUS 1000; Aberdeen Women's Centre; Planned Parenthood Association of Sierra Leone; Action Plus and SOS Children's Village, Sierra Leone Trust.

Even though the audit revealed few flaws in the area of taxes not deducted and paid over to the NRA as well as the non-establishment of an internal audit unit amongst others, the CSOs complied with the relevant rules and regulations to a large extent. Typical amongst these include the following:

- The objectives for the establishment of CSOs.
- Registration with the NGOs' desk at MoFED before commencing operations.

- The accounting systems and controls set in the programmes of CSOs (as well as relevant laws within our local acts).
- The records management system was adequate across CSOs.

Follow-Up on Audit Recommendations

Our observations and recommendations are still not being given the level of attention they deserve. Parliament, citizens and international donors have a right to know about the utilisation of resources. There is a clear pattern of repeated observations across all the audit entities we reviewed. The areas of repetition relate to basic tenets of public financial management and compliance with the laws of this country as enacted by Parliament. Some of the control systems for which procedures and laws are not being followed by public officers are as follows:

- Cash management and internal control.
- Public procurement management.
- Basic records management of an administrative and financial nature.
- Management of assets.

We reviewed 232 recommendations derived from analysis of 2016 audit recommendations for 13 audit entities.

The following is the status:

- 79 have been implemented
- 139 have not been implemented
- 14 remain in progress

The implementation rate of 34% is not encouraging. Overall, 4 of the 13 entities have an implementation rate of less than 25%.

We encourage the PAC to regularly request status reports of these recommendations that are “not implemented” and those that “remain in progress.”

Ministries, Departments and Agencies

We estimate there have been losses in cash and stores of over Le37 billion. This is attributed to a number of reasons, some inter-related as in previous years. On a whole, the situation suggests that public financial management has to be improved in all MDAs as suggested in previous years.

For example:

- A perennial problem, payments without adequate supporting documents persists in almost all the MDAs creating doubts in most of the transactions.
- There are instances where withholding taxes are not deducted from suppliers or contractors and paid to the NRA.
- Transactions/payments are executed without supporting documents.
- Several significant lapses were observed in procurement procedures resulting in incomplete transactions and hence unsatisfactory service delivery.
- Fixed assets are not adequately recorded in applicable registers and other documents making control weak and audit verification difficult.

Although there has been a little improvement over the years, implementation of audit recommendations for improvement in controls remains too slow and is reflected in the performance and outcomes of MDAs. As noted also, some institutions have failed to make adequate, if any, responses to our audit observations. This is unacceptable and is not deserved by taxpayers and citizens of this country whose

resources ought to be managed optimally with due regard for economy, efficiency and effectiveness, fully in accordance with the intent of Parliament.

Public Enterprises, Commissions, and Donor Funded Projects

A number of public enterprises missed their statutory deadline for preparation, publication and submission of annual financial statements. Twelve Public Enterprises have not produced annual financial statements for 2017. Some are more than a year behind schedule and a few are almost up to date.

The issues below are observed to be cross-cutting issues in most public enterprises and commissions. The significant matters identified in the audit examination fall into the following areas:

- Lack of supporting documentation for transactions.
- Missing relevant supporting documents.
- Poor management of procurement transactions.
- Mismanagement of assets mainly in the area of not making use of the asset register.
- No evidence that staff performance appraisals were conducted.
- Cash and bank reconciliation ignored.

There are also instances of poorly managed or largely non-existent document filing systems, inadequate personnel records, payroll calculation errors and less than well-functioning internal audit departments.

The overall output of PEs and donor funded projects suggest a need for improvement in financial management system with a clear focus on basic principles of internal control.

Schools

We continue our focus on audit of schools on high risk areas. For each school selected, we examined a test sample of payroll, revenue, assets management and expenditure transactions. Our audit objective was focused on evaluating the adequacy of internal controls in the collection of fees and on expenditure from those sums which served as a platform for effective school operations as well as procedures. We also sought to determine whether applicable laws, policies and regulations had been complied with and whether the systems and practices were adequate to exercise a reasonable level of internal control over operating activities.

In spite of several recommendations proffered to the audited schools and vocational institutions, for the attention of MEST, our reviews showed that MEST has done very little to ensure that corrective action is taken to address administrative and financial management issues in the secondary school system. Typical among these are as follows:

- Non-submission of documents for audit inspection.
- Inadequate control over revenue and receipts.
- Monthly bank reconciliations not prepared.
- Procurement procedures not followed.
- Disbursement procedures not adequately followed.
- Poor fixed assets management.

We suggest that MEST reviews the situation and takes corrective action so as to enhance improvement in the secondary school sector.

INTRODUCTION

Audit Service Sierra Leone is the Supreme Audit Institution of the state; that is to say, we are the external auditor of the government's accounts. We give assurance that public funds have been utilised as by law established. As such, we are active members of the International Organisation of Supreme Audit Institutions (INTOSAI) and in conducting our work we comply with its professional and ethical standards known collectively as the International Standards of Supreme Audit Institutions (ISSAIs).

Differing Roles

Whilst the role of the government official is to ensure quality service delivery, our role, as the external auditor of the government, is to provide an independent professional voice assessing how well the government, supported by the public officials, delivers services generally and public financial management in particular. In these efforts, civil servants are to comply with government laws, regulations and policy as approved by Parliament.

As auditors are concerned with how public expenditure is accounted for; and with the orderly and equitable collection of all revenue to which the government is entitled, a key part of our role is to bring issues of internal control, deficits in matters relating to efficiency, effectiveness and economy in the use of public funds and failure to meet accountabilities conferred to the attention of stakeholders including citizens. We do this through our annual report. In short, the role of the ASSL is to examine whether or not public funds are spent economically, efficiently and effectively in compliance with existing laws, rules and regulations and as intended by Parliament, as well as being clearly and accurately reported.

Evaluators and auditors frequently talk in terms of inputs, outputs and outcomes where inputs are our audits and the outputs are our observations and recommendations. Implementation of our recommendations by auditee management improves outcomes. The latter for the most part deal with controls over the public purse. Our audits are detailed examinations of government financial activities. We examine these through the prism of accounting and auditing standards that enjoy global acceptance. Specifically, our audit work complies with INTOSAI professional and ethical standards.

Brief History of ASSL

ASSL was originally established as the Audit Department, through the Audit Act of 1962. It became the first audit institution to exist in the country. The office later became the Auditor General's Department and, ultimately, enabled by the Audit Service Act 1998, the Audit Service Sierra Leone is now further empowered by the Audit Service Act of 2014.

Infrastructure and Resources

Since 1962, the office expanded progressively by opening regional offices in Bo, Kenema and Makeni. Headquartered in Freetown, ASSL operates in the Youyi and Lotto buildings. It is hoped that construction on our new headquarters at Tower Hill, which commenced some years back, and was stalled, will soon recommence. Its completion would permit consolidation of all Freetown staff to one location with the resulting efficiencies and economies of scale.

Over the years some considerable success in recruiting skilled young graduates from local universities has been achieved. Upon hiring, the graduates are encouraged to pursue certification as full members of a professional accounting body. We have also been able to attract experienced professionally qualified staff from the domestic market to our mid-and senior-level positions. However, more financial resources are needed as we pursue the improvement of public financial management in Sierra Leone, as mandated by the Constitution, the Audit Service Act (2014) and other related financial legislations.

Our Mandate and Independence

Section 119 of the 1991 Constitution of Sierra Leone mandates the Auditor-General to audit the Public Accounts of Sierra Leone and all public offices, including the Courts, the accounts of the Central and Local Government Administration. Her mandate includes the university and public institutions of like nature, statutory corporations, companies or other bodies and organisations established by an act of parliament or statutory instrument or otherwise set up partly or wholly out of public funds.

The independence of the Auditor-General in discharging the responsibilities of the office is strongly supported by the Constitution of Sierra Leone. Section 119(6) of the Constitution states:

“In the exercise of his functions under this Constitution or any other law, the Auditor-General shall not be subject to the direction or control of any person or authority.”

This independence is a fundamental characteristic of all well-functioning SAIs and one which we value and defend.

There are other protections as well. For example, the Audit Service Act 2014, under section 35(2) states:

“The Auditor-General or any person acting for and on behalf of, or under the direction of the Auditor-General shall not, in the exercise of his functions under this Act, be a competent or compellable witness in respect of any proceedings other than the prosecution of an offence of perjury.”

This is designed to guard against intimidation of staff and is balanced with severe sanctions, including heavy fines or imprisonment, for ethical breaches by staff. In addition to constitutional protection of our independence as an institution, we are further covered by section 19 which states:

“Employees of the Audit Service shall not be subject to the authority of the Public Service Commission.”

To balance the impact of this exemption, under section 3 of the same act, an Advisory Board is created:

“... for the appointment of persons, other than the Auditor-General, to hold or act in offices as members of the Audit Service and to exercise disciplinary control over such persons, including the power to suspend or remove any of them, and to determine their terms and conditions of service.”

Such independence was hard-earned by ASSL no less than by other SAIs around the world and is recognised even by United Nations General Assembly resolution and the INTOSAI Lima Declaration of 1975.

ASSL's Vision

Our vision is to be a leading audit organisation promoting excellence and accountability in public institutions.

Mission Statement of ASSL

We seek to be a role model by proactively ensuring value for money from public funds through a highly competent satisfied workforce of integrity.

Our Core Values

The following ethical values underpin the work of all staff members of the ASSL:

- Professionalism - we carry out our work competently with respect, and in the public interest.
- Integrity - we are straightforward and honest in all professional and business relationships and deal fairly with those we work.
- Impartiality - we are unbiased and politically neutral.
- Objectivity - we always ensure we avoid any actual or perceived conflict of interest in the work we do.
- Independence - as an organisation, we work independently from Government.

Compliance with INTOSAI Auditing Standards

As previously noted, ASSL is the Supreme Audit Institution of the state; that is to say, we are the external auditor of the government's accounts. We are an active member of INTOSAI and in conducting our work, we comply with its professional and ethical standards known collectively as the International Standards of Supreme Audit Institutions (ISSAIs).

Reading this Report

The 2017 Report is divided into two parts - Part I and Part II. This segregation into Parts I and II is merely a way of showing financial statements, technical accounting observations, and comments of a more global nature, separately from detailed entity-focused findings.

Part I

This part comprises the following:

- The audit opinion on the financial statements of the Government of Sierra Leone for the year-ended 31st December, 2017 and related comments on the audit examination findings.
- A chapter of summarised performance audit reports.
- A chapter drawn from an analysis of audits of Local Councils.
- A chapter on activities of selected Civil Society Organisations.
- A chapter on the review of implementation of audit recommendations.

Part II

This part comprises of extracted findings from management letters arising from compliance audits conducted in MDAs, parastatal enterprises and commissions which though separate from government are nonetheless part of it, and matters arising from audits of schools.

Plain Language

I have continued to use the plain language approach that began in my 2010 report. This is in the interest of clarity and unambiguously communicating facts on the condition of public financial management in Sierra Leone as well as my views on what needs to improve.

Main Points

This report is recommended to all citizens of Sierra Leone, donors and civil society organisations and importantly to our elected representatives in Parliament. However, I recognise that not everyone has either the time or natural tendency to read all the detail it contains. For readers not wishing to get into the details at the beginning of each chapter, I include a summary called Main Points. In these I set out three basic matters:

- *What we examined* - We describe what the audit looked at and in some cases what we did not look at.

- *Why it is important* - We make the case for the relevance and significance of an area or issue.
- *What we found* - The most significant findings of the audit. The intention of Main Points is to succinctly convey quickly and accurately the major messages arising from our work as described more fully within the chapter. They set out, in summary form, the key matters contained in the main text which, in our judgment, need to be brought to the attention of citizens, donors, civil society organisations and parliamentarians; and to be addressed by the government and the public service.

ASSL is Making Progress

As a technically well-functioning highly regarded institution, supported by a growing group of accounting professionals, ASSL has been working with other partners to build staff capacity mainly in performance and financial auditing.

There has been marked improvement in the efficiency and quality of our work and the internal consistency of our audits. We can therefore legitimately claim to be one of the best-performing public-sector organisations in the nation with increased international recognition. We use ISSAIs for a better quality control that is embedded in how we do our work that is reflected in our working paper files. We carry out not only financial, compliance and regularity audits but also have made strides in bolstering our performance audit and extractives industries audit which I continue to believe is where, like other SAIs, our future development lies.

Looking to the Future

The role of the ASSL is a key pillar to achieving sound public financial management in Sierra Leone. Notwithstanding, financial management in Sierra Leone is improving slowly at best. We make observations on issues coming to our attention and provide recommendations for improvement to the public financial management system. For years, ASSL has been reporting an array of audit issues giving recommendations. However, we are yet to note significant progress in addressing those issues.

With a thorough follow-up on recommendations, we are in the position to disclose to taxpayers both improvement and or deterioration in government programmes and operations. The merits of such an exercise are not in the number of recommendations made, but in their effective implementation.

Passionate about the positive outcome of audit recommendations, ASSL has not only been technically supportive to the PAC deliberation on audit findings and recommendations over the years but has also gone a step further to present to the public in our audit report the status of previous audit recommendations of key MDAs and PEs. It is hoped that in the near future our efforts in this regard will yield more dividend than seems to be the case at present.

In 2019, we hope all institutions, particularly public enterprises, will submit financial statements for audit at the earliest possible date; otherwise the normal approach of bringing to the attention of the public those institutions considered to be deliberately flouting legitimate rules and regulations for the submission of financial statement will proceed.

Relationship with PAC

When the report of the Auditor-General is submitted to parliament, the PAC has the responsibility to summon vote controllers and other stakeholders to respond to issues raised in the audit report. The PAC's own accountability process is further strengthened through support by an ASSL technical unit located in parliament headed by the AG or her Deputy. The team briefs the Committee at pre-hearings and during hearings. Officials summoned by the Committee are requested to make submissions on the

issues raised by the Auditor-General. After deliberations, the PAC prepares its report on the AG's Annual Report. It contains the PAC's recommendations.

A Word of Thanks

I take this opportunity to acknowledge the dedication and quality of our employees who, through their contribution, have enabled Audit Service Sierra Leone to continue to maintain its professionalism. Finally, a note of gratitude goes to the re-elected and newly elected Parliamentarians, Ministers of Government and public officials, who in one way or the other have enhanced the work of Audit Service Sierra Leone. It is with considerable pride I present this report.

PART I

CHAPTER I- AUDITOR GENERAL'S OPINION ON THE PUBLIC ACCOUNTS

TABLE OF CONTENTS

MAIN POINTS	2
1.1. AUDITOR GENERAL'S OPINION ON THE CONSOLIDATED REVENUE FUND ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2017	4
1.2. UNQUALIFIED OPINION.....	5
1.3. EMPHASIS OF MATTER.....	5
1.4. OTHER MATTERS.....	6
1.5. CONSOLIDATED REVENUE FUND ACCOUNT.....	7
1.6. NOTES OF EXPLANATIONS AND ELABORATION TO THE PUBLIC ACCOUNTS.....	11
1.7. ADDITIONAL NOTES TO THE ACCOUNTS.....	28
1.8. SUPPLEMENTARY DISCLOSURES IN APPENDICES	30
1.9. SOME COMMENTS ON THE CONSOLIDATED REVENUE FUND ACCOUNT.....	51
1.10. PRESENTATION OF THE CONSOLIDATED REVENUE FUND ACCOUNT.....	53
1.11. EXTERNAL PUBLIC DEBTS.....	53
1.12. DOMESTIC REVENUE COLLECTION	53
1.13. PAYROLL.....	54
1.14. OTHER CHARGES.....	55

MAIN POINTS

What we examined

Sections 87 (1) of the Public Financial Management Act (PFMA) of 2016 requires the Accountant General to draw up and sign the annual financial statements of the Consolidated Fund not later than three months after the end of a financial year and to submit them together with his explanatory report to the Auditor General for auditing through the Minister of Finance. The explanatory report referred to in subsection (1) includes an overview of the annual financial statements of the Consolidated Fund and other information requested by Parliament.

The Annual Financial Statements of the Consolidated Fund are prepared in accordance with International Public Sector Accounting Standards (IPSAS) cash and the PFM Act 2016, and contain other information prescribed by the Minister of Finance. The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies as indicated on pages 7 to 50 of this report. It seeks to ensure that reliable and relevant accounting information are made available to Parliament in particular and to the public in general to enable interested parties make an informed judgment on the management of the Consolidated Fund and the financial performance of government. It also assists in providing basic data to aid the process of determining important macro-economic performance indicators, such as growth rate, interest rate, inflation, etc.

The Annual Financial Statements of the Consolidated Fund are subject to audit by the Auditor General in accordance with Section 119(2) of the 1991 Constitution of the Republic of Sierra Leone and Section 11 (1) of the Audit Service Act, 2014. Section 16 of the PFM Act, 2016 further mandates the Auditor General to Audit the Annual Financial Statement of the Consolidated Fund on an annual basis to enable her give an opinion on whether they show a true and fair view and have been prepared in accordance with the applicable reporting framework.

I selected a sample of transactions from the Integrated Financial Management Information System (IFMIS), on a risk basis, and examined the underlying supporting documentation. I also verified the accuracy of the compilation process used to produce the Annual Financial Statements of the Consolidated Fund and reviewed the system of internal control in place. These included, but are not limited to, segregation of duties, authorization, and record-keeping.

Why it is important

The Consolidated Revenue Fund Account (CRFA) of the Government of Sierra Leone shows the financial performance of the Government of Sierra Leone for the financial year ended 31st December 2017. It is prepared on the basis of monies received by, held in or paid out of the consolidated fund. The Government through the Accountant General's Department (known as the Treasury) operates a centralised treasury function that accounts for monies collected by the National Revenue Authority (NRA) and administers cash expenditures incurred by all Ministries, Department and Agencies (MDAs) with the exception of government business entities during the financial year.

The amounts appropriated to MDAs are not controlled by the MDAs but instead they are expended on their behalf by the treasury on the presentation of appropriate authorised supporting documents for each transaction. The amounts reported as allocations/appropriations in the statement of cash receipts and payments are those the Treasury has expended for the benefit of the MDAs.

The enactment of the PFMA (2016) put public financial management at the centre of PFM policy reform. The reforms are aimed at ensuring both fiscal efficiency and discipline in the use of public finances for the betterment of the people of Sierra Leone. Enactment of this Act repealed the

Government Budgeting and Accountability Act (GBAA) 2005. The PFMA (2016) is meant to provide for effective management of public finances by national and local government. To this end a series of practical steps such as the establishment of an inventory of Government of Sierra Leone (GOSL) bank accounts, the closure of dormant accounts, the hiring of consultants to assess the technological, infrastructure, organisational and institutional arrangements and plan for the Treasury Single Account (TSA) system implementation, etc. have been taken.

Notably also is the preparation of the annual financial statements of the Consolidated Fund in compliance with Sections 87 of the PFMA (2016).

These financial statements are also an expression of the government's accountability to parliament and civil society on how well it has exercised its responsibilities as custodian of the public purse. They are a report on the extent to which the Government has complied with the intent of Parliament as no revenue or expenditure may be collected or spent except as authorised by a parliamentary vote. They also allow citizens to see how Government is spending their money.

What we found

I found sufficient and appropriate audit evidence to support an unqualified audit opinion on the financial statements of the government of Sierra Leone (Consolidated Revenue Fund Account). The audit evidence I have gathered was sufficient throughout the audit engagement to render the financial statements to be a true and fair expression of the financial position and performance of the government with the exception of the issues mentioned in the emphasis of matter paragraphs.

The issuance of an unqualified opinion with an 'Emphasis of matter' paragraph on the accounts of the government of Sierra Leone signifies that there continue to be improvement in the accounting controls and the presentation of accounts.

The opinion is based on my professional judgement after evaluating the evidence gathered during the audit of the Consolidated Revenue Fund Account, and indirectly, on the findings of the many other audits undertaken throughout 2018 on transactions carried out in 2017. The issues giving rise to the unqualified audit opinion on the 2017 Consolidated Revenue Fund Account are summarised below.

External Public Debt

Debt Management servicing in the annual recurrent budget represents a significant value and is considered material in audit terms. The public debt liability is a major government liability and key sustainability issue for the Government of Sierra Leone. It requires comprehensive, accurate and timely records for good management. My audit procedures to confirm the completeness and accuracy of debts recorded in the public accounts involved the requesting of independent confirmations from external creditors and obtaining roll forward schedules detailing the movement of individual debts during the year. In addition, I compared the disbursed outstanding debts (DODs) disclosed in the public accounts with those in the books of the creditors and reports from the Commonwealth's Secretariat Debt Recording Management Systems (CSDRMS). Despite the fact that the confirmations received as part of the 2017 audit initially revealed a number of errors in the Consolidated Revenue Fund Account, I was able to verify consistency between the revised DODs and confirmations from creditors for majority of the loans in the final version of the Consolidated Revenue Fund Account.

Domestic Revenue

I continue to see improvement in the controls over assessment, collection and reporting of government revenue. The government revenue in 2017 was Le 3.2 trillion, increasing by 8% over the amount of Le2.96 trillion collected in FY2016. This was made possible by improvement in control procedures.

Nonetheless, there is need for regular reconciliation between the National Revenue Authority (NRA), Accountant General's Department and other stakeholders like transit banks and the Bank of Sierra Leone. This will help to sustain the opinion in the near future. Recent focus has largely been on reducing Government spending to help to balance the books; of course, the other side of this coin is the need to maximise Government revenue. Much more effort is however required in this area.

Financial Reporting Framework

Section 1.3.24 of the Cash Basis International Public Sector Accounting Standards (IPSAS) requires the disclosure of payments made by third parties. Few years back, this requirement was hardly met. However, in recent years (including 2017), the Accountant General has added a narrative disclosure to the Consolidated Revenue Fund Account acknowledging that the government received from various sources donations in kind such as vehicles, equipment or personnel services but that they cannot possibly identify and reliably ascertain the financial value received for such donations.

1.1. AUDITOR GENERAL'S OPINION ON THE CONSOLIDATED REVENUE FUND ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2017

I have audited the accompanying General Purpose Financial Statements (GPFS) of the Consolidated Fund of the Government of Sierra Leone for the year ended 31st December, 2017. The GPFS of the Consolidated Fund Accounts comprise of a Statement of Cash Receipts and Payments, a Statement of Comparison of Budget and Actual Revenue and Expenditure, a Statement of Cash Position, and other notes of explanations and elaboration as presented on pages 7 to 50 of this report.

Responsibility of the Ministry of Finance and Economic Development for the Consolidated Revenue Fund Account

The overall responsibility for maintenance, preparation and submission of the Consolidated Revenue Fund Account lies with the Minister of Finance.

Section 5 (1) of the PFM Act 2016 states amongst other things that the Minister shall in accordance with this act and any other enactment:

- Develop the Government's fiscal policy covering the general government through the preparation of Fiscal Strategy Statement and state budget documents including the medium-term budgetary framework mentioned in section 30 of the PMF Act 2016
- Formulate policies on, and exercise control over the acquisition, management, and disposal of financial and other assets held by entities included in the general government;
- Ensure transparency in the execution of state budgets, the management of public money, and the financial management of entities included in the general government and public enterprises;
- Prepare cash flow forecasts of public money in consultation with budgetary agencies and other entities included in the central government;
- Monitor, and exercise control over the execution of the state budget; and
- Monitor, and exercise control over, the financial management of entities included in the general government

The responsibility of the Accountant General for the Consolidated Revenue Fund Account is in Section 9 (2a) of the PFM Act 2016 which states that the Accountant General shall be responsible for *"keeping and rendering the accounts of the Consolidated Fund and preparing and publishing the annual statements of the Consolidated Fund"*.

Responsibility of the Auditor General

The General Purpose Financial Statements (GPFS) of the Consolidated Fund are subject to audit by the Auditor General in accordance with Section 119 (2) of the Constitution of the Republic of Sierra Leone, 1991. My responsibility is to express an opinion on these financial statements based on my audit. The audit was conducted in accordance with the International Standards of Supreme Audit Institutions. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 controls.

An audit also includes evaluating the:

- Appropriateness of accounting policies used;
- Reasonableness of accounting estimates made;
- Overall presentation of the financial statements; and
- Adequacy of the design and the effective implementation of internal controls.

I have been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

1.2. UNQUALIFIED OPINION

In my opinion, the General Purpose Financial Statements of the Consolidated Fund give a true and fair view, in all material respects, of the financial position of the Government of Sierra Leone as at 31st December, 2017 and its receipts and payments and additional financial statements (Statement of Comparison of Budget and Actual Revenue and Expenditure, and the Statement of Cash Position), and have been prepared in accordance with the Cash Basis International Public Sector Accounting Standards (Cash Basis IPSAS), Public Financial Management (PFM) Act, 2016, and other applicable laws and regulations.

1.3. EMPHASIS OF MATTER

Difference between Bank of Sierra Leone's swift payment records and Disbursed Outstanding Debts

I draw attention to Statement A and notes 23 and 27 of the General Purpose Financial Statements which disclose the amounts of repayment and service dues made to creditors during the review period. The Accountant General relies heavily on the Public Debt Unit and the Bank of Sierra Leone for information on repayment and service dues. However, the Bank of Sierra Leone's (BSL) swift payment records revealed repayments and service dues of Le75.3billion which could not be traced to the schedule of Disbursed Outstanding Debts (DODs) prepared by the Public Debt Unit. This makes it difficult for me to be sure that the figure as presented in the accounts are free from misstatement.

My opinion is not qualified in respect of the above matter.

1.4. OTHER MATTERS

I draw attention to the under-mentioned matters that are ancillary to my responsibilities in the audit of the General Purpose Financial Statements of the consolidated fund.

Taxes not deducted from allowances and paid into the Consolidated Revenue Fund by the Accountant General's Department

Taxes were not deducted from top-up allowances paid to employees and consultants, and paid to the relevant authority. Section 116(1) of the Income Tax Act 2000 requires an employer to withhold tax from employment income as follows: (a) in the case of an employee who is resident or temporarily resident in Sierra Leone, at the rates prescribed in Part I of the First Schedule; or (b) in the case of an employee who is not resident in Sierra Leone at the rate prescribed in Part II of the Second Schedule. Failure to deduct tax from employment income could mean due diligence was ignored in the payment of allowances to employees and consultants of MDAs. This may have led to the loss of much needed government funds.

Foreign Travel (Ticket) Tax not deducted properly and paid to the NRA

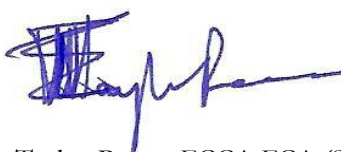
The Foreign Travel (Ticket) Tax Act, 1975 (amended by Act no. 4 of 2004) required airlines to deduct 10% tax from the procurement of tickets by every person departing from Sierra Leone via ship, aircraft or other means of transport. The act also states that a penalty of 15% per month is chargeable where a person collects the tax and fails to pay it to the NRA on time. However, from January to June 2017 the effective tax rate of 10% was not properly deducted from the sales made by Kenya Airlines and Air France. A re-performance of the calculations revealed that the sum of Le1.1billion was not deducted from the sales made by the stated airlines and paid through the NRA into the CRF. It was also evident from my audit that the NRA did not levy any penalty charge on the concerned airlines. This may have resulted in the loss of government much needed revenue and thus deprived the Government from meeting its planned commitments.

Arrears in respect of customs duty and domestic tax not collected

Taxes due for collection from individuals, corporate bodies and other institutions by the Domestic Tax Department and Customs Division of the National Revenue Authority, but which had remained uncollected stood at approximately Le16 billion based on our samples tested. Most of the irregularities arose from assessed tax unpaid, as well as poor supervision of schedule officers, failure to enforce tax laws and financial regulations, and management's failure to promptly settle disputes and sanction offenders.

Government's contribution to defray the cost of funeral expenses without any regulation/policy

Funds amounting to Le2.3billion and US\$4,447 were withdrawn from the Consolidated Revenue Fund account at the Bank of Sierra Leone to defray the cost of funeral expenses of some senior government officers who had passed away without any regulation, policy or other legal instrument to justify the stated disbursements. However, this was done without any regulation, policy or other legal instrument to justify the stated disbursements. In the absence of a legal instrument, such disbursements could be considered ineligible. Apart from the fact that no legal instrument existed for the disbursement of such funds, there was also no evidence to indicate how the stated amounts were expended on the funerals of the deceased. This may create suspicion that government's much needed funds have been misappropriated.



Lara Taylor-Pearce FCCA FCA (SL) (Mrs.)
AUDITOR GENERAL

1.5. CONSOLIDATED REVENUE FUND ACCOUNT

STATEMENT A

STATEMENT OF CASH RECEIPTS AND PAYMENTS OF THE CONSOLIDATED FUND FOR THE YEAR ENDED 31ST DECEMBER 2017

Amounts in millions of Leones

	Note	FY2017	FY2016
REVENUE AND GRANT RECEIPTS			
Domestic Revenue			
Income Tax Receipts	6	1,190,018	1,278,788
Goods and Services Tax (GST) Receipts	7	702,114	658,635
Customs and Excise (C & E) Receipts	8	732,620	563,097
Mineral Resources	9	149,029	155,287
Fisheries	10	74,175	60,341
Other Departmental Receipts	11	239,249	159,394
Road User Charges	12	112,899	86,543
Total Domestic Revenue Receipts		3,200,104	2,962,085
Receipts from Foreign Grants (Direct Budgetary Support - Grants)			
HIPC Debt Relief Assistance	13	12,311	8,716
Other Grants and Aid	14	174,849	406,617
Total Direct Budgetary Support Grants		187,160	415,333
TOTAL REVENUE AND GRANTS RECEIPTS		3,387,265	3,377,418
EXPENDITURE PAYMENTS			
Recurrent Operations			
Wages, Salaries and Employee Benefits	15	1,887,926	1,786,516
Use of goods and services	16	1,314,528	956,782
Transfers and Grants			
Grants to Tertiary Educational Institutions	17	191,228	180,187
Transfers to the Road Fund	18	112,899	86,543
Transfers to Local Councils	19	55,859	98,463
Other Grants	20	18,034	18,260
Other Recurrent Payments	21	2,390	21,257
Interest Payments			
Financing Costs – Domestic Interest Payments	22	535,283	142,347
Financing Costs – External Interest Payments	23	66,771	61,778
Total Interest Payments		602,053	204,124
Total Recurrent Expenditure Payments		4,184,917	3,352,132
Domestic Capital/Development Expenditure	24	936,528	657,585
Arrears Payments	25	169,744	167,885
TOTAL EXPENDITURE PAYMENTS		5,291,189	4,177,603
CASH SURPLUS/(DEFICIT), INCLUDING GRANTS		(1,903,925)	(800,185)
FINANCING ITEMS			
External Borrowing (Loans)	26	531,351	310,614
External Debt Amortization	27	(264,199)	(144,993)
Domestic Borrowing (Net)	28	634,718	416,989
Privatization Receipts	29	0	4,874
Staff Loans and Advances (Net)	30	135	4
Other Items (Net)			
Returned Payments		12,297	2,202
Cheques Payable - FY2016		(240,364)	(74,306)

STATEMENT A**STATEMENT OF CASH RECEIPTS AND PAYMENTS OF THE CONSOLIDATED FUND
FOR THE YEAR ENDED 31ST DECEMBER 2017**

Amounts in millions of Leones

	Note	FY2017	FY2016
<i>Cheques Payable - FY2017</i>		47,985	227,835
Total Other Items (Net)		(180,082)	155,732
OVERALL CASH SURPLUS/(DEFICIT)		(1,182,002)	(56,964)
Cash Balance at 1st January 2017	31	(194,517)	(137,553)
Cash Balance at 31st December 2017	31	(1,376,519)	(194,517)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on _____ 20..... and signed by:

Richard S Williams**Accountant General****Government of Sierra Leone**

Date

STATEMENT B

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL REVENUE AND EXPENDITURE FOR THE YEAR ENDED 31ST DECEMBER 2017

Amounts in millions of Leones

	Budget Estimates	FY2017 Actual	Surplus/ (Shortfall)	FY2016 Actual
Domestic Revenue				
Income Tax Receipts	1,261,266	1,190,018	(71,248)	1,278,788
Goods and Services Tax (GST) Receipts	829,213	702,114	(127,099)	658,635
Customs and Excise (C & E) Receipts	1,036,855	732,620	(304,234)	563,097
Mineral Resources	167,567	149,029	(18,538)	155,287
Fisheries	62,009	74,175	12,166	60,341
Other Departmental Receipts	111,087	239,249	128,162	159,394
Road User Charges	128,101	112,899	(15,202)	86,543
Total Domestic Revenue	3,596,098	3,200,104	(395,993)	2,962,085
Total Direct Budgetary Support Grants	254,400	187,160	(67,240)	415,333
Total Revenue and Grant Receipts	3,850,498	3,387,265	(463,233)	3,377,418
EXPENDITURE PAYMENTS				
Wages, Salaries and Employees Benefits	1,808,474	1,887,926	(79,452)	1,786,516
Use of goods and services	1,292,774	1,314,528	(21,754)	956,782
Transfers and Grants				
Grants to Tertiary Educational Institutions	129,090	191,228	(62,138)	180,187
Transfers to the Road Fund	128,101	112,899	15,202	86,543
Transfers to Local Councils	83,439	55,859	27,580	98,463
Other Grants	36,074	18,034	18,040	18,260
Other payments	0	2,390	(2,390)	21,257
Total Non-Interest Recurrent Expenditure Payments	3,477,952	3,582,864	(104,912)	3,148,008
Capital/Development Expenditure	563,916	936,528	(372,612)	657,585
Financing Costs – Domestic Interest Payments	468,421	535,283	(66,861)	142,347
Financing Costs – External Interest Payments	79,757	66,771	12,987	61,778
Arrears Payments	21,529	169,744	(148,215)	167,885
Total Expenditure Payments	4,611,575	5,291,189	(679,614)	4,177,603
Cash Surplus/(Deficit) from operations	(761,077)	(1,903,925)	(1,142,847)	(800,185)
External Borrowing (Loans)		531,351		310,614
External Debt Amortization		(264,199)		(144,993)
Domestic Borrowing (Net)		634,718		416,989
Privatization Receipts		0		4,874
Staff Loans and Advances (Net)		135		4
Other Items (Net)		(180,082)		155,732
Net Financing Flows	0	721,923		743,220
Overall Cash Surplus/(Deficit)		(1,182,002)		(56,964)

STATEMENT C

STATEMENT OF CASH POSITION AS AT 31ST DECEMBER 2017

Amounts in millions of Leones

	As At 31st December 2017	As At 31st December 2016	Change in Balances
CONSOLIDATED FUND			
CASH AND CASH EQUIVALENTS			
Treasury Ways & Means Advances Account	120,030	111,587	8,443
MDRI Debt Relief Bank Account	512	512	0
Strategic Petroleum Fund Account	2,017	2,017	0
External Debt Service Payment A/C	439	0	439
Departmental Bank A/C	17,433		
TOTAL CASH AND CASH EQUIVALENTS	140,431	114,115	8,882
OVERDRAFTS HELD AT BANK			
Treasury Main Account	(159,562)	(23,502)	(136,060)
Other Charges Account	(907,373)	(258,073)	(649,300)
Salaries Account	(195,763)	(26,819)	(168,943)
Pensions Accounts	(34,074)	(237)	(33,837)
Infrastructure Development Fund	(182,559)	0	(182,559)
Departmental O/D	(37,619)		
TOTAL BANK OVERDRAFT HELD	(1,516,950)	(308,632)	(1,170,698)
NET CASH AND BANK BALANCES - CONSOLIDATED FUND	(1,376,519)	(194,517)	(1,161,816)

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

1.6. 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 Constitution of Sierra Leone 1991 and the Public Financial Management Act of 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 2017 predominantly on the basis of monies received by, held in or paid out by the Accountant General during the year under review. The 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 expenditures 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 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 2017* are those the Treasury has expended for the benefit of the MDAs. These also include adjustments for expenditure payments and cash balances for the three self-accounting entities within the Free-balance Accountability Suite used by the Government. These self-accounting entities are the Ministry of Defence (MOD), the Sierra Leone Police (SLP) and the Sierra Leone Correctional Service.

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 of 2016 (and its attendant regulations), and the National Public Procurement Act of 2016 (and its attendant regulations).

The principal address of the Accountant General's Department of the Ministry of Finance and Economic Development is Ministerial Building, George Street, Freetown, Sierra Leone. Website: www.mofed.gov.sl, Email: info@mofed.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 have been prepared on the 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 Leones, 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 2017 to 31 December 2017, 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 standardized GPFS. Notes shall be provided with detailed Statement of Revenues collected during the year by source of revenue and by line item accounts code. Also, a Statement of Arrears of Revenues as at 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 recognized 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 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 Leones 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 recognized 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

The 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 utilized.

l. 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 recognized/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 crystallized, 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 recognized only when the contingent event occurs and payment is made. Contingent assets are not recognized 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. Authorization Date

The Audited Financial Statements were authorized for issue on 25th March 2018 by Mr. Momodu L Kargbo, Minister, Ministry of Finance and Economic Development 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 (from 1st January 2017 to 31st December 2017) as for the financial statements. The Appropriation Act for FY2017 was adopted and passed into law by Parliament in December 2016. Following that, the Appropriation Act for FY2017 was signed into law by the President of the Republic of Sierra Leone in December 2016. There was no supplementary appropriation for financial year ended 31st December 2017.

The Original and Final Budget are predominantly the same, and changes between the two are a consequence of reallocations within the budget as a result of changing conditions and circumstances with the challenges brought about during Budget Execution.

The total amount of the Approved Appropriation from the Legislature for FY2017 comprises Wages, Salaries and Employees Benefits, Use of Goods and Services, Devolved Functions, Development Expenditure, Public Debts Charges, and Contingency Fund.

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 subvented 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 2017 amounted to Le1,190,018 million (Le1,278,788 million - FY2016). The summary details of the income tax receipts are presented in the table below:

Income Tax Receipts (In millions of Leones)				
	Budget Estimates FY 2017	Actual FY 2017	Surplus/ (Shortfall) FY 2017	Actual FY 2016
Corporate Tax	362,245	367,659		
Personal Income Tax	883,960	817,263	(66,697)	1,271,017
PAYE- Government Employees		167,504		146,105
Withholding Tax-Govt Contractors		38,179		0
Withholding Tax-Govt. Free Health Care		1,557		13,865
Other Personal Income Tax	15,061	610,023		1,111,046
Foreign Travel Tax		5,096	5,096	7,771
Total Income Tax Receipts	1,261,266	1,190,018	(61,601)	1,278,788

The total amount of Domestic Revenue (Tax) Arrears as at 31st December 2017 amounted to Le91.8 billion. Further details are presented in Appendix 1 - 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 2017 amounted to Le702,114 million (Le658,635 million - FY2016). The summary details of the income tax receipts are presented in the table below:

Goods and Services Tax (GST) Receipts (In millions of Leones)				
	Budget Estimates FY 2017	Actual FY 2017	Surplus/ (Shortfall) FY 2017	Actual FY 2016
Import GST	449,536	438,049	(11,487)	
Domestic GST	379,677	264,065	(115,612)	658,635
Total GST Receipts	829,213	702,114	(127,099)	658,635

8. Customs and Excise (C & E) Receipts

The total amount of Customs and Excise (C & E) Receipts collected during the fiscal year 2017 amounted to Le732,620 million (Le563,097 million - FY2016), with further details shown below:

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

	Budget Estimates FY 2017	Actual FY 2017	Surplus/ (Shortfall) FY 2017	Actual FY 2016
Import Duties	487,389	469,040	(18,349)	424,325
Petroleum Fuel Oils Excise Duty	491,900	224,070	(267,830)	138,772
Other Excise Duties	41,084	22,911	(18,173)	
Other Revenue Including Freight Levy	16,482	16,600	118	
Total C & E Receipts	1,036,855	732,620	(304,234)	563,097

9. Mineral Resources

The total receipts from mineral resources for FY2017 amounted to Le149,029 million (Le155,497 million - FY2016), with further details shown below:

Mineral Receipts (In millions of Leones)

	Budget Estimates FY 2017	Actual FY 2017	Surplus/ (Shortfall) FY 2017	Actual FY 2016
Royalty on Rutile	37,478	0	(37,478)	0
Royalty on Bauxite	9,313			
Royalty on Diamond and Gold	36,442	6,666	(29,776)	4,790
Royalty on Iron Ore	48,587			
Licences	35,747			
Miscellaneous		142,363	142,363	150,497
Total Mineral Receipts	167,567	149,029	75,109	155,287

10. Fisheries

The total receipts from fisheries for FY2017 amounted to Le149,029 million (Le155,497 million - FY2016), with further details shown below:

Fisheries Receipts (In millions of Leones)

	Budget Estimates FY 2017	Actual FY 2017	Surplus/ (Shortfall) FY 2017	Actual FY 2016
Reg'n Artisanal Fish Vessels	62,009	71,156	9,147	54,312
Freight Levy Maritime		3,019	3,019	4,169
Marine Resources Fines		0	0	1,860
Total Fisheries Receipts	62,009	74,175	12,166	60,341

11. Other Departmental Receipts

The total amount of Other Departmental Receipts collected during the fiscal year 2017 amounted to Le239,249 million (Le159,394 million - FY2016), with further details shown below:

Other Departmental Receipts (In millions of Leones)

	Budget Estimates	Actual	Surplus/ (Shortfall)	Actual
	FY 2017	FY 2017	FY 2017	FY 2016
Hotel Leases		0	0	0
Issuance of National ID Cards		148	148	705
Passports - New Issues		5,435	5,435	14,330
Pharmacy Board Licence		3,322	3,322	651
Rent Received from Gov't Qtrs.		672	672	475
Misc. Receipts	72,087	229,671	157,584	143,233
Privatization Receipts	39,000			
Total Other Departmental Receipts	111,087	239,249	167,162	159,394

The total amount of Miscellaneous Receipts of Le229,671 million (Le143,233 million –FY2016) comprises, as follows:

MDA Code	Description	FY2017 Le' m	FY2016 Le' m
107	Ministry of Local Govt. and Rural Development	71	0
117	Cabinet Secretariat	7	
122	Human Resource Management Office	276	
124	Law Officers' Department	1,295	1,682
128	Ministry of Foreign Affairs and International Coop.	434	
129	Ministry of Finance and Economic Development	3,418	351
130	National Revenue Authority (NRA)	130,127	28,093
132	Accountant General's Department	47,429	14,892
133	Ministry of Information and Communication	216	
201	Ministry of Defence	207	
205	Ministry of Internal Affairs	93	
206	Sierra Leone Police	21,180	
301	Ministry of Education Science and Technology	13,351	
303	Ministry of Tourism and Cultural Affairs	73	
305	Ministry of Social Welfare Gender and Children Affairs	24	
406	Ministry of Energy	2,196	
408	Ministry of Works Housing and Infrastructure	1,492	
409	Ministry of Trade and Industry	9	
412	National Telecommunications Commission (NATCOM)	7,774	19,573
501	Miscellaneous Services	0	78,642
		229,671	143,233

12. Road User Charges

Receipts collected from Road User Charges totalled Le112,899 million (Le86,543 million – FY2016).

Road User Charge Receipts (In millions of Leones)

	Budget Estimates FY 2017	Actual FY 2017	Surplus/ (Shortfall) FY 2017	Actual FY 2016
Road User Charges	128,101	112,899	(15,202)	86,543
Total Road User Charge Receipts	128,101	112,899	(15,202)	86,543

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

13. HIPC Debt Relief

The total amount of debt relief granted in FY2017 under the Highly-Indebted Poor Countries (HIPC) programme was Le12,311 million (Le8,716 million – FY2016), with details as shown below:

HIPC Debt Relief Assistance (In millions of Leones)

	Actual FY 2017	Actual FY 2016
IFAD	7,465	8,716
EEC	4,846	
Total HIPC Debt Relief Assistance	12,311	8,716

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

The total amount of foreign (external) grants received during FY2017 was Le174,849 million (Le406,617 million – FY2016), with details as shown below:

Other Grants and Aid (In millions of Leones)

	Budget Estimates FY 2017	Actual FY 2017	Surplus/ (Shortfall) FY 2017	Actual FY 2016
UK DFID	121,875	15,042	(106,833)	41,517
EU State Building Contract	132,525	159,807	27,282	171,763
Grants from the ECOWAS Commission			0	41,935
Other Grant and Aid			0	151,402
Total Other Grants and Aid	254,400	174,849	(79,551)	406,617

A total amount of GBPX.0 million (with Leone equivalent Le15,042 million) was received during FY2017 from the UK DFID as direct budgetary support (Le41,517 million – FY2016).

The European Union gave a direct budgetary support of Euro15.4 million (net), representing Le159,807 million (Le171,763 million – FY2016), under the second State Building Contract Financing Agreement signed with the Government of Sierra Leone. The funds were provided under the 11th European

Development Fund (EDF). The amount signed under the Financing Agreement was Euro80 million for transfer of grant resources to the National Budget of Sierra Leone over three fiscal years (FY2015-2017) plus Euro5 million complementary support and evaluation.

Other Grant and Aid for FY2017 was nil but that for FY2016 relates to an amount of Euro 20.0 million (Le151,402 million) received from Sierra Rutile Ltd. (SRL) in respect of a loan repayment. The loan repayment was based on a loan agreement between the Government of Sierra Leone (GOSL) and Sierra Rutile Ltd. signed in August 2004 with total disbursements of Euro24.75 million (Euro2.0 million in 2006 and Euro22.75 million in 2005), with an interest rate of 8% per annum. These funds were provided by European Union as Grants-in-Aid to the Government of Sierra Leone.

15. Wages, Salaries and Employee Benefits

The total amount of Wages, Salaries and Employee Benefits paid during FY2017 was Le1,887,926 million (Le1,786,516 million – FY2016), excluding Wages and Salaries Arrears Payments of Le34,845 million (Le20,684 million – FY2016) 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 millions of Leones)			
		Actual FY 2017	Actual FY 2016
2111	Basic Salaries	1,040,433	827,881
2112	Salary Grants	449,572	645,304
2114	Travelling Claim To Retirement	304	581
2121	Transport Allowance	10,829	265
2122	Medical Allowance	9,831	3,878
2123	Rent Allowance	8,987	281
2124	Telephone Allowance	11	0
2126	Domestic Servant Allowance	118	64
2127	Fuel Allowance	110	45
2128	Risk Allowance	501	76
2130	Clothing Allowance	175	0
2131	Responsibility Allowance	94	28
2132	Remote Allowance	2	0
2133	Acting Allowance	482	196
2139	Other Allowances	297,382	135,292
2140	Late Allowance	22	22
2149	Leave Allowance	38,311	33,555
2152	Special Acting Allowance	41	7
2181	Emp Cont To Social Security Pen	29,985	130,331
2194	Adj Sal & All'Ces-Sal Grants	735	656
2195	Adj Sal & All'Ces-Allowances	0	8,056
Total Wages, Salaries and Employee Benefits		1,887,926	1,786,516

Further details on Wages, Salaries and Employee Benefits paid by the Government during FY2017 are available in Appendix 2 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 Le1,314,528 million (Le956,782 million – FY2016) and these include such items as Stationery, Communications, Water and Sewage, Fuel and Lubricants for Vehicles, Fuel for Generators, etc.

Further details are available in Appendix 3, comparing the Budget Estimates and Actual Expenditure Payments at the MDA Level and also providing Spending Analysis by Object Code.

Use of goods and services (In millions of Leones)

		Actual FY 2017	Actual FY 2016
2211	Local Travelling	7,836	6,543
2212	Overseas Travelling	40,196	35,336
2221	Electricity	4,140	2,040
2222	Water	3,078	354
2223	Telephone & Other Comm	8,338	5,261
2241	Office & General	197,249	155,587
2242	Stationery	4,226	3,467
2243	Official Recpt,Ent & Hosp	1,318	1,269
2244	Office Cleaning	2,302	2,284
2245	Office Stores/Supplies	27,731	47,179
2246	Computer Running Costs	2,359	1,953
2251	Advertisements	86	285
2252	Publications	700	1,531
2253	Printing (General)	251	80
2255	Public Relations Expenses	5	43
2261	Building Maintenance	5,360	2,235
2262	Machinery & Equip Maintenance	435	306
2264	Vehicle Maintenance	13,679	2,365
2265	Generator Running Cost	1,978	355
2266	Insurance-Building	248	18
2267	Insurance-Motor Vehicles/Cycle	89	60
2268	Insurance-Mach & Equipment	0	16
2270	Rice For Officers & Other Rank	44,414	21,009
2271	Licence-Motor Vehicles/Cycles	1	
2291	Bank Charges	19,098	16,075
2292	Misc Operat'L Expenses	106,945	22,937
2293	Honoraria & Other All'Ces	21	196
2294	'Freight/Port Charges	148	0
2295	Subs/Membership Dues-Local	0	257
2296	Subs/Membership Dues-Int	29,692	28,386
2311	Recruitment	1,049	
2312	Training Local	5,978	1,409
2313	Training Overseas	6,863	4,467
2314	Local Conferences	414	746
2315	Professional Fees/Consultancy	1,541	2,224
2318	Medical Expenses	6,420	2,274
2321	Uniforms/Protective Clothing	60,193	24,558
2324	Diets & Feeding	77,438	17,208
2325	Drugs & Medical Supplies	45,314	57,282
2328	Fuel & Oil (Vehicles)	48,097	10,686
2333	Medical Supplies	21,628	0

Use of goods and services (In millions of Leones)

		Actual FY 2017	Actual FY 2016
2341	Rent For Office Accomod'T	3,043	2,445
2342	Rent For Residential Accom'T	545	74
2343	Hotel Accommodation	0	38
2344	Rates	15	
2345	'Exp. On Presidential Household	207	0
2361	Social Event	50	
2364	Sports Competitions	4,177	8,074
2383	Official Receptions/Hosp	297	363
2385	Diplomatic Corp Activities	1,804	1,214
2389	Other Service Activity Exps	125	500
2391	Defence Expenses	0	24,756
2392	State Security Expenses	0	8,524
2393	Agricultural Expenses	59,487	28,680
2398	Unallocated/Contingency	14,679	185
2411	Current Grants Gen Govn Bodies	386,370	286,682
2417	Grants Subject Ass In Sec Scl	1,395	0
2613	Furn,Office Equip,Safes	578	1,939
2614	Computers And Ancillary Equip	2,971	763
2615	Vehicles	12,277	103,795
2618	Medical Equipment	11,597	
2623	Motor Vehicles	0	6,546
2624	Bicycles And Tricycles	29	0
2631	Plant,Equip& Machinery	8,822	3,576
2632	Const'N/Reconst'N Of Buildings	6,523	311
2633	Rehabilitation Of Buildings	2,682	39
Total Use of goods and services		1,314,528	956,782

17. Grants to Tertiary Educational Institutions

The total amount expended during the financial year on Grants to Tertiary Educational Institutions was Le191,228 million (Le180,187 million – FY2016). This amount includes University Fee Subsidies totalling Le million (Le98,476 million – FY2016). The remaining amount of Le80,072 million (le81,711 million – FY2016) was distributed to the Tertiary Educational Institutions as shown below:

Grants to Tertiary Educational Institutions (In millions of Leones)

	Actual FY 2017	Actual FY 2016
0002	109	
0009	105	75
0012	80	160
0205	1,004	0
0403	24,829	24,829
0404	9,381	9,381
0405	12,125	12,625
0406	10,093	10,093
0407	460	460
0408	16,893	16,893
0411	4,036	4,036

0501	804	1,243
1001	154	292
1101	0	0
2001	0	1,624
Total Grants to Tertiary Educational Institutions	80,072	81,711

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 Sierra Leone Roads Maintenance Fund Authority (RMFA) was Le112,899 million (Le86,543 million – FY2016).

19. Transfers to Local Councils

The total amounts paid in respect of Transfers to Local Councils and school fee subsidies for FY2016 was Le55,859 million (Le98,463 million – FY2016), including school fee subsidies totalling Le 24,407 million (Le 24,407 million – FY2016).

20. Other Grants (Payments)

The Other Grants (Payments) made in FY2017 totalled Le18, 034 million (Le18,260 million - FY2016), as outlined below:

Other Grants (In millions of Leones)				
	Budget Estimates	Actual	Surplus/ (Shortfall)	Actual
	FY 2017	FY 2017	FY 2017	FY 2016
Grants to Educational Units	0	0	0	1,114
Girl Child Expenses	11,515	241	11,274	1,209
Exams Subsidy to WAEC	10,495	7,297	3,198	4,549
Grants-in-Aid	14,064	10,496	3,568	11,388
Total Other Grants	36,074	18,034	18,040	18,260

Other Recurrent Payments

The Other Recurrent payments made in FY2017 totalled Le2,390 million (Le21,257 million - FY2016), as outlined below:

Other Recurrent Payments (In millions of Leones)				
	Budget Estimates	Actual	Surplus/ (Shortfall)	Actual
	FY 2017	FY 2017	FY 2017	FY 2016
Social Benefits		2,147	(2,147)	2,139
Other Contributions		0	0	37
Loans to Other Government Units		0	0	437
Consolidated Act Based Expense		243	(243)	18,643
Total Other Recurrent Payments	0	2,390	(2,390)	21,257

21. Financing Costs – Domestic Interest Payments

The Financing Costs for Domestic Borrowing held in FY2017 (Domestic Interest Payments) amounted to Le535,283 million (Le142,347 million - FY2016) representing interest payments actually made during the period on various domestic debts of the Government, as outlined below:

Financing Costs - Domestic Interest Payments (Amounts in millions of Leones)

	Budget Estimates FY 2017	Actual FY 2017	Surplus/ (Shortfall) FY 2017	Actual FY 2016
Interest on Treasury Bills		460,784	(460,784)	81,930
Interest on Treasury Bonds		61,688	(61,688)	54,343
Bridging Loan Interest		390	(390)	922
Ways and Means Interest		12,421	(12,421)	5,152
Total Domestic Interest Payments	0	535,283	(535,283)	142,347

Further details available in Note 28 and Appendices 6-9

22. Financing Costs – External Interest Payments

The Financing Costs for External Borrowing held in FY2017 (External Interest Payments) amounted to Le66,771 million (Le61,778 million - FY2016) representing interest payments actually made during the period to external creditors, as outlined below:

Financing Costs - External Interest Payments (Amounts in millions of Leones)

	Budget Estimates FY 2017	Actual FY 2017	Surplus/ (Shortfall) FY 2017	Actual FY 2016
Multilateral Debts		48,146	(48,146)	46,291
Bilateral Debts		18,625	(18,625)	14,498
Commercial Debts		0	0	989
Total External Interest Payments	0	66,771	(66,771)	61,778

Further details available in Note 27 and Appendix 5

23. Capital/Development Expenditure

The total amount of Le936,528 million (Le657, 585 million – FY2016) for Domestic Development Expenditure represents the Government's contribution to various Development Projects.

Further details are available in Appendix 4, 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 Le209,263 million (Le355,934 million – FY2016) while total payments made by these projects stood at Le219,836 million (Le302,288 million – FY2016), resulting in a deficit of Le10,573 million (Surplus Le53,646 million – FY2016). Summary details are provided in the below:

Development Project Operations

Amounts in millions of Leones

	FY2017	FY2016
Project Receipts	209,263	355,934
Project Payments	219,836	302,288
Loss/Gains on Exchange	4,984	21,820
Development Project Operations (Net Flows)	(5,589)	75,467

Further details are available in Appendix 4a, Development Project Fund Flow

In-kind contributions/third party payments

During the Fiscal Year under review, the 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. However, it is not currently possible to identify and reliably ascertained the financial value received for such contributions.

24. Arrears Payments

The Arrears Payments made in FY2017 totalled Le169,744 million (Le167,885 million - FY2016), as outlined below:

Arrears Payments (In millions of Leones)

	Budget Estimates FY 2017	Actual FY 2017	Surplus/ (Shortfall) FY 2017	Actual FY 2016
Wages and Salaries Arrears		34,845	(34,845)	20,684
Domestic Arrears	19,007	130,069	(111,062)	137,201
Parastatal Arrears	2,522	4,830	(2,308)	10,000
Total Arrears Payments	21,529	169,744	(148,215)	167,885

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

The total amount of foreign (external) loans disbursed during FY2016 as direct budgetary support was Le531,351 million (Le310,614 million – FY2016), with details as shown below:

External Borrowing (Loans) (In millions of Leones)

	Budget Estimates FY 2017	Actual FY 2017	Surplus/ (Shortfall) FY 2017	Actual FY 2016
World Bank	150,000	303,220	153,220	0
World Bank - Pay & Perf Project		0	0	26,568
African Development Bank		0	0	0
International Monetary Fund (IMF)	0	228,132	228,132	284,046
Total External Borrowing (Loans)	150,000	531,351	381,351	310,614

Amounts totalling Le228,132 million (Le284,046 million – FY2016) was received during the fiscal year from the IMF (through the Bank of Sierra Leone) under its Special Drawing Rights (SDR) on-lending programme.

26. External Public Debt Amortization - Repayment of principal on Foreign Loans

The total amount of External Debt Payments made during the financial year was Le330,970 million (Le206,771 million – FY2016), comprising Principal Loan Repayments of Le264,199 million (Le144,993 million – FY2016) and Interest Payments of Le66,771 million (Le61,778 million – FY2016).

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

	FY2017			FY2016		
	Loan Repay- ment During the Year	Interest Payments	Total Payments	Loan Repay- ment During the Year	Interest Payments	Total Payments
MULTILATERAL DEBTS						
International Development Association	19,240	12,723	31,963	12,908	10,648	23,556
African Development Fund (ADF)	5,035	10,015	15,050	4,173	8,203	12,376
Opec Fund For International Development	31,219	9,361	40,580	30,628	6,437	37,065
International Fund For Agricultural Development (IFAD)	8,119	2,780	10,899	4,534	1,479	6,013
Islamic Development Bank	42,870	2,029	44,899	19,250	10,780	30,030
Arab Bank For Economic Development Bank	4,647	1,202	5,849	4,254	1,215	5,469
European Investment Bank	4,979	244	5,223	2,508	199	2,706
ECOWAS Regional Development Fund	0	8	8	908	2,157	3,065
ECOWAS Bank For Investment Development	14,677	9,784	24,461	2,964	5,173	8,137
Total Multilateral Debts (A)	130,785	48,146	178,931	82,127	46,291	128,418
BILATERAL DEBTS						
Saudi Fund For Development	3,393	2,081	5,474	493	1,366	1,859
Kuwait Fund	15,219	4,962	20,182	9,023	4,187	13,210
China	19,335	6,071	25,406	7,399	5,327	12,726
Exim Bank Of India	21,961	5,511	27,472	12,633	3,618	16,251
Total Bilateral Debts (B)	59,909	18,625	78,534	29,548	14,498	44,046
COMMERCIAL DEBTS (C)						
Commercial & Suppliers Credit	73,505	0	73,505	33,318	989	34,307
TOTAL EXTERNAL PUBLIC DEBTS PAYMENTS	264,199	66,771	330,970	144,993	61,778	206,771

Further details are available in Appendix 5.

27. Domestic Borrowing (Net)

Domestic Borrowing during FY2016 totalled Le 2,849,366 million (Le 2,791,388 million – FY2015) and this comprises:

Domestic Borrowing - Net (Amounts In millions of Leones)

	Issues	Repayments	Net Flows	Issues	Repayments	Net Flows
	FY 2017	FY 2017	FY 2017	FY 2016	FY 2016	FY 2016
Short term Securities (Less than one year)						
Treasury Bills	3,485,268	2,697,883	787,385	2,427,325	2,188,028	239,297
1 Year Treasury Bonds	0	45,774	(45,774)	45,774	76,850	(31,076)
Bridging Loan	0	120,000	(120,000)	280,000	160,000	120,000
Ways and Means	120,030	111,588	8,442	111,587	63,406	48,181
Total Short term Securities	3,605,299	2,975,245	630,053	2,864,686	2,488,283	376,402
Long term Securities	219,206	214,541	4,665	48,087	7,500	40,587
Total Domestic Interest Payments	3,824,505	3,189,787	634,718	2,912,772	2,495,783	416,989

Treasury Bills – The amount of Le3,485,268 million (Le2,427,325 million – FY2016) 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 Le2,697,883 million (Le2,188,028 million – FY2016). The total outstanding amount of treasury bills at the end of FY2017 is Le3,060,241 million (Le2,272,855 million – end FY2016). 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 – No One-Year Treasury Bonds were issued in FY2017 and the One-year Treasury Bonds totalling Le45,774 million outstanding at the end of FY2016 were redeemed in FY2017.

Bridging Loan - No Bridging Loan was taken from the Bank of Sierra Leone during FY2017 and the outstanding balance of Le120 billion at the end of FY2016 was repaid during the 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 Le8,442 million, taking the total amount owed at the end of the fiscal year to Le120,030 million, repayable in the ensuing year.

Long Term Securities (with more than one year maturity) - A total amount of Le219,206 million (Le48,087 million – FY2016) represents long-term securities issued in the form of treasury bonds during the year ended FY2017. The total worth of Long-term securities redeemed during the year amounted to Le214,541 million (Le7,500 million – FY2016).

The total outstanding amount of long-term securities held as 2-Year, 5-Year and 10-Year Treasury Bonds at the end of FY2017 is Le608,055 million (Le603,389 million – end FY2016) held by the Bank of Sierra Leone (Le526,496 million) and NASSIT (Le81,559 million). The Special Marketable Securities held by the Bank of Sierra Leone totalling Le526,496 million as at 31st December 2017, comprises: 3-Year Treasury Bonds Le143,813 million, 5-Year Treasury Bonds Le321,072 million and 10-Year Treasury Bond Le48,750 million. 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 capitalization 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

Summary Statement of Outstanding Domestic Public Debts as at 31st December 2017										
	Outstanding Balance 01-Jan-17	Issued During the PRD Le'm	Matured During the PRD Le'm	Outstanding Balance 31-Dec-17 Le'm	Interest Payments 31-Dec-17 Le'm	Interest Payments FY2016 Le'm	Issue Date	Maturity Date	Interest Rate	Interest Due Period
Short Term Securities (with one year or less maturity)										
91-Day Treasury Bills	26,962	160,480	169,317	18,125	4,139	1,547	See Schedule on 91 Days			On Various maturity dates
182-Day Treasury Bills	71,765	90,236	133,866	28,136	8,444	5,564	See Schedule on 182 Days			
364-Day Treasury Bills	2,174,128	3,234,553	2,394,701	3,013,980	448,201	74,819	See Schedule on 364 Days			
Total Treasury Bills	2,272,855	3,485,268	2,697,883	3,060,241	460,784	81,930				
1-Year Treasury Bonds	45,774	0	45,774	0	2,586	3,842	See Schedule on 1 Year Bonds			On maturity dates
Bridging Loans Bank of Sierra Leone (BSL)	120,000	0	120,000	0	390	922				
Ways and Means Advances	111,587	120,030	111,587	120,030	12,421	5,152				
Total Short Term Securities	2,550,216	3,605,299	2,975,244	3,180,271	476,181	91,846				
Long Term Securities (with more than one year maturity)										
2-Year Treasury Bonds										
2-Year Treasury Bond (NASSIT)	40,487	40,487	40,487	40,487	5,660	5,263	29-May-17	23-May-22	13.0%	Semi-annually (May & Nov)
2-Year Treasury Bond	9,250	0	9,250	0	1,009	1,290	20-Nov-15	17-Nov-17	13.0%	Semi-annually (Jun & Dec)
2-Year Treasury Bond	10,000	0	10,000	0	1,350	1,339	21-Dec-15	18-Dec-17	13.5%	Semi-annually (Jul & Jan)
2-Year Treasury Bond	7,015	0	0	7,015	1,028	503	29-Jan-16	26-Jan-18	14.4%	
Total 2-Year Treasury Bonds	66,752	40,487	59,737	47,502	9,047	8,396				
Bank of Sierra Leone (BSL) 3-Year Capitalisation Bonds										
3-Year BSL Capitalisation Bond (NNIB Converted 2014)	81,800	81,801	81,801	81,800	4,908	4,908	30-Mar-17	29-Mar-20	6.0%	Semi-annually (Apr & Oct)
3-Year BSL Recap Bond (2010 W&M)	77,516	0	15,503	62,013	6,826	7,015	31-Oct-14	30-Oct-17	9.0%	
Total 3-Year BSL Capitalisation Bonds	159,316	81,801	97,305	143,813	11,734	11,923				
5-Year Treasury Bonds										
	50,000	50,000	50,000	50,000	4,500	4,500	18-Dec-17	18-Dec-22	9.0%	Semi-annually (Jun & Dec)
5-Year BSL (Converted from NNIB) Bonds	65,000	0	0	65,000	5,850	5,866	26-Dec-13	20-Dec-18	9.0%	
	65,000	0	0	65,000	5,850	5,866	26-Jun-14	20-Jun-19	9.0%	
	50,000	0	0	50,000	4,500	4,500	26-Dec-14	20-Dec-19	9.0%	
	50,000	0	0	50,000	4,500	4,500	26-Jun-15	19-Jun-20	9.0%	
5-Year NASSIT Bond	41,072	0	0	41,072	5,955	0	01-Oct-16	25-Sep-21	15%	Semi-annually (Mar & Sep)
5-Year BSL (Ways and Means) Bond	0	46,918	0	46,918	2,815	0	01-May-17	30-Apr-22	12%	Semi-annually (Oct & April)
Total 5-Year Treasury Bonds	321,072	96,918	50,000	367,990	33,970	25,232				
10-Year BSL Capitalisation Bond	56,250	0	7,500	48,750	4,350	4,950	05-Jan-14	18-Apr-24	8.0%	Semi-annually (Apr & Oct)
Total Long Term Securities	603,389	219,206	214,541	608,055	59,101	50,501				
TOTAL OUTSTANDING DOMESTIC PUBLIC DEBTS	3,153,606	3,824,505	3,189,785	3,788,326	535,283	142,347				

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 1-Year Treasury Bond can be obtained from Appendices 6-9.

28. Privatization Receipts

Privatization Receipts during the fiscal year 2017 was Nil (Le4,874 million – FY2016)

29. Staff Loans and Advances (Net)

A total amount of Le618 million (Le653 million – FY2016) was issued as Staff Loans and Advances during the year FY2017 to employees of Government as well as Members of Parliament. Amounts recovered during the year was Le752 million (Le652 million – FY2016).

Staff Loans and Advances (In millions of Leones)

	FY2017	FY 2016
Staff Loans and Advances Opening Balance	1,311	1,315
Staff Loans and Advances Issued	618	648
Staff Loans and Advances Recovered	(752)	(652)
Staff Loans and Advances Closing Balance	1,176	1,311

30. Cash and Cash Equivalents

The net amount of Cash and Cash Equivalents totalled a negative balance of Le1,259,892 million (Negative Le72,306 million – FY2016), most of which are held with the Bank of Sierra Leone.

Cash and Bank Balances

As at	31-Dec-17	31-Dec-16	Change
	Le' million	Le' million	Le' million
Cash held at Bank	140,431	114,115	26,316
Overdraft with Bank	(1,516,950)	(308,632)	(1,208,317)
Net Cash and Bank Balance	(1,376,519)	(194,517)	(1,182,002)

1.7. ADDITIONAL NOTES TO THE ACCOUNTS

31. Investments – Public Enterprises

The Government has participating equity interests in a number of Public Enterprises (as State Owned Enterprise – SOEs), as presented in Appendix 11 below.

32. Contingent Liabilities and Contingent Assets

Contingent liabilities are:

- costs that the 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 Le 2.8 trillion, as presented below:

SUMMARY OF PENDING FINANCIAL RELATED LITIGATIONS		
NATURE	AMOUNT (Le)	AMOUNT (\$)
Damages	11,833,567,013	150,000,000
Land Dispute	3,770,666,000	6,000,000
Violation of Human Rights & Unfair Dismissal	-	236,850,879
	Le15,604,233,013	\$392,850,879
Amount in Leones (Le)	Le15,604,233,013	Le2,826,707,430,669
Total Amount in Leones (Le)	Le 2,842,311,663,682	
Note: The Exchange Rate As At 31st December 2017 \$ 7195.37.		

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 Le115.72 billion as at August 2017. In the event of public enterprises or local councils failing 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 31st August 2017 is as follows:

Recipient	Value in Leones	Date Granted
Njala University	2,500,000,000	Oct-15
Sierra Leone State Lottery	1,000,000,000	Mar-16
SALPOST	110,000,000	Jun-15
Sierra Leone Broadcasting Corporation (SLBC)	3,765,191,013	May-13
Ministry of Social Welfare, Gender and Children's Affairs	14,400,000,000 (US\$2,000,000)	Aug-16
Road Maintenance Fund Authority (RMFA)	30,000,000,000	Feb-17
Njala University College	3,500,000,000	Mar-17
Road Maintenance Fund Authority (RMFA)	15,000,000,000	Mar-17
Road Maintenance Fund Authority (RMFA)	35,000,000,000	Feb-17
Guma Valley Water Company	500,000,000	Aug-17
Ministry of Social Welfare, Gender and Children's Affairs	10,440,000,000 (US\$1,450,000)	Aug-17
Total Guarantees (Le)	115,715,191,013	

Contingent Assets:

There are no Contingent Assets recorded.

1.8. SUPPLEMENTARY DISCLOSURES IN APPENDICES**APPENDIX 1 – STATEMENT OF DOMESTIC REVENUE ARREARS****Appendix 1: Revenue Arrears as at 31st December 2017**

Amounts in millions of Leones

	Revenue Arrears 31st Dec 2017	Revenue Arrears 31st Dec 2016
Arrears as per Domestic Tax Department		
Large Tax Office (LTO)	65,441	4,291
Small and Medium Tax Office	21,526	17,458
Freetown Central Tax Office		1,791
Total for Domestic Taxes Department	86,967	23,541
Arrears as per Custom and Excise Department		
Debt Management Unit	4,774	6,193
Bonded Warehouse		4,441
Total for Customs and Excise Department	4,774	10,634
Total Revenue Arrears	91,741	34,175

**APPENDIX 2 – COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS
FOR WAGES, SALARIES AND EMPLOYEES BENEFITS BY MDA**

For the financial year ended 31st December 2017

Amount in millions of Leones

MDA Code	Description	Budget Estimates FY 2017	Actual FY 2017	Surplus/ (Shortfall) FY 2017	Actual FY 2016
101	Charged Emoluments	64,537	73,889	(9,352)	80,009
105	Ministry of Political and Public Affairs	3,509	2,950	559	2,638
106	Office of the Chief of Staff	22,356	15,535	6,822	16,760
	Ministry of Local Government & Rural				
107	Development	22,221	26,061	(3,840)	17,891
108	Sierra Leone Small Arms Commission	2,892	2,195	697	2,659
110	Office of the Secretary to the President	59,844	54,448	5,396	53,535
112	Office of the Secretary to the Vice President	2,868	3,153	(285)	2,604
116	Parliamentary Service Commission	13,130	23,954	(10,824)	14,858
117	Cabinet Secretariat	1,795	2,389	(594)	2,105
118	Supreme Court	389	35	354	42
119	Court of Appeal	559	154	405	179
120	High Court	6,103	13,796	(7,693)	9,813
121	Audit Service Sierra Leone	21,339	21,606	(268)	22,306
122	Human Resource Management Office	6,349	8,098	(1,749)	6,307
123	Public Service Commission	3,590	4,203	(613)	4,714
124	Law Officers' Department	14,988	24,169	(9,181)	18,897
125	Local Courts	708	0	708	0
126	Independent Police Complaints Board	943	1,119	(175)	542
	Ministry of Foreign Affairs & International Co-				
128	operation	84,667	141,241	(56,574)	100,891
	Of Which - London	7,860	10,037	(2,177)	5,646
	New York	8,972	7,784	1,188	7,034
	Abuja	3,289	4,230	(941)	3,614
	Monrovia	3,447	5,347	(1,900)	4,429
	Conakry	1,718	4,549	(2,831)	3,074
	Washington	7,678	10,256	(2,578)	9,574
	Moscow	3,157	5,002	(1,845)	4,848
	Addis Ababa	4,114	7,781	(3,667)	3,876
	Beijing	4,518	1,029	3,489	1,255
	Banjul	2,077	7,188	(5,111)	5,104
	Brussels	6,129	10,957	(4,828)	8,895
	Saudi Arabia	3,758	8,312	(4,554)	6,100
	Berlin	4,766	8,641	(3,875)	6,172
	Iran	1,765	243	1,522	957
	Accra	2,841	6,531	(3,690)	4,955
	Libya	2,449	2,757	(308)	2,606
	Kuwait	2,351	3,115	(764)	2,429
	Dakar	1,986	8,058	(6,072)	4,658
	Geneva	2,503	4,096	(1,593)	3,533
	Seoul	3,591	11,401	(7,810)	4,962
	Dubai	3,191	5,740	(2,549)	4,174
129	Ministry of Finance and Economic Development	42,500	55,802	(13,302)	42,717
130	National Revenue Authority	0	(28)	28	0

**APPENDIX 2 – COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS
FOR WAGES, SALARIES AND EMPLOYEES BENEFITS BY MDA**

For the financial year ended 31st December 2017

Amount in millions of Leones

MDA Code	Description	Budget Estimates FY 2017	Actual FY 2017	Surplus/ (Shortfall) FY 2017	Actual FY 2016
131	Revenue Appellate Board	2,375	2,034	341	2,012
132	Accountant General's Department	9,667	11,783	(2,116)	9,641
133	Ministry of Information and Communications	16,063	18,792	(2,729)	15,511
134	National Electoral Commission of Sierra Leone	13,579	12,284	1,295	11,683
137	National Commission for Democracy	5,126	4,682	444	5,221
138	Statistics Sierra Leone	12,845	11,121	1,724	14,429
139	National Commission for Privatisation	3,141	2,921	220	3,036
140	Mass Media Services (SLBC Staff)	10,964	9,315	1,649	11,397
141	Government Printing Department	1,480	715	764	982
142	National Public Procurement Authority	3,516	3,064	453	3,847
144	National Commission for Human Rights	7,303	8,716	(1,412)	9,957
145	Rights to Access Information Commission	1,513	2,172	(659)	2,405
201	Ministry of Defence:	124,958	110,067	14,891	112,759
203	National Civil Registration Authority	1,416	180	1,236	0
205	Ministry of Internal Affairs	1,540	1,272	267	1,308
206	Sierra Leone Police	146,643	135,956	10,687	129,759
207	Sierra Leone Correctional Services	21,362	20,432	930	17,973
208	National Fire Authority	4,631	3,951	680	4,100
209	Central Intelligence and Security Unit	4,493	6,151	(1,658)	6,373
210	Office of National Security	13,400	10,669	2,731	12,765
211	Immigration Department	2,610	2,176	434	2,200
212	National Drugs Law Enforcement Agency	1,009	1,096	(87)	988
301	Ministry of Education, Science and Technology	462,824	413,336	49,488	445,049
302	Ministry of Sports	2,503	3,240	(737)	2,780
303	Ministry of Tourism and Cultural Affairs	563	408	155	393
304	Ministry of Health and Sanitation	158,408	149,331	9,077	142,871
305	Ministry of Social Welfare, Gender & Children's Affairs	6,489	6,775	(285)	6,942
306	Ministry of Lands, Country Planning and the Environment	2,895	2,760	135	2,622
307	National Pharmaceutical Procurement Unit	1,735	0	1,735	74
308	National Commission for Social Action	3,290	6,671	(3,381)	2,748
310	Ministry of Youth Affairs	2,648	2,603	45	2,950
311	Health Service Commission	1,589	1,337	252	0
312	Teaching Service Commission	850	389	461	0
341	Pensions, Gratuities and Retirement Benefits	64,530	139,906	(75,376)	106,058
342	Government's Contribution to Social Security	143,549	138,697	4,852	130,156
345	Pharmacy Board Services	7,888	5,967	1,921	7,459
401	Ministry of Agriculture, Forestry and Food Security	20,597	14,212	6,385	15,089
402	Ministry of Fisheries and Marine Resources	1,222	917	305	942
403	Ministry of Mines and Mineral Resources	18,065	26,711	(8,645)	16,598
404	Ministry of Transport and Aviation	3,319	5,605	(2,286)	5,087
405	Ministry of Tourism and Cultural Affairs (National Tourist Board and Relics Commission)	4,826	6,549	(1,723)	4,885
406	Ministry of Energy	3,010	3,033	(24)	2,931

**APPENDIX 2 – COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS
FOR WAGES, SALARIES AND EMPLOYEES BENEFITS BY MDA**

For the financial year ended 31st December 2017

Amount in millions of Leones

MDA Code	Description	Budget Estimates FY 2017	Actual FY 2017	Surplus/ (Shortfall) FY 2017	Actual FY 2016
	Ministry of Employment Labour and Social				
407	Security	3,225	3,497	(273)	3,210
408	Ministry of Works, Housing and Infrastructure	4,261	2,387	1,874	3,030
409	Ministry of Trade and Industry	12,618	9,537	3,081	11,119
410	National Protected Area Authority	7,427	8,739	(1,312)	5,833
411	Road Maintenance Fund Administration (SLRA Staff)	38,161	26,391	11,770	35,607
	Sierra Leone Electricity and Water Regulatory				
413	Commission	1,841	2,013	(172)	3,111
414	Ministry of Water Resources	9,060	8,307	754	8,455
416	Civil Aviation Authority	7,245	6,510	736	7,263
417	Nuclear Safety and Radiation Protection Authority	2,686	1,808	878	2,235
418	Sierra Leone Agricultural Research Institute	19,508	22,676	(3,168)	19,933
501	Unallocated Personnel Emoluments	943	1,354	(410)	1,638
701	Transfers to Local Councils	5,774	11,940	(6,167)	11,634
Grand Total		1,808,474	1,887,926	(79,452)	1,786,516

APPENDIX 3 - COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS FOR USE OF GOODS AND SERVICES BY MDA

For the financial year ended 31st December 2017

Amounts in millions of Leones

MDA Code	Description	Budget Estimates FY 2017	Actual FY 2017	Surplus/ (Shortfall) FY 2017	Actual FY 2016
105	Ministry of Political and Public Affairs	1,845	1,279	567	1,959
106	Office of the Chief of Staff	5,890	3,222	2,668	3,463
	Ministry of Local Government & Rural				
107	Development	9,314	13,196	(3,882)	4,747
108	Sierra Leone Small Arms Commission	679	709	(31)	761
110	Office of the President	29,121	39,675	(10,553)	37,969
112	Office of the Vice President	10,841	15,349	(4,508)	11,019
116	Parliament	7,750	13,037	(5,287)	10,986
117	Cabinet Secretariat	1,918	1,233	686	1,352
118	Supreme Court	10,423	5,859	4,564	1,000
119	Court of Appeal	0	0	0	911
120	High Court	0	0	0	1,941
121	Audit Service Sierra Leone	5,482	5,482	(0)	4,881
122	Human Resource Management Office	2,230	2,639	(409)	1,392
123	Public Service Commission	1,916	1,916	0	1,916
4124	Law Officers' Department	10,867	7,910	2,957	8,181
125	Local Courts	1,152	576	576	1,460
126	Independent Police Complaints Board	800	800	0	631
	Ministry of Foreign Affairs & International Co-				
128	operation	29,025	37,776	(8,751)	38,046
129	Ministry of Finance and Economic Development	51,200	71,302	(20,102)	50,406
130	National Revenue Authority (NRA)	76,361	76,360	1	68,675
131	Revenue Appellate Board	940	470	470	591
132	Accountant General's Department	4,995	5,082	(87)	3,135
133	Ministry of Information and Communication	3,385	1,885	1,500	1,748
134	National Electoral Commission (NEC)	209,534	150,828	58,706	27,727
137	National Commission for Democracy	2,401	2,401	0	1,441
138	Statistics - Sierra Leone	8,794	4,397	4,397	7,837
139	National Commission for Privatisation (NCP)	2,037	1,018	1,018	1,324
141	Government Printing Department	2,416	1,539	877	1,343
142	National Public Procurement Authority (NPPA)	2,677	1,338	1,339	1,586
143	Justice and Legal Service Commission	275	137	137	0
144	Human Rights Commission Sierra Leone	1,894	1,894	0	1,665
145	Rights to Access Information Commission	1,719	860	860	1,235
201	Ministry of Defence	90,357	204,611	(114,254)	154,747
203	National Civil Registration Authority	3,842	4,821	(979)	3,875
205	Ministry of Internal Affairs	1,019	660	359	581
206	Sierra Leone Police	87,868	127,088	(39,220)	83,544
207	Sierra Leone Correctional Services	34,321	68,771	(34,450)	47,438
208	National Fire Authority	8,815	1,907	6,908	4,407
209	Central Intelligence & Security Unit	5,240	5,240	0	5,240
210	Office of National Security	7,086	7,086	0	9,586
211	Immigration Department	4,378	3,694	684	3,764
212	National Drugs Law Enforcement Agency	987	493	493	691

APPENDIX 3 - COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS FOR USE OF GOODS AND SERVICES BY MDA

For the financial year ended 31st December 2017

Amounts in millions of Leones

MDA Code	Description	Budget Estimates FY 2017	Actual FY 2017	Surplus/ (Shortfall) FY 2017	Actual FY 2016
301	Ministry of Education, Science and Technology	92,142	44,205	47,937	20,275
302	Ministry of Sports	6,004	4,585	1,418	9,121
303	Ministry of Tourism and Cultural Affairs	3,171	2,459	712	2,857
304	Ministry of Health and Sanitation	94,937	83,118	11,819	93,246
305	Ministry of Social Welfare, Gender & Children's Affairs	9,160	6,037	3,124	5,175
306	Ministry of Lands, Country Planning and the Environment	3,069	1,893	1,176	1,615
307	National Pharmaceutical Procurement Unit (NPPU)	703	0	703	457
308	National Commission for Social Action	1,346	673	673	1,278
309	Dental and Medical Board	326	163	163	144
310	Ministry of Youth Affairs	7,180	2,994	4,186	3,601
311	Health Service Commission	919	460	459	0
312	Teaching Service Commission	1,105	1,105	0	0
345	Pharmacy Board Services	4,016	2,008	2,008	3,208
401	Ministry of Agriculture, Forestry and Food Security	63,265	60,030	3,235	28,436
402	Ministry of Fisheries and Marine Resources	3,023	1,560	1,463	1,532
403	Ministry of Mines and Mineral Resources	6,745	3,727	3,018	3,225
404	Ministry of Transport and Aviation	11,197	9,433	1,764	87,139
405	Ministry of Tourism and Cultural Affairs	5,715	3,334	2,381	3,087
406	Ministry of Energy	4,146	15,900	(11,754)	1,658
407	Ministry of Labour and Social Security	6,001	2,669	3,331	1,957
408	Ministry of Works, Housing and Infrastructure	10,394	10,251	142	4,782
409	Ministry of Trade and Industry	10,904	9,892	1,012	9,077
410	National Protected Area Authority	4,665	195	4,470	2,317
411	Road Maintenance Fund	128,101	6,980	121,121	9,284
413	Sierra Leone Electricity and Water Regulatory Commission	1,027	514	513	1,318
414	Ministry of Water Resources	11,815	8,307	3,508	7,536
416	Civil Aviation Authority	1,528	3,009	(1,481)	6,610
417	Nuclear Safety and Radiation Protection Authority	1,581	1,342	239	1,090
418	Sierra Leone Agricultural Research Institute (SLARI)	5,285	2,642	2,642	4,232
419	Local Content Agency	600	200	400	0
501	Miscellaneous Services	881	120,224	(119,343)	27,169
509		0	2,003	(2,003)	0
601	Public Debt Charges	0	0	0	155
610	Contingency Expenditure	50,030	8,075	41,955	0
Grand Total		1,292,774	1,314,528	(21,754)	956,782

APPENDIX 4 – COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS FOR DOMESTIC CAPITAL/ DEVELOPMENT EXPENDITURE BY MDA

For the financial year ended 31st December 2017

Amounts in millions of Leones

		Budget Estimates FY 2017	Actual FY 2017	Surplus/ (Shortfall) FY 2017	Actual FY 2016
105	Ministry of Political and Public Affairs	250	0	250	0
106	Office of the Chief of Staff	1,400	7,507	(6,107)	
107	Ministry of Local Government & Rural Development	0	0	0	703
110	Office of the President	2,750	1,228	1,522	1,112
116	Parliament	7,800	7,800	0	7,800
120	High Court	0	0	0	0
122	Human Resource Management Office	550	550	0	1,082
123	Public Service Commission	300	300	0	
124	Law Officers' Department	1,150	250	900	250
129	Ministry of Finance and Economic Development	33,050	3,153	29,897	8,760
133	Ministry of Information and Communication	1,200	2,984	(1,784)	19,318
134	National Electoral Commission (NEC)	0	0	0	0
138	Statistics - Sierra Leone	1,250	1,093	157	5,800
201	Ministry of Defence	2,300	900	1,400	
203	National Civil Registration Authority	180,000	120,858	59,142	53,561
205	Ministry of Internal Affairs	0	0	0	0
206	Sierra Leone Police	4,300	0	4,300	7,000
207	Sierra Leone Correctional Services	900	546	354	2,000
208	National Fire Authority	2,500	1,991	509	
301	Ministry of Education, Science and Technology	2,800	7,456	(4,656)	2,769
303	Ministry of Tourism and Cultural Affairs	5,550	1,797	3,753	
304	Ministry of Health and Sanitation	12,950	8,666	4,284	29,948
306	Ministry of Lands, Country Planning and the Environment	350	350	0	0
308	National Commission for Social Action	3,300	400	2,900	3,050
310	Ministry of Youth Affairs	5,600	270	5,330	8,875
401	Ministry of Agriculture, Forestry and Food Security	3,800	5,591	(1,791)	4,831
402	Ministry of Fisheries and Marine Resources	4,550	1,725	2,825	3,380
403	Ministry of Mines and Mineral Resources	600	0	600	1,500
404	Ministry of Transport and Aviation	11,700	12,485	(785)	2,775
405	Ministry of Tourism and Cultural Affairs	0	0	0	2,000
406	Ministry of Energy	173,924	214,969	(41,045)	11,231
408	Ministry of Works, Housing and Infrastructure	66,892	501,996	(435,104)	462,512
409	Ministry of Trade and Industry	2,300	0	2,300	0
410	National Protected Area Authority	250	0	250	500
414	Ministry of Water Resources	23,850	25,437	(1,587)	11,999
418	Sierra Leone Agricultural Research Institute (SLARI)	800	0	800	1,200
501	Miscellaneous Services	0	0	0	3,000
509	Domestic Arrears	0	0	0	
610	Other Critical Emergencies	0	0	0	323
701	Transfers to Local Councils	5,000	6,225	(1,225)	307
Total Capital/Development Expenditure		563,916	936,528	(372,612)	657,585

APPENDIX 4 (A) –DEVELOPMENT PROJECT FUNDS FLOWS

Amounts in millions of Leones

	FY2017	FY2016
Project Revenue Receipts		
GoSL Budget Transfer - Salaries	6,393	22,406
GoSL Budget Transfer - Expenses	12,849	34,475
External Grants	184,565	263,377
O/W Ext Grants-DP	209	0
O/W Ext Grants-Loan	47,238	20,742
Other Revenue	3,036	14,560
Sales of Goods Services	2,420	21,117
Total Project Revenue Receipts	209,263	355,934
Project Expenditure Payments		
Wages Salaries	26,712	48,874
O/W W&S-DP-Loan	47,238	20,742
Others	8,316	17,170
Goods Services	85,804	119,788
Capital Development	69,856	44,758
Grants Paid	29,118	71,687
Interest	29	11
Total Expenditure	219,836	302,288
Overall Cash Surplus/(Deficit)	(10,573)	53,646
Loss/Gains on Exchange	4,984	21,820
Cash Balance at 1st January 2017	122,216	46,749
Cash Balance at 31st December 2017	116,626	122,216

APPENDIX 5 - STATEMENT OF MOVEMENTS IN THE 91-DAY TREASURY BILLS

During the financial year ended 31st December 2017

Transaction Date	Issue Date	Maturity Date	Issued	Matured	Balance as at 31/12/2017	Interest Paid in FY2017
			Le	Le	Le	Le
05-Jan-17	06-Oct-16	05-Jan-17	4,238,598,300	4,401,784,100		109,815,900
12-Jan-17	13-Oct-16	12-Jan-17	2,693,437,000	2,879,156,586		70,793,414
19-Jan-17	20-Oct-16	19-Jan-17	141,317,218	503,200,000		11,800,000
26-Jan-17	27-Oct-16	26-Jan-17		795,067,739		14,732,260
Total			7,073,352,518	8,579,208,425		93,500,000
02-Feb-17	03-Nov-16	02-Feb-17	2,652,442,350	3,406,500,000		92,212,542
09-Feb-17	10-Nov-16	09-Feb-17	797,585,261	3,617,987,458		13,780,528
16-Feb-17	17-Nov-16	16-Feb-17	4,707,440,908	691,169,472		61,912,613
23-Feb-17	24-Nov-16	23-Feb-17	4,328,870,200	3,180,787,387		47,004,000
Total			12,486,338,719	10,896,444,317		40,748,947
02-Mar-17	01-Dec-16	02-Mar-17	14,820,196,000	2,003,196,000		56,934,805
09-Mar-17	08-Dec-16	09-Mar-17	21,364,000	1,884,651,053		19,600,000
16-Mar-17	15-Dec-16	16-Mar-17	5,032,641,950	2,817,865,195		632,835,009
23-Mar-17	29-Dec-16	30-Mar-17	9,123,476,699	780,400,000		50,000
30-Mar-17	30-Mar-17	29-Jun-17	3,289,926,703			632,785,009
Total			32,287,605,352	7,486,112,248		
06-Apr-17	05-Jan-17	06-Apr-17	1,447,369,600	4,238,502,117		88,097,883
13-Apr-17	05-Jan-17	06-Apr-17	1,820,317,000	96,183		61,213,000
20-Apr-17	12-Jan-17	13-Apr-17	564,498,800	2,693,437,000		2,753,458
28-Apr-17	19-Jan-17	20-Apr-17	4,082,495,200	141,317,218		152,064,341
Total			7,914,680,600	7,073,352,518		96,183
						151,968,158
04-May-17	02-Feb-17	04-May-17	5,946,311,200	2,670,298,514		49,657,650
11-May-17	09-Feb-17	11-May-17	17,856,164	797,585,261		14,514,739
18-May-17	16-Feb-17	18-May-17	1,686,941,000	4,707,440,908		92,559,092
25-May-17	23-Feb-17	25-May-17	3,535,133,333	4,328,870,200		98,479,800
26-May-17	25-May-17	24-Aug-17	4,111,008,000			255,211,281
Total			15,297,249,697	12,504,194,883		
01-Jun-17	02-Mar-17	01-Jun-17	3,199,141,700	14,820,196,000		355,004,000
08-Jun-17	09-Mar-17	08-Jun-17	1,763,515,400	21,364,000		436,000
15-Jun-17	16-Mar-17	15-Jun-17	1,686,963,385	5,032,641,950		125,458,050
22-Jun-17	23-Mar-17	22-Jun-17	5,556,500,000	9,123,476,699		227,773,301
29-Jun-17	30-Mar-17	29-Jun-17	11,993,550,000	3,289,926,703		77,423,297
Total			24,199,670,485	32,287,605,352		786,094,648
06-Jul-17	06-Apr-17	06-Jul-17	6,007,619,280	1,447,296,912		34,503,088
13-Jul-17	06-Apr-17	06-Jul-17	2,645,357,000	72,688		41,833,000
20-Jul-17	13-Apr-17	13-Jul-17	3,234,453,931	1,820,317,000		13,931,621
27-Jul-17	20-Apr-17	20-Jul-17	3,891,500,000	564,368,379		38,064,389
27-Jul-17	20-Apr-17	20-Jul-17	54,640,411	130,421		54,640,411
27-Jul-17	27-Apr-17	27-Jul-17		4,137,135,611		182,972,509
			-	-		72,688
Total			15,833,570,622	7,969,321,011		182,899,821
03-Aug-17	04-May-17	03-Aug-17	7,065,160,833	5,946,311,200		134,888,800
10-Aug-17	11-May-17	10-Aug-17	4,125,816,575	1,698,160,178		27,289,822
17-Aug-17	18-May-17	17-Aug-17	11,219,178	3,535,726,872		11,219,178
24-Aug-17	25-May-17	24-Aug-17	5,286,896,905	4,111,008,000		76,423,129
31-Aug-17	01-Jun-17	31-Aug-17	593,539	3,199,141,700		593,539
31-Aug-17	24-Aug-17	23-Nov-17	1,729,862,973	0		96,992,000
31-Aug-17	31-Aug-17	27-Jul-17	3,464,994,700			69,308,300
						416,714,767

During the financial year ended 31st December 2017

Transaction Date	Issue Date	Maturity Date	Issued	Matured	Balance as at 31/12/2017	Interest Paid in FY2017
			Le	Le	Le	Le
						0
Total			21,684,544,703	18,490,347,950		416,714,767
07-Sep-17	08-Jun-17	07-Sep-17	1,622,666,629	1,763,515,400		43,284,600
14-Sep-17	15-Jun-17	14-Sep-17	1,643,021,250	1,686,963,385		30,286,615
21-Sep-17	22-Jun-17	21-Sep-17	36,930,245	5,556,500,000		143,500,000
28-Sep-17	29-Jun-17	28-Sep-17	2,073,910,000	11,993,550,000		344,450,000
Total			5,376,528,124	21,000,528,785		561,521,215
05-Oct-17	08-Jun-17	07-Sep-17	2,209,393,700	6,007,619,280		170,480,720
12-Oct-17	15-Jun-17	14-Sep-17	2,177,194,190	2,645,640,787		69,009,213
19-Oct-17	22-Jun-17	21-Sep-17	283,787	3,234,453,931		283,787
19-Oct-17	29-Jun-17	28-Sep-17	176,475,000	3,993,171,607		87,996,069
26-Oct-17	26-Oct-17	25-Jan-18	1,197,006,459			6,828,393
26-Oct-17	27-Jul-17	26-Oct-17	101,671,607			101,671,607
Total			5,862,024,744	15,880,885,606		436,269,789
02-Nov-17	03-Aug-17	02-Nov-17	7,891,558,000	7,065,160,833	2,209,393,700	189,839,167
09-Nov-17	10-Aug-17	09-Nov-17	938,258,005	4,225,138,707	2,177,194,190	6,311,293
16-Nov-17	17-Aug-17	16-Nov-17	99,322,132	5,286,896,905	176,475,000	99,322,131
23-Nov-17	24-Aug-17	23-Nov-17	431,210,600	1,729,862,975	1,197,006,459	139,103,095
30-Nov-17	31-Aug-17	30-Nov-17	409,541,200	3,464,994,700	7,891,558,000	43,987,025
30-Nov-17	30-Nov-17	01-Mar-18	371,623,768		938,258,005	90,205,300
Total			10,141,513,705	21,772,054,120	431,210,600	568,768,011
07-Dec-17	07-Sep-17	07-Dec-17	65,397,200	1,622,666,629	409,541,200	45,933,371
14-Dec-17	14-Sep-17	14-Dec-17	110,005,000	1,643,021,250	371,623,768	44,228,750
21-Dec-17	21-Sep-17	21-Dec-17	2,087,564,217	36,930,245	65,397,200	919,755
28-Dec-17	28-Sep-17	28-Dec-17	59,471,500	2,073,910,000	110,005,000	56,090,000
Total			2,322,437,917	5,376,528,124	2,087,564,217	147,171,876
					59,471,500	
Grand Total			160,479,517,187	169,316,583,339	18,124,698,840	4,139,404,575
SUMMARY						
Outstanding Balance FY2016			26,961,764,991			
Issued FY2017			160,479,517,187			
Matured FY2017				169,316,583,339		
Outstanding Balance FY2017					18,124,698,840	
Total for FY2017			187,441,282,178	169,316,583,339	18,124,698,840	

APPENDIX 6: STATEMENT OF MOVEMENTS IN 182-DAY TREASURY BILLS

During the financial year ended 31st December 2017

Transaction Date	Issue Date	Maturity Date	Issued	Matured	Balance as at 31/12/2017	Interest Paid in FY2017
			Le	Le	Le	Le
05-Jan-17	07-Jul-16	05-Jan-17	1,396,600,000	1,228,759,750		54,540,250
12-Jan-17	14-Jul-16	12-Jan-17	4,508,472,000	10,851,999,105		427,300,895
19-Jan-17	21-Jul-16	19-Jan-17	2,035,753,200	11,961,472,020		356,227,980
26-Jan-17	28-Jul-16	26-Jan-17	185,986,270	485,521,500		185,986,270
02-Feb-17	04-Aug-16	02-Feb-17	7,907,969,400	5,556,600,000		21,778,500
09-Feb-17	11-Aug-16	09-Feb-17	108,484,500	2,045,101,700		278,400,000
16-Feb-17	18-Aug-16	16-Feb-17	977,849,000	4,649,083,075		101,798,300
23-Feb-17	25-Aug-16	23-Feb-17	1,612,417,950	1,655,439,000		231,566,925
09-Mar-17	08-Sep-16	09-Mar-17	2,850,315,100	2,234,150,000		80,361,000
09-Mar-17	15-Sep-16	16-Mar-17	2,250,600,000	3,861,852,175		115,850,000
16-Mar-17	22-Sep-16	23-Mar-17	2,303,000	2,190,850,750		210,747,825
23-Mar-17	29-Sep-16	30-Mar-17	116,015,750	2,397,535,750		137,249,250
30-Mar-17	30-Mar-17	28-Sep-17	6,426,000			153,214,250
			23,959,192,170	49,118,364,825		2,355,021,445
						1,417,720
						2,353,603,725
06-Apr-17	06-Oct-16	06-Apr-17	4,800,790,500	2,885,317,350		189,832,650
13-Apr-17	13-Oct-16	13-Apr-17	61,500,000	1,200,475,423		82,524,577
13-Apr-17	13-Oct-16	13-Apr-17	264,100,000	261,577		70,000,000
20-Apr-17	20-Oct-16	20-Apr-17	1,890,000,000	930,000,000		252,564,875
28-Apr-17	27-Oct-16	27-Apr-17	696,780,000	3,511,235,125		594,922,102
Total			7,713,170,500	8,527,289,475		261,577
						120,676
						594,539,849
04-May-17	03-Nov-16	04-May-17	341,620,000	3,324,367,325		245,832,675
11-May-17	10-Nov-16	11-May-17	9,600,000	1,868,997,500		141,752,500
18-May-17	17-Nov-16	18-May-17	13,440,000	2,862,385,000		212,215,000
25-May-17	24-Nov-16	25-May-17	34,000,000	1,430,977,550		70,072,450
26-May-17	25-May-17	16-Nov-17	384,000,000			34,000,000
Total			782,660,000	9,486,727,375		703,872,625
01-Jun-17	01-Dec-16	01-Jun-17	401,860,000	1,939,905,700		153,894,300
08-Jun-17	08-Dec-16	08-Jun-17	5,058,920,000	1,590,516,050		123,083,950
15-Jun-17	15-Dec-16	15-Jun-17	3,737,860,000	17,670,000		1,330,000
22-Jun-17	22-Dec-16	22-Jun-17	16,479,025,100	926,500,000		73,500,000
29-Jun-17	29-Dec-16	29-Jun-17	3,460,929,000	438,453,975		33,646,025
Total			29,138,594,100	4,913,045,725		385,454,275
06-Jul-17	05-Jan-17	06-Jul-17	141,890,000	1,396,600,000		103,400,000
13-Jul-17	12-Jan-17	13-Jul-17	5,600,437,000	4,508,472,000		336,928,000
20-Jul-17	19-Jan-17	20-Jul-17	3,645,898,000	2,035,753,200		157,146,800
27-Jul-17	27-Jul-17	18-Jan-18	6,090,550,000			597,474,800
			-	-		130,421
Total			15,478,775,000	7,940,825,200		597,344,379
03-Aug-17	02-Feb-17	03-Aug-17	2,715,212,000	8,044,284,468		474,715,532
10-Aug-17	09-Feb-17	10-Aug-17	136,315,068	108,484,500		136,315,068
17-Aug-17	16-Feb-17	17-Aug-17	49,396,000	977,849,000		8,165,500
24-Aug-17	23-Feb-17	24-Aug-17	161,910,800	1,612,417,950		71,451,000
31-Aug-17	02-Mar-17	31-Aug-17	138,075,800	3,047,579,940		116,932,050
31-Aug-17	31-Aug-17	22-Feb-18	2,831,979,875			4,220,060
31-Aug-17	31-Aug-17	22-Feb-18	197,264,840			197,264,840
Total			6,230,154,384	13,790,615,859		1,009,064,050

APPENDIX 6: STATEMENT OF MOVEMENTS IN 182-DAY TREASURY BILLS

During the financial year ended 31st December 2017

Transaction Date	Issue Date	Maturity Date	Issued	Matured	Balance as at 31/12/2017	Interest Paid in FY2017
			Le	Le	Le	Le
05-Jan-17	07-Jul-16	05-Jan-17	1,396,600,000	1,228,759,750		54,540,250
07-Sep-17	09-Mar-17	07-Sep-17	76,635,500	2,250,600,000		159,400,000
14-Sep-17	16-Mar-17	14-Sep-17	98,700,000	2,303,000		147,000
21-Sep-17	23-Mar-17	21-Sep-17	56,907,900	116,015,750	141,890,000	7,334,250
28-Sep-17	30-Mar-17	28-Sep-17	1,878,175,000	6,426,000	5,600,437,000	374,000
Total			2,110,418,400	2,375,344,750	3,645,898,000	167,255,250
05-Oct-17	06-Apr-17	05-Oct-17	3,886,590,000	4,800,734,264	6,090,550,000	289,915,736
05-Oct-17	06-Apr-17	05-Oct-17	258,500,000	56,236	2,715,212,000	13,805,725
12-Oct-17	13-Apr-17	12-Oct-17	94,275	264,194,275	49,396,000	94,275
19-Oct-17	20-Apr-17	19-Oct-17	83,157,534	1,973,157,534	161,910,800	26,842,466
26-Oct-17	27-Apr-17	26-Oct-17	238,423,500	696,779,825	138,075,800	83,157,534
26-Oct-17	27-Apr-17	26-Oct-17		175	2,831,979,875	38,970,175
Total			4,466,765,309	7,734,922,309	76,635,500	452,785,911
02-Nov-17	04-May-17	02-Nov-17	10,070,000	341,620,000	98,700,000	17,980,000
09-Nov-17	11-May-17	09-Nov-17	19,530,300	9,600,000	56,907,900	400,000
16-Nov-17	18-May-17	16-Nov-17	97,643,100	13,440,000	1,878,175,000	560,000
23-Nov-17	25-May-17	23-Nov-17	13,133,800	384,000,000	3,886,590,000	16,000,000
30-Nov-17	01-Jun-17	30-Nov-17	22,900,050	401,860,000	258,500,000	29,140,000
Total			163,277,250	1,150,520,000	238,423,500	64,080,000
02-Dec-17	08-Jun-17	07-Dec-17	6,365,000	5,150,388,493	10,070,000	277,511,507
09-Dec-17	15-Jun-17	14-Dec-17	91,468,493	3,737,860,000	19,530,300	91,468,493
16-Dec-17	22-Jun-17	21-Dec-17	18,145,000	16,479,025,100	97,643,100	281,140,000
23-Dec-17	29-Jun-17	28-Dec-17	77,280,000	3,460,755,115	13,133,800	1,209,024,900
30-Dec-17	29-Jun-17	28-Dec-17		173,885	22,900,050	256,544,885
			193,258,493	28,828,202,593	6,365,000	2,115,689,785
					18,145,000	173,885
					-	2,115,515,900
					77,280,000	
			90,236,265,606	133,865,858,111	28,134,348,625	8,443,515,964
SUMMARY						
Outstanding Balance FY2016			71,765,358,850			
Issued FY2017			90,236,265,606			
Matured FY2017				133,865,858,111		
Outstanding Balance FY2017					28,134,348,625	
Total for FY2017			162,001,624,456	133,865,858,111	28,134,348,625	

APPENDIX 7: STATEMENT OF MOVEMENTS IN 364-DAY TREASURY BILLS

During the financial year ended 31st December 2017

Transaction Date	Issue Date	Maturity Date	Issued	Matured	Balance as at 31/12/2017	Interest Paid in FY2017
			Le	Le	Le	Le
05-Jan-17	07-Jan-16	05-Jan-17	34,774,386,500	39,855,670,219		1,385,429,781
12-Jan-17	14-Jan-16	12-Jan-17	38,534,758,330	34,294,988,162		3,290,411,838
19-Jan-17	21-Jan-16	19-Jan-17	71,464,526,800	73,627,114,331		7,185,285,669
26-Jan-17	28-Jan-16	26-Jan-17	2,945,228,619	42,707,983,938		2,945,228,619
26-Jan-17	14-Jan-16	12-Jan-17	1,091,063,862			1,091,063,862
26-Jan-17	21-Jan-16	19-Jan-17	2,861,460,491			2,861,460,491
26-Jan-17	26-Jan-17	25-Jan-18	39,465,856,275			3,362,766,062
	28-Jan-16	26-Jan-16	2,415,108,483			2,415,108,483
Total			193,552,389,360	190,485,756,650		6,367,496,918
02-Feb-17	04-Feb-16	02-Feb-17	76,062,344,200	95,497,903,082		6,549,400,972
02-Feb-17	11-Feb-16	09-Feb-17	6,549,400,972	64,322,453,520		2,767,546,480
09-Feb-17	18-Feb-16	16-Feb-17	79,899,986,450	73,683,913,812		6,245,287,520
09-Feb-17	25-Feb-16	23-Feb-17	6,245,287,520	70,486,288,455		3,162,936,188
16-Feb-17	16-Feb-17	15-Feb-18	76,305,026,050			7,942,053,062
16-Feb-17	17-Feb-15	16-Feb-16	7,942,053,062			6,118,311,545
23-Feb-17	23-Feb-17	22-Feb-18	78,255,524,800			5,206,169,805
23-Feb-17	25-Feb-16	23-Feb-17	5,206,169,805			2,191,617,005
Total			336,465,792,860	303,990,558,870		2,811,039,245
02-Mar-17	03-Mar-16	02-Mar-17	34,568,987,500	32,226,882,995		1,389,589,966
02-Mar-17	10-Mar-16	09-Mar-17	2,811,039,245	32,067,010,034		3,684,033,434
09-Mar-17	17-Mar-16	16-Mar-17	39,789,880,000	43,001,443,269		3,711,356,731
09-Mar-17	24-Mar-16	23-Mar-17	3,684,033,434	20,039,133,537		3,506,972,769
16-Mar-17	31-Mar-16	30-Mar-17	74,093,499,720	67,412,571,724		873,716,463
16-Mar-17	18-Mar-16	16-Mar-17	3,506,972,769			2,635,134,737
23-Mar-17	23-Mar-17	22-Mar-18	27,891,723,600			7,750,679,374
23-Mar-17	24-Mar-16	23-Mar-17	2,635,134,737			4,882,778,276
30-Mar-17	30-Mar-17	29-Mar-18	72,408,856,750			102,332,875,295
30-Mar-17	31-Mar-16	30-Mar-17	7,750,679,374			
Total			269,140,807,129	194,747,041,559		
06-Apr-17	07-Apr-16	06-Apr-17	55,262,194,900	62,244,427,956		2,846,422,044
06-Apr-17	14-Apr-16	13-Apr-17	8,853,689,666	82,139,094,292		8,853,689,666
13-Apr-17	14-Apr-16	13-Apr-17	92,109,401,000	64,282,613,513		5,463,305,708
13-Apr-17	21-Apr-16	20-Apr-17	10,937,110,242	9,335,878,613		10,937,110,242
20-Apr-17	28-Apr-16	27-Apr-17	80,048,308,800	31,428,820,543		4,128,836,487
20-Apr-17	21-Apr-16	20-Apr-17	9,335,878,613			9,335,878,613
21-Apr-17	21-Apr-16	20-Apr-17	9,265,878,613			9,265,878,613
28-Apr-17	27-Apr-17	26-Apr-18	38,629,042,475			5,469,179,457
23-Apr-17	28-Apr-16	27-Apr-17	2,011,214,133			2,011,214,133
Total			306,452,718,442	249,430,834,917		58,311,514,963
						9,335,878,613
						48,975,636,350
04-May-17	05-May-16	04-May-17	39,667,048,800	23,757,391,525		3,156,208,475
04-May-17	12-May-16	11-May-17	2,454,660,575	42,686,577,434		2,454,660,575
11-May-17	19-May-16	18-May-17	63,416,502,250	43,089,631,561		3,921,072,566
11-May-17	26-May-16	25-May-17	5,544,875,934	32,963,778,700		5,544,875,934
18-May-17	20-Apr-17	19-Apr-18	60,558,842,650			4,071,418,439
18-May-17	19-May-16	18-May-17	5,500,339,481			5,500,339,481
25-May-17	25-May-17	24-May-18	33,448,862,800			7,347,321,300
Total			210,591,132,491	142,497,379,221		31,995,896,770

APPENDIX 7: STATEMENT OF MOVEMENTS IN 364-DAY TREASURY BILLS

During the financial year ended 31st December 2017

Transaction Date	Issue Date	Maturity Date	Issued	Matured	Balance as at 31/12/2017	Interest Paid in FY2017
			Le	Le	Le	Le
01-Jun-17	02-Jun-16	01-Jun-17	78,341,895,600	53,524,792,325		9,671,257,675
01-Jun-17	09-Jun-16	08-Jun-17	1,163,495,325	23,649,115,062		1,163,495,325
08-Jun-17	16-Jun-16	15-Jun-17	36,178,390,500	26,173,578,611		3,837,884,938
08-Jun-17	23-Jun-16	22-Jun-17	491,202,062	40,511,135,000		491,202,062
15-Jun-17	30-Jun-16	29-Jun-17	40,867,250,800	110,677,193,423		3,451,171,389
15-Jun-17	16-Jun-16	15-Jun-17	721,024,611			721,024,611
22-Jun-17	22-Jun-17	21-Jun-18	49,617,499,500			4,784,615,000
22-Jun-17	23-Jun-16	22-Jun-17	1,108,000,000			1,108,000,000
29-Jun-17	29-Jun-17	28-Jun-18	90,557,161,600			8,333,756,577
29-Jun-17	30-Jun-16	29-Jun-17	8,590,741,923			8,590,741,923
Total			307,636,661,920	254,535,814,420		42,153,149,500
06-Jul-17	07-Jul-16	06-Jul-17	80,857,773,400	35,632,658,970		2,608,291,030
06-Jul-17	14-Jul-16	13-Jul-17	3,348,806,970	55,024,890,659		3,348,806,970
13-Jul-17	21-Jul-16	20-Jul-17	86,581,090,200	53,412,894,672		5,027,759,341
13-Jul-17	28-Jul-16	27-Jul-17	4,250,551,759	66,201,739,360		4,250,551,759
20-Jul-17	20-Jul-17	19-Jul-18	57,410,874,175			1,725,055,328
20-Jul-17	21-Jul-16	20-Jul-17	6,618,192,627			6,618,192,627
27-Jul-17	27-Jul-17	26-Jul-18	69,111,892,950		34,774,386,500	2,488,360,640
27-Jul-17	28-Jul-16	27-Jul-17	7,389,235,310		38,534,758,330	7,389,235,310
Total			315,568,417,391	210,272,183,661	71,464,526,800	33,456,253,005
03-Aug-17	04-Aug-16	03-Aug-17	68,808,679,400	58,446,697,187	39,465,856,275	5,191,302,813
03-Aug-17	04-May-17	03-Aug-17	3,953,801,887	5,867,000,000	76,062,344,200	3,953,801,887
03-Aug-17	11-Aug-16	10-Aug-17	5,867,000,000	45,660,869,099	79,899,986,450	3,309,480,901
10-Aug-17	18-Aug-16	17-Aug-17	53,260,243,690	28,948,341,032	76,305,026,050	3,772,213,999
10-Aug-17	18-Aug-16	17-Aug-17	3,772,213,999	2,562,000,000	78,255,524,800	1,864,658,968
10-Aug-17	25-Aug-16	24-Aug-17	43,003,784,800	38,534,409,253	34,568,987,500	2,718,778,682
17-Aug-17	01-Sep-16	31-Aug-17	2,718,778,682	42,435,147,485	39,789,880,000	5,811,790,747
17-Aug-17	18-Aug-16	17-Aug-17	2,562,000,000		74,093,499,720	871,743,228
24-Aug-17	24-Aug-17	23-Aug-18	29,361,269,250		27,891,723,600	3,483,702,515
31-Aug-17	25-Aug-16	24-Aug-17	871,743,228		72,408,856,750	3,458,200,060
31-Aug-17	31-Aug-17	30-Aug-18	45,489,545,150		55,262,194,900	-
31-Aug-17	01-Sep-16	31-Aug-17	3,458,200,060		92,109,401,000	-
Total			263,127,260,146	222,454,464,056	80,048,308,800	34,435,673,800
07-Sep-17	08-Sep-16	07-Sep-17	49,717,306,300	52,518,281,679	38,629,042,475	3,803,318,321
07-Sep-17	15-Sep-16	14-Sep-17	4,798,493,454	42,099,245,679	39,667,048,800	4,798,493,454
14-Sep-17	22-Sep-16	21-Sep-17	47,115,255,650	50,351,578,684	63,416,502,250	3,941,904,321
14-Sep-17	29-Sep-16	28-Sep-17	3,210,575,429	26,515,725,420	60,558,842,650	3,210,575,429
21-Sep-17	17-Aug-17	16-Aug-18	51,909,091,650		33,448,862,800	3,001,471,316
21-Sep-17	22-Sep-16	21-Sep-17	6,174,465,664		78,341,895,600	6,174,465,664
28-Sep-17	24-Aug-17	23-Aug-18	36,545,686,600		36,178,390,500	2,498,874,580
28-Sep-17	29-Sep-16	28-Sep-17	2,615,779,920		40,867,250,800	2,615,779,920
Total			202,086,654,666	171,484,831,461	49,617,499,500	30,044,883,005
05-Oct-17	06-Oct-16	05-Oct-17	35,550,184,350	30,042,637,606	90,557,161,600	2,491,712,394
12-Oct-17	13-Oct-16	12-Oct-17	4,043,031,606	19,225,442,450	80,857,773,400	4,043,031,606
19-Oct-17	20-Oct-16	19-Oct-17	27,475,604,450	31,492,366,952	86,581,090,200	5,053,907,550
19-Oct-17	27-Oct-16	26-Oct-17	46,123,840,300	41,714,857,334	57,410,874,175	6,503,483,048
20-Oct-17	20-Oct-16	19-Oct-17	1,592,886,952		69,111,892,950	1,592,886,952
26-Oct-17	26-Oct-17	25-Oct-18	57,004,431,918		68,808,679,400	5,050,792,666
27-Oct-17	27-Oct-16	26-Oct-17	4,929,339,584		53,260,243,690	4,929,339,584
Total			176,719,319,160	122,475,304,342	43,003,784,800	29,665,153,800

APPENDIX 7: STATEMENT OF MOVEMENTS IN 364-DAY TREASURY BILLS

During the financial year ended 31st December 2017

Transaction Date	Issue Date	Maturity Date	Issued	Matured	Balance as at 31/12/2017	Interest Paid in FY2017
			Le	Le	Le	Le
02-Nov-17	03-Nov-16	02-Nov-17	76,430,559,450	33,812,490,680	29,361,269,250	5,443,809,320
02-Nov-17	10-Nov-16	09-Nov-17	2,802,628,180	33,719,641,698	45,489,545,150	2,802,628,180
09-Nov-17	17-Nov-16	16-Nov-17	79,909,098,848	69,819,751,314	49,717,306,300	3,930,258,302
09-Nov-17	24-Nov-16	23-Nov-17	5,295,076,298	45,506,885,049	47,115,255,650	5,295,076,298
16-Nov-17	01-Dec-16	30-Nov-17	86,212,642,500	36,071,436,400	51,909,091,650	12,397,148,686
16-Nov-17	17-Nov-16	16-Nov-17	8,053,590,464		36,545,686,600	8,053,590,464
23-Nov-17	23-Nov-17	22-Nov-18	80,324,233,050		35,550,184,350	14,148,864,951
23-Nov-17	24-Nov-16	23-Nov-17	644,319,049		27,475,604,450	644,319,049
30-Nov-17	30-Nov-17	29-Nov-18	80,914,153,637		46,123,840,300	11,569,763,600
			420,586,301,474	218,930,205,140	57,004,431,918	64,285,458,850
07-Dec-17	08-Dec-16	07-Dec-17	81,103,492,400	39,998,969,199	76,430,559,450	4,405,330,801
07-Dec-17	15-Dec-16	14-Dec-17	6,118,571,199	25,942,277,461	79,909,098,848	6,118,571,199
14-Dec-17	22-Dec-16	21-Dec-17	68,257,004,000	25,067,491,450	86,212,642,500	6,960,672,540
14-Dec-17	29-Dec-16	28-Dec-17	645,297,111	22,387,488,342	80,324,233,050	645,297,111
21-Dec-17	21-Dec-17	20-Dec-18	43,365,121,333		80,914,153,637	7,318,658,550
28-Dec-17	28-Dec-17	27-Dec-18	29,919,747,175		81,103,492,400	2,191,361,658
28-Dec-17	29-Dec-16	28-Dec-17	3,215,970,842		68,257,004,000	3,215,970,842
			232,625,204,059	113,396,226,452	43,365,121,333	30,855,862,700
					29,919,747,175	
			3,234,552,659,099	2,394,700,600,750	3,013,980,365,275	448,200,843,075
SUMMARY						
Outstanding Balance FY2016						
Issued FY2017			3,234,552,659,099			
Matured FY2017				2,394,700,600,750		
Outstanding Balance FY2017					3,013,980,365,275	
Total for FY2017			3,234,552,659,099	2,394,700,600,750	3,013,980,365,275	

APPENDIX 8: STATEMENT OF MOVEMENTS IN I-YEAR TREASURY BONDS

During the financial year ended 31st December 2017

Transaction Date	Issue Date	Maturity Date	Nominal	Issued	Matured
			Le	Le	Le
03-Jan-17	05-Jan-16	03-Jan-17	5,150,650,000		5,150,650,000
16-Jan-17	18-Jan-16	16-Jan-17	5,234,300,000		5,234,300,000
03-Feb-17	05-Feb-16	03-Feb-17	2,235,350,000		2,235,350,000
15-Feb-17	17-Feb-16	15-Feb-17	2,578,350,000		2,578,350,000
14-Mar-17	15-Mar-16	14-Mar-17	2,480,050,000		2,480,050,000
28-Mar-17	29-Mar-16	28-Mar-17	1,518,600,000		1,518,600,000
18-Apr-17	15-Apr-16	14-Apr-17	1,899,550,000		1,899,550,000
Total 1st Qtr FY2017					21,096,850,000
15-May-17	16-May-16	15-May-17	4,666,500,000		4,666,500,000
29-Jun-17	10-Jun-16	09-Jun-17	2,194,600,000		2,194,600,000
10-Jul-17	11-Jul-16	10-Jul-17	1,055,850,000		1,055,850,000
26-Jul-17	27-Jul-16	26-Jul-17	4,749,150,000		4,749,150,000
18-Aug-17	19-Aug-16	18-Aug-17	2,888,800,000		2,888,800,000
08-Sep-17	09-Sep-16	08-Sep-17	1,629,850,000		1,629,850,000
29-Sep-17	30-Sep-16	29-Sep-17	2,070,800,000		2,070,800,000
27-Oct-17	28-Oct-16	27-Oct-17	1,647,200,000		1,647,200,000
24-Nov-17	25-Nov-16	24-Nov-17	2,512,600,000		2,512,600,000
08-Dec-17	09-Dec-16	08-Dec-17	1,261,650,000		1,261,650,000
					24,677,000,000
Grand Total					45,773,850,000
SUMMARY					
Outstanding Balance FY2016			45,773,850,000		
Issued FY2017			-		
Matured FY2017				45,773,850,000	
Outstanding Balance FY2017					-
Total for FY2017			45,773,850,000	45,773,850,000	-

APPENDIX 9 – STATEMENT OF OUTSTANDING DEBTS DUE EXTERNAL CREDITS (ON A LOAN BY LOAN BASIS)

REVISED DISBURSED OUTSTANDING DEBTS ON A LOAN BY LOAN BASIS TO EXTERNAL
CREDITORS AS AT DECEMBER 2016 AND DECEMBER 2017
(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 31 December 2016	Disbursements	Principal Repayment	Disbursed Outstanding Debt including Principal Arrears As At 31 December 2017	
																In Specific Loan Currency	In Leone Equivalent
1993029 /SL GOSL	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	94,050,055.20
2005281 /SL GOSL	Chinese U S Dollar Clearing Account	CNY	2005	20,000,000.0	2011	10	2015	1	10	2024	2,000,000.0	0	18,460.00	0.00	0.00	18,460.00	21,577,524.80
2006281 /SL GOSL	Chinese Loan Account No. 2006/1	CNY	2006	20,000,000.0	2007	15	2021	1	10	2030	2,000,000.0	0	18,100.00	0.00	0.00	18,100.00	21,156,728.00
2007281 /SL GOSL	Exim Bank of China	CNY	2007	115,884,112.7	2007	5	2012	2	30	2027	7,732,274.2	2	81,188.90	0.00	7,732.30	73,456.60	85,861,956.10
2011283 /SL GOSL	SIERRATEL Wireless Local Loop Cr.No (2007) 011(182)	CNY	2011	100,000,000.0	2011	5	2017	2	30	2031	6,666,666.7	2	100,000.00	0.00	6,666.70	63,333.30	106,065,466.70
2012284 /SL GOSL	Dedicated Security Info system Cr.No GCL 618	CNY	2012	97,000,000.0	2013	4	2017	2	30	2031	6,466,666.7	2	93,466.20	0.00	6,466.70	87,092.50	101,695,478.40
2012284 /SL GOSL	S.L. National Fibre Optic Backbone Proj. Cr.No GCL 024	CNY	2012	97,000,000.0	2013	4	2017	2	30	2031	6,466,666.7	2	93,466.20	0.00	6,466.70	87,092.50	101,695,478.40
2008010 /DR GOSL	Kuwait Fund for Arab Econ. Development	KWD	2008	3,513,348.0	2008	16	2024	2	50	2048	48,000.0	0.5	3,513.30	0.00	0.00	3,513.30	36,513,357.20
2002010 /SL GOSL	Resch. WATERLOO-KENT PROJECT - HPC	KWD	2002	3,100,000.0	2002	3	2005	2	46	2027	140,800.0	2	1,360.80	0.00	140.80	1,220.00	30,736,843.20
2004060 /SL GOSL	Waterloo - Kent-Tokoh Road Project Cr.No 640	KWD	2004	2,500,000.0	2005	3	2008	2	12	2009	114,000.0	2	1,347.50	183.50	114.00	1,417.00	35,699,118.60
2007040 /SL GOSL	Tokoh - Lumley Road Project Cr. No. 684	KWD	2007	3,000,000.0	2009	6	2013	2	11	2033	150,000.0	2	2,409.90	10.70	150.00	2,270.60	57,204,632.40
2011080 /SL GOSL	Kenema-Pendembu Road Project Cr. No. 753	KWD	2011	4,250,000.0	2013	5	2017	2	39	2036	210,000.0	1.5	1,032.80	446.40	210.00	1,268.90	31,968,662.00
2013284 /SL GOSL	Three Tertiary Hospitals Project Cr.No.830	KWD	2013	4,000,000.0	2014	5	2018	1	40	2057	100,000.0	2	3,541.10	458.90	0.00	4,000.00	100,773,822.00
2016003 /SL GOSL	Reconstruction of the Matokola-Sefadu Road Project	KWD	2016	6,000,000.0	2017	4							1,068.00	1,021.50	0.00	2,107.80	53,096,586.90
2016003 /SL GOSL	The Hillside Bypass Road Project Phase II	KWD	2016	6,000,000.0	2017	4							1,068.00	1,021.50	0.00	2,107.80	53,096,586.90
2002300 /DR GOSL	Saudi Fund For Economic Development	SAR	2002	3,997,428.7	2002	2	2004	2	24	2017	307,500.0	2	153.70	0.00	153.70	0.00	0.00
2006030 /SL GOSL	SFED Deferred Arrears @ 2002 Under Hospital Proj. Phase 1 Cr.No.229/01	SAR	2006	31,000,000.0	2009	10	2017	2	40	2036	1,550,000.0	1	30,819.20	0.00	1,550.00	29,299.20	59,387,151.00
2008040 /SL GOSL	SFED Western Area Power Generation Project Phase 2 Cr.No. 045/02	SAR	2008	37,500,000.0	2010	10	2018	2	40	2038	1,876,000.0	1	36,754.00	0.00	0.00	36,754.00	74,573,816.90
2010050 /SL GOSL	SFED Kenema-Pendembu Road Proj Cr.No 048/03	SAR	2010	6,000,000.0	2011	10	2020	2	40	2040	300,000.0	1	5,777.40	0.00	0.00	5,777.40	11,722,251.40
2016001 /SL GOSL	SFED Western Area Power Gen Proj Ph 1 Cr.No. 052/04	SAR	2016	45,000,000.0	2017	10	2027	2	40	2046	2,250,000.0	1	0.00	14,703.90	0.00	14,703.90	29,834,162.70
2016001 /SL GOSL	SFED Rehabilitation and Expansion of Fourah Bay College	SAR	2016	45,000,000.0	2017	10	2027	2	40	2046	2,250,000.0	1	0.00	14,703.90	0.00	14,703.90	29,834,162.70
2008050 /SL GOSL	Exim Bank of India	USD	2008	15,000,000.0	2009	5	2014	2	30	2028	1,000,000.0	1.75	11,619.00	0.00	1,000.00	10,619.00	80,835,629.00
2010030 /SL GOSL	Dollar Credit Line Agreement - Agric. Sector Project Cr.No.86	USD	2010	30,000,000.0	2011	5	2016	2	30	2031	1,935,483.9	1.75	27,813.40	0.00	1,935.50	25,947.90	197,524,179.40
2016006 /GOSL	Dollar Credit Line Agreement - Portable Water Projects Cr.No.110	USD	2010	78,000,000.0	2017	5	2023	2	30	2042	3,900,000.0	1.75	0.00	58.80	0.00	58.80	447,407.10
2016006 /GOSL	Dollar Line of Credit - Transmission Line and Substation	USD	2010	78,000,000.0	2017	5	2023	2	30	2042	3,900,000.0	1.75	0.00	58.80	0.00	58.80	447,407.10
2013100 /SL GOSL	EXIM BANK OF KOREA	USD	2013	54,986,000.0	2014	14	2027	2	50	2052	2,199,440.0	0.01	9,979.10	766.70	0.00	10,745.80	81,800,363.30
2013100 /SL GOSL	FCC Administrative Building Complex - Korea Loan	USD	2013	54,986,000.0	2014	14	2027	2	50	2052	2,199,440.0	0.01	9,979.10	766.70	0.00	10,745.80	81,800,363.30
2012286 /SL GOSL	Abu Dhabi Fund for Development	AED	2012	20,000,000.0	2014	5	2017	2	30	2032	1,333,333.3	2	18,969.70	0.00	666.70	16,303.00	33,886,198.80
2014105 /SL GOSL	ADHF- Tokoh-Lumley Road Project	AED	2014	33,057,000.0	0	5	2019	2	30	2034	2,203,800.0	2	0.00	0.00	0.00	0.00	0.00
2014105 /SL GOSL	Solar Park Freezon Project	AED	2014	33,057,000.0	0	5	2019	2	30	2034	2,203,800.0	2	0.00	0.00	0.00	0.00	0.00
1994023 /CF GOSL	African Development Fund	EUR	1994	17,591.1	2007	13	2007	2	72	2042	344.1	0.75	13.90	0.00	0.50	13.40	122,295.50
1996023 /CF GOSL	Matokola-Sefadu Road Rehab Proj.-Excl MDRI - EUR	USD	1996	99,139.5	2006	10	2008	2	80	2046	2,974.2	0.75	90.70	0.00	1.80	89.70	682,987.90
1996025 /CF GOSL	Health Services Rehab. Proj. - USD excl. MDRI	EUR	1996	4,298,204.8	2006	8	2008	2	80	2048	45,018.1	0.75	3,916.60	0.00	45.00	3,871.60	35,298,398.70
1996028 /CF GOSL	Health Services proj. - EUR - excl MDRI ass.	EUR	1996	158,068.4	2007	8	2007	2	65	2039	3,439.0	0.75	91.29	0.00	4.00	87.20	795,212.10
2002033 /CF GOSL	ADF Education II - EUR -excl MDRI	EUR	2002	2,134,409.4	2007	10	2012	2	80	2051	21,348.1	0.75	2,027.90	0.00	21.30	2,006.50	18,294,322.10
2002034 /CF GOSL	Artisanal Fisheries - excl MDRI, EUR	USD	2002	5,133,617.8	2009	10	2012	2	80	2051	51,336.2	0.75	4,676.90	0.00	51.30	4,625.60	38,734,085.00
2002035 /CF GOSL	Artisanal Fisheries Devmt Proj. - USD excl MDRI	JPY	2002	306,705.6	2008	10	2012	2	80	2052	3,067.1	0.75	291.49	0.00	3.10	288.30	19,463,531.30
2003012 /CF GOSL	Artisanal Fisheries Dev Project - JPY excl MDRI	EUR	2003	1,706,466.7	2007	10	2013	2	80	2052	17,094.7	0.75	1,638.29	0.00	17.10	1,621.10	14,780,586.20
2003013 /CF GOSL	ADF-Rehab Basic Non-Form Educ. - excl MDRI, EUR	JPY	2003	609,808.0	2006	10	2013	2	80	2052	7,007.9	0.75	581.80	0.00	7.00	574.80	38,842,656.90
2003013 /CF GOSL	ADF-Rehab of Basic Non-Form Educ. - JPY excl MDRI	JPY	2003	609,808.0	2006	10	2013	2	80	2052	7,007.9	0.75	581.80	0.00	7.00	574.80	38,842,656.90

REVISED DISBURSED OUTSTANDING DEBTS ON A LOAN BY LOAN BASIS TO EXTERNAL
CREDITORS AS AT DECEMBER 2016 AND DECEMBER 2017
(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 31 December 2016	Disbursements	Principal Repayment	Disbursed Outstanding Debt Including Principal Arrears As At 31 December 2017	
																In Specific Loan Currency	In Leone Equivalent
2003014 /CF GOSL	ADF-Rehab of Basic non-formal education -USD xcl MDRI	USD	2003	13,964,722.5	2008	10	2013	2	80	2052	139,646.0	0.75	13,406.10	0.00	139.50	13,268.50	100,988,671.80
2003072 /CF GOSL	ADF - Social Action Support Project - US\$ xcl MDRI	USD	2003	3,311,051.4	2005	10	2013	2	80	2052	33,110.5	0.75	3,195.20	0.00	33.10	3,162.10	24,070,599.10
2003073 /CF GOSL	Social Action Support Project - JPK xcl MDRI	JPK/2	2003	218,152.8	2005	10	2013	2	80	2052	2,181,528.0	0.75	210.50	0.00	2.20	208.30	14,079,344.70
2003074 /CF GOSL	ADF-SASProject - EUR xcl MDRI	EUR	2003	3,879,974.5	2006	10	2013	2	80	2052	38,799.8	0.75	3,744.20	0.00	38.80	3,706.40	33,783,317.70
2003081 /CF GOSL	ADF-Nerica Rice Dissemination Proj. - EUR xcl MDRI	EUR	2003	442,520.2	2005	10	2013	2	80	2052	4,425.2	0.75	427.00	0.00	4.40	422.60	3,853,066.70
2003082 /CF GOSL	ADF - Nerica Rice Dissemination - US\$	USD	2003	1,985,046.8	2008	10	2013	2	80	2053	19,850.5	0.75	1,915.60	0.00	19.90	1,895.70	14,430,642.40
2003083 /CF GOSL	Nerica Rice Dissemination Project - JPK xcl MDRI	JPK/2	2003	104,938.2	2008	10	2013	2	80	2054	1,049.4	0.75	101.30	0.00	1.00	100.20	8,772,597.60
2003284 /CF GOSL	ADF - Nerica Rice Dissemination - GBP	GBP	2003	243,358.1	2012	10	2013	2	80	2053	2,433.6	0.75	234.80	0.00	2.40	232.40	2,388,896.40
2004011 /CF GOSL	ERRL II xcl MDRI - ADF - US\$	USD	2004	10,512,538.4	2005	10	2014	2	80	2053	105,125.4	0.75	10,197.20	0.00	105.10	10,092.00	76,823,915.00
2005011 /CF GOSL	ADF - Agricultural Sector Rehab. Project - JPK xcl MDRI	JPK/2	2005	249,233.4	2006	10	2015	2	80	2055	1,246.2	0.75	245.50	0.00	2.50	243.00	16,422,111.60
2005012 /CF GOSL	ADF-Agricultural Sector Rehab. proj. - EUR	EUR	2005	2,140,639.2	2007	10	2015	2	80	2055	21,406.3	0.75	2,108.50	0.00	21.40	2,087.10	19,029,095.00
2005013 /CF GOSL	ADF-Agricultural Sector Rehab. Proj. - USD	USD	2005	7,219,328.2	2008	10	2015	2	80	2055	72,193.3	0.75	4,804.40	0.00	48.80	4,755.70	36,201,691.80
2005014 /CF GOSL	ADF - Agriculture Sector Rehabilitation Project - GBP	GBP	2005	3,811,601.0	2012	10	2015	2	80	2054	38,116.0	0.75	3,126.10	0.00	31.80	3,094.30	31,806,117.20
2008071 /CF GOSL	ADF - Bumbuna Hydro Power Project - USD - Add. Financing	USD	2008	8,227,911.3	2009	11	2020	2	80	2060	82,279.1	0.75	8,227.90	0.00	0.00	8,227.90	62,633,576.20
2008072 /CF GOSL	ADF-Bumbuna Hydro Project - JPK - Add. Financing	JPK/2	2008	194,068.4	2009	9	2018	2	80	2058	1,940.7	0.75	194.10	0.00	0.00	194.10	13,115,143.80
2010061 /CF GOSL	ADF - Three Towns Water Supply System Proj. - USD	USD	2010	7,962,201.9	2013	9	2020	2	80	2060	79,622.0	0.75	8,727.40	180.60	0.00	8,908.00	67,810,418.10
2010401 /CF GOSL	ADF/INTF - Supp loan, Bumbuna Hydro Power Proj - USD	USD	2010	1,099,819.6	2012	6	2017	2	40	2036	54,991.0	0.75	1,099.80	0.00	0.00	1,099.80	8,372,190.00
2012051 /CF GOSL	ADF-Matitoka -Yeyi Road Proj. - USD	USD	2012	4,021,702.3	2013	10	2022	2	80	2062	40,217.0	0.75	4,021.70	532.30	0.00	4,554.00	34,666,460.30
2012052 /CF GOSL	ADF-Matitoka -Safadu Road Rehab proj. - EUR	EUR	2012	15,485.7	2012	10	2022	2	80	2062	154.9	0.75	15.50	0.00	0.00	15.50	141,197.70
2013287 /SL GOSL	Cote D'Ivoire, Liberia, Sierra Leone, Guinea (CLSG) Electricity Networks Interconnection Project	SDR	2013	14,500,000.0	0	10	2023	2	80	2062	104,916.8	0.75	0.00	0.00	0.00	0.00	0.00
2013288 /SL GOSL	NTF- Cote D'Ivoire, Liberia, Sierra Leone, Guinea (CLSG) Electricity Networks Interconnection Project	SDR	2013	6,670,000.0	0	6	2020	2	40	2039	241,308.7	0.75	0.00	0.00	0.00	0.00	0.00
2013296 /CF GOSL	ADF-Rural Water Supply and Sanitation Proj. - USD	USD	2013	653,492.4	2014	10	2023	2	80	2063	13,089.9	0.75	1,133.40	2,466.10	0.00	3,599.50	27,400,471.30
2014106 /SL GOSL	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	212,007,114.00
2014107 /SL GOSL	FSF Ebola Sector Budget Support - Fight Back Programme	SDR	2014	4,800,000.0	2014	10	2024	2	60	2054	96,000.0	0.75	4,800.00	0.00	0.00	4,800.00	51,395,664.00
2016004 /SL GOSL	Mano River Union Rehabilitation of Bo-Bandajuma	SDR	2016	3,710,000.0	2018	10	2027	2	60	2056	96,000.0	0.75	0.00	0.00	0.00	0.00	0.00
2016005 /SL GOSL	Mano River Union Rehabilitation of Bo-Bandajuma Road Project - Transition Su	SDR	2016	3,230,000.0	2018	10	2027	2	60	2056	96,000.0	0.75	0.00	0.00	0.00	0.00	0.00
Arab Bank For Economic Dev. In Africa																	
2001060 /SL GOSL	Kent-Tokoh Road Project - BADEA	USD	2001	4,991,694.0	2002	11	2013	2	68	2047	146,814.0	1	4,477.80	0.00	146.80	4,331.00	32,969,232.80
2003060 /SL GOSL	Rehab. Njala University Cr. No.346	USD	2003	7,200,000.0	2005	12	2020	2	68	2054	211,784.7	0.75	7,200.00	0.00	0.00	7,200.00	54,808,776.00
2004030 /SL GOSL	Hillside Bypass Road Proj. Cr.No.398	USD	2004	6,000,000.0	2007	12	2016	2	40	2036	274,000.0	1	5,439.90	0.00	274.00	5,165.90	39,324,344.80
2005040 /SL GOSL	BADEA - Western Area Power Gen.Proj. Ph. 1 Cr.No.503	USD	2005	8,000,000.0	2006	16	2022	2	68	2065	235,294.1	0	8,000.00	0.00	0.00	8,000.00	60,898,640.00
2006020 /SL GOSL	Rehabilitation of Kambia Water Supply Proj. Cr.No.561	USD	2006	4,000,000.0	2010	11	2017	2	40	2037	182,000.0	0	3,705.50	109.50	0.00	3,816.00	29,048,698.00
2006030 /SL GOSL	Western Area Power Gen.Proj. Ph. 2 Cr.No.559	USD	2006	7,000,000.0	2009	15	2022	2	70	2056	200,000.0	0	6,589.90	0.00	0.00	6,589.90	53,209,741.50
2008030 /SL GOSL	Kenema - Pendembu Road project Cr.No. 592	USD	2008	10,000,000.0	2010	17	2025	2	68	2058	294,117.0	0	8,881.90	1,118.10	0.00	10,000.00	76,123,335.20
2011070 /SL GOSL	Primary Health Care Support Project Cr.No.	USD	2011	5,700,000.0	0	10	2021	2	40	2041	258,000.0	1	0.00	0.00	0.00	0.00	0.00
2013291 /SL GOSL	Rehabilitation and Expansion of Fourah Bay College	USD	2013	8,000,000.0	2014	10	2023	2	40	2042	364,000.0	1	643.40	393.80	0.00	1,037.00	7,894,145.80
2008020 /DR GOSL	Resch. Agreement under HPC relief - BADEA	USD	2008	7,491,287.0	2008	0	2008	2	44	2030	341,318.0	0	4,590.10	0.00	341.30	4,248.80	32,343,009.90
INTERNATIONAL MONETARY FUND																	
2008060 /SL BSL	PRGF Three Year Arrangement - IMF	SDR	2006	51,880,000.0	2006	5	2011	2	10	2015	942,000.0	0.5	23,382.00	0.00	0.00	16,746.00	179,311,976.00
2010040 /SL BSL	ECF-Three Year Arrangement - IMF	SDR	2010	22,200,000.0	2010	5	2015	2	10	2019	888,000.0	0	18,648.00	0.00	0.00	14,852.00	156,885,264.00
2013020 /SL GOSL	ECF - Three Year Loan 2 - IMF	SDR	2013	162,215,000.0	2013	5	2018	2	10	2022	1,778,000.0	0	186,660.00	0.00	0.00	186,660.00	1,996,648,883.80
2017005 /SL GOSL	ECF-Four Year Arrangement	SDR	2017	39,166,000.0	2017	5	2022	2	10	2022	39,166,000.0	0	0.00	39,166.00	0.00	39,166.00	419,367,203.40
European Economic Community/ Economic Investment Bank																	
1978060 /SL GOSL	Promotion of Small and Med.Scale Ent.	EURO	1978	462,811.8	1980	10	1989	2	60	2018	28,772.8	1	57.50	0.00	38.10	19.50	174,614.50
1983080 /SL GOSL	North-West IADP Kambia	EURO	1983	1,325,228.0	1991	10	1993	2	60	2023	77,260.0	1	848.10	0.00	96.70	551.40	4,941,929.90
1987020 /SL GOSL	Rehabilitation of Telecoms Network Ph.I	EURO	1987	10,900,000.0	1993	10	1998	2	60	2027	251,939.4	0.75	4,238.20	0.00	372.20	3,866.00	34,651,024.80

REVISED DISBURSED OUTSTANDING DEBTS ON A LOAN BY LOAN BASIS TO EXTERNAL
CREDITORS AS AT DECEMBER 2016 AND DECEMBER 2017
(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 31 December 2016	Disbursements	Principal Repayment	Disbursed Outstanding Debt Including Principal Arrears As At 31 December 2017	
1999030 /SL/ GOSL	Rehab. of Telecoms. Network Phase II	EURO	1989	1,421,113.7	1992	11	2000	2	60	2030	5,932.2	0.5	1,110.90	0.00	79.70	1,031.20	9,242,485.10
2012287 /SL/ GOSL	CLSG Interconnection Project	EURO	2012	75,000,000.0	2017	7	2019	2	40	2039	4,166.7	1.95	0.00	38,658.80	0.00	38,658.80	352,466,696.40
International Development Association																	
1996052 /SL/ GOSL	Transport Sector Project Cr.No.2895 excl MDRI	SDR	1996	1,003,831.7	2004	10	2006	2	60	2036	20,076.6	0.75	771.00	0.00	40.60	730.50	7,821,424.80
2001201 /SL/ GOSL	2nd PSMS Cr.No.3462 - excl MDRI	SDR	2001	637,752.6	2004	10	2011	2	60	2040	6,567.9	0.75	289.00	0.00	6.60	282.40	3,024,133.70
2002051 /SL/ GOSL	HIV/AIDS Response Proj Cr.No.3627 SL excl MDRI	SDR	2002	9,859,758.5	2004	10	2012	2	60	2041	197,195.2	0.75	8,873.60	0.00	197.20	8,676.60	92,903,952.90
2003020 /SL/ GOSL	National Social Action Project cr.3748 excl MDRI	SDR	2003	24,543,962.7	2004	10	2013	2	60	2043	490,879.3	0.75	22,821.30	0.00	494.00	22,327.30	239,067,827.80
2003030 /SL/ GOSL	Econ.Rehab.& Recovery Credit III - 3765 excl MDRI	SDR	2003	11,000,000.0	2003	12	0	2	60	0	0	0.75	10,230.00	0.00	220.00	10,010.00	107,181,374.30
2004040 /SL/ GOSL	Power and Water Project Cr.No. 3945-OSL	SDR	2004	24,200,000.0	2004	10	2014	2	60	2044	484,000.0	0.75	21,532.40	0.00	453.30	21,079.10	225,702,501.20
2005030 /SL/ GOSL	Urban Water Supply Project Cr.No. 2702-1 SL	SDR	2005	2,035,358.1	2005	10	2015	2	60	2044	40,707.0	0.75	1,974.30	0.00	40.70	1,933.60	20,703,785.80
2006060 /SL/ GOSL	Second Government Reform and Growth Credit Cr.No.45200-SL	SDR	2006	6,400,000.0	2008	10	2019	2	60	2048	128,000.0	0.75	6,400.00	0.00	0.00	6,400.00	68,527,552.00
2006080 /SL/ GOSL	Infrastructure Development Project (Transport) Cr.No.44690-SL	SDR	2006	3,700,000.0	2010	10	2018	2	60	2048	37,000.0	0.75	3,189.30	0.00	0.00	3,189.30	34,148,864.60
2006030 /SL/ GOSL	Third Governance Reform and Growth -3 Cr.No.46810-SL	SDR	2009	6,400,000.0	2009	10	2020	2	60	2049	128,000.0	0.75	6,400.00	0.00	0.00	6,400.00	68,527,552.00
2006040 /SL/ GOSL	Decentralized Service Delivery Programme Cr. No. 4658-OSL	SDR	2009	12,900,000.0	2010	10	2020	2	60	2049	258,000.0	0.75	12,825.00	0.00	0.00	12,825.00	137,322,273.20
2006050 /SL/ GOSL	West Africa Regional Fisheries Pgrm SL Cr. No.46830-SL	SDR	2009	9,700,000.0	2011	10	2020	2	60	2049	194,000.0	0.75	2,389.90	0.00	0.00	2,389.90	25,590,000.00
2010100 /SL/ GOSL	Third Gov. Reform and Growth Cr-3 No.4775-SL Supp. Financing	SDR	2010	4,700,000.0	2010	10	2020	2	60	2049	94,000.0	0.75	4,700.00	0.00	0.00	4,700.00	50,324,921.00
2010200 /SL/ GOSL	Youth Employment Support Cr.No.47900-SL	SDR	2010	7,500,000.0	2010	10	2020	2	60	2050	150,000.0	0.75	7,443.10	0.00	0.00	7,443.10	79,696,043.50
2010300 /SL/ GOSL	Fourth Governance Reform and Growth Devt. Policy Financing Cr.No.48900-SL	SDR	2010	6,400,000.0	2010	10	2021	2	60	2050	128,000.0	0.75	6,400.00	0.00	0.00	6,400.00	68,527,552.00
2011010 /SL/ GOSL	West Africa Regional Communications Infrastructure Proj. Cr.No.48560-SL	SDR	2011	19,800,000.0	2011	10	2021	2	60	2050	396,000.0	0.75	18,788.30	1,011.70	0.00	19,800.00	212,007,113.10
2014104 /SL/ GOSL	Public Financial Management Improvement and Consolidated Project Cr. No. 50560-SL	SDR	2014	7,900,000.0	2014	10	2024	2	60	2053	158,000.0	0.75	4,795.00	1,004.10	0.00	5,799.10	62,093,922.80
2012010 /SL/ GOSL	Fifth Governance Reform and Growth Credit- Cr.No.50560-SL	SDR	2012	15,500,000.0	2012	10	2022	2	60	2051	310,000.0	0.75	15,500.00	0.00	0.00	15,500.00	165,565,165.00
2012030 /SL/ GOSL	S.L. Public Sector Payment & Performance Cr.No.51220-SL	SDR	2012	11,000,000.0	2013	10	2022	2	60	2051	220,000.0	0.75	8,660.50	0.00	0.00	8,660.50	92,731,372.00
2014110 /SL/ GOSL	Energy Sector Utility Reform Project	SDR	2014	26,100,000.0	2015	10	2024	2	60	2053	361,000.0	0.75	2,860.20	2,452.80	0.00	5,313.00	56,886,110.50
2016002 /SL/ GOSL	Smallholder Commercialisation and Agri-Business Development Project	USD	2016	28,900,000.0	2016	6	2022	2	60	2051	963,333.3	0.75	0.00	5,798.50	0.00	5,798.50	44,140,035.51
2016008 /SL/ GOSL	Health Service Delivery and Systems Support Project	XDR	2016	7,100,000.0	2017	6	2022	2	60	2054	221,875.0	0.75	0.00	356.30	0.00	356.30	3,814,953.60
2016009 /SL/ GOSL	Regional Disease Surveillance Systems Enhancement (REDISSE)	XDR	2016	14,200,000.0	2017	6	2022	2	60	2054	443,750.0	0.75	0.00	1,116.00	0.00	1,116.00	11,948,503.04
2017002 /SL/ GOSL	Productivity and Transparency Support Credit	XDR	2017	16,100,000.0	2017	6	2023	2	60	2055	503,305.0	0.75	0.00	16,100.00	0.00	16,100.00	172,388,623.00
International Fund for Agric Development																	
1979960 /SL/ GOSL	Magbosi Int. Agric. Develop. Project 021	SDR	1979	9,600,000.0	0	10	1962	2	76	2029	140,000.0	1	3,120.00	0.00	240.00	2,880.00	30,837,368.40
1981040 /SL/ GOSL	Int. Agric. Develop. Project-IFAD 064	SDR	1981	4,900,000.0	0	10	1962	2	80	2031	46,684.0	1	681.30	0.00	47.00	634.30	6,792,182.00
1984040 /SL/ GOSL	Agric. Sector Support Project-IFAD 0152	SDR	1984	2,967,214.0	1992	10	1965	2	80	2034	109,044.5	1	1,562.80	0.00	109.00	1,853.80	19,846,963.30
1982090 /SL/ GOSL	North-Central Agric. Dev. Proj. IFAD 33	SDR	1982	1,128,940.8	1993	10	2003	2	80	2042	37,631.4	1	978.40	0.00	37.60	940.80	10,073,378.60
1982100 /SL/ GOSL	North-Central Agric. Dev.Proj. IFAD Reg 308	SDR	1982	6,600,000.0	1993	10	2003	2	57	2031	165,000.0	1	2,383.70	0.00	165.00	2,228.70	23,863,212.90
2004020 /SL/ GOSL	Rehab. & Community Based Povty Reductn Cr.No.619-SL	SDR	2004	5,900,000.0	2007	10	2014	2	60	2043	199,668.0	0.75	5,309.70	0.00	196.70	5,113.00	54,747,584.60
2010100 /SL/ GOSL	Rehab.&Comm Based Povty Reductn Cr.No.619-A-SL	SDR	2011	7,050,000.0	2011	10	2021	2	60	2050	235,000.0	0.75	7,050.00	0.00	0.00	7,050.00	75,487,300.10
2012060 /SL/ GOSL	Rural Finance & Community Improvement Proj. Cr.No. I-873A-SL	SDR	2012	695,000.0	2013	10	2022	2	60	2052	23,168.0	0.75	596.30	0.00	0.00	596.30	6,384,794.80
2013285 /SL/ GOSL	Rehabilitation and Community Based Poverty Reduction Project - 619-B-SL	SDR	2013	4,215,000.0	2014	10	2023	2	60	2052	140,500.0	0.75	4,214.80	0.00	0.00	4,214.80	45,129,401.20
2013286 /SL/ GOSL	Rural Finance and Community Improvement Programme - Phase II - L-I-883	SDR	2013	7,375,000.0	2014	10	2023	2	60	2052	245,833.3	0.75	4,806.50	1,541.20	0.00	6,347.70	67,967,308.50
Islamic Development Bank /3																	
1996020 /SL/ GOSL	Emergency Assistance Project Cr.No.SL- 0042	USD	1996	1,500,000.0	1997	10	2006	2	42	2026	67,072.7	2.5	809.50	0.00	71.00	738.50	5,621,080.80
1996040 /SL/ GOSL	Bo - Rural Water & Sanitation Project Cr.No.SL-0040	ID	1996	622,000.0	1997	10	2006	2	42	2026	31,100.0	2.5	311.00	0.00	31.10	279.90	2,997,067.80
2000040 /SL/ GOSL	IDB - Integrated Rural Dev. Project Cr.No. SL-0043/ SL-0044	ID	2000	5,181,164.3	2001	7	2008	2	42	2028	89,766.0	2.5	3,043.70	0.00	138.90	2,904.80	31,102,548.80
2001020 /SL/ GOSL	Constr. of Primary Sch.W/A & S/Prov. No.SL- 0045	ID	2001	1,446,000.0	2004	7	2008	2	40	2027	74,153.9	2.5	1,011.20	0.00	72.20	939.00	10,054,264.80
2001030 /SL/ GOSL	Constr. & Recons. of Pr.Schs East & N/Prov. Cr.No. SL-0046/SL-0047	ID	2001	393,400.0	2004	7	2008	2	48	2031	135710.27	2.5	2,124.70	0.00	96.70	2,027.90	21,714,056.40
2001090 /SL/ GOSL	Acquisition of Buses & Trucks cr. no SL-0048	ID	2001	2,129,912.1	2003	2	2004	2	28	2017	152,136.6	2.5	101.70	0.00	152.50	-50.80	-543,938.00
2002200 /SL/ GOSL	Reconstruction of Kissy Mental Hospital Cr.No. 2SL-0051	ID	2002	1,632,578.2	2003	7	2009	2	38	2027	15,482.0	2.5	962.30	0.00	90.70	861.60	9,225,933.90
2003040 /SL/ GOSL	Rural Water SS and Sanitation Proj.SL-0052	ID	2003	3,100,000.0	2004	10	2013	2	42	2033	103,825.8	2.5	1,713.10	0.00	103.80	1,603.90	17,231,467.90
2003060 /SL/ GOSL	Social Action Support Project -SASP Cr.No.0054/0055	ID	2003	6,940,000.0	2004	7	2010	2	48	2033	58,500.0	2.5	4,651.60	0.00	379.90	4,272.50	45,748,398.50
2004060 /SL/ GOSL	Rural Infrastructure Devmt Project No. 57 & 58	ID	2004	6,681,771.5	2005	7	2011	2	48	2034	82,000.0	2.5	4,803.50	0.00	362.10	4,441.40	47,556,144.80

**REVISED DISBURSED OUTSTANDING DEBTS ON A LOAN BY LOAN BASIS TO EXTERNAL
CREDITORS AS AT DECEMBER 2016 AND DECEMBER 2017
(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 31 December 2016	Disbursements	Principal Repayment	Disbursed Outstanding Debt Including Principal Arrears As At 31 December 2017	
																In Specific Loan Currency	In Leone Equivalent
2005020 /SL GOSL	IDB- Cap Build for Palm Oil Prodn and Processing Cr.No.SL-0060	ID	2005	7,10,000.0	2006	10	2015	2	42	2035	35,500.0	2.5	528.50	0.00	29.40	449.10	5,344,708.10
2006010 /SL GOSL	Diversified Food Prod. Proj.SL-061	ID	2006	7,000,000.0	2008	7	2013	2	38	2031	388,888.0	2.5	4,017.50	0.00	388.50	3,629.00	38,857,589.10
2007010 /SL GOSL	Technical and Vocational Educ. & Training 2SL-0083	ID	2007	5,391,000.0	2007	7	2014	2	36	2031	299,526.0	2.5	2,423.40	2,052.90	148.80	4,325.50	46,326,120.70
2007020 /SL GOSL	Reinforcement of Medium & Low Voltage Netw 2SL-0065	ID	2007	7,000,000.0	2012	7	2014	2	38	2032	388,888.9	2.5	5,210.00	723.00	194.40	5,738.50	61,444,428.70
2009010 /SL GOSL	Construction of Kenema - Pendembu Road Project - 3SL-0068	ID	2009	7,653,000.0	2010	10	2019	2	40	2038	382,650.0	2.5	7,653.00	0.00	0.00	7,653.00	81,943,961.80
2010010 /SL GOSL	LDJ-S.L. Community Driven Dev't Project Cr. No. 2SL 0070	ID	2010	5,620,000.0	2011	7	2017	2	36	2034	312,222.2	2.5	5,616.40	0.00	312.10	5,304.30	56,795,462.70
2010020 /SL GOSL	LS.F.D. Resources S.L. Community Driven Dev't Project Cr.No. 7SL 0071	ID	2010	5,620,000.0	2011	7	2017	2	36	2034	312,222.2	2.5	5,499.30	0.00	0.00	5,499.30	58,883,799.00
2010070 /SL GOSL	IDB- Palm Oil Prodn Cap Building Proj. Cr.No.2SL 0074	ID	2010	2,770,000.0	2011	8	2018	2	38	2036	153,888.9	2.5	1,832.20	411.20	78.90	2,166.50	23,196,943.80
2010080 /SL GOSL	LS.F.D.- Palm Oil Production Capacity Building Project Cr.No.SL 0076	ID	2010	1,033,000.0	2016	8	2018	2	38	2036	57,388.9	2.5	541.40	335.70	0.00	877.10	9,391,976.80
2010090 /SL GOSL	ISTISMAW- Palm Oil Production Capacity Building Project Cr.No. SL-0073	USD	2010	4,680,000.0	2015	10	2020	2	30	2034	312,000.0	2.5	414.50	230.30	0.00	644.80	4,908,122.20
2011040 /SL GOSL	Kabala Water Supply Project 2SL- 0079	ID	2011	8,000,000.0	2012	7	2018	2	38	2036	444,444.4	2.5	8,000.00	897.00	0.00	8,897.00	95,264,393.30
2011050 /SL GOSL	IDB- Implem't. of National Compo. (ECOWAN) Project 2SL-0077	ID	2011	2,830,000.0	2011	8	2019	2	38	2036	157,222.2	2.5	2,833.20	0.00	0.00	2,833.20	30,336,410.50
2011080 /SL GOSL	ISTISMAW- Implem't. National Compo. ECOWAN (SALCAB) Cr.No. 2SL-0078	USD	2011	20,350,000.0	2014	5	2016	2	24	2027	1,686,833.3	2.5	20,350.00	0.00	1,686.80	18,654.20	142,001,869.30
2012020 /SL GOSL	Construction of Pendembu - Kallahun Road Project - 3SL-0080	ID	2012	9,530,000.0	2016	7	2019	2	36	2037	529,444.4	2.5	185.90	2,425.40	0.00	2,591.30	27,746,171.10
2013010 /SL GOSL	ISTISMAW- Linking Small Holder Farmers to Market in S.L. Cr.No. SL-0081	ID	2013	20,000,000.0	2014	4	2017	2	30	2031	1,333,333.3	2.5	4,575.60	5,753.20	1,333.30	8,995.50	66,476,492.70
2015003 /SL GOSL	Regarding Health System Strengthening Project 7SL 0087	USD	2015	10,000,000.0	2016	12	2027	2	40	2046	500,000.0	2.5	195.40	0.00	0.00	195.40	1,487,418.80
2015004 /SL GOSL	Sierra Leone Community Development Project II - Istisnai 2SL-0084	USD	2015	31,680,000.0	2017	5	2020	2	30	2034	2,112,000.0	2.5	0.00	2,039.70	0.00	2,039.70	15,526,598.40
2015005 /SL GOSL	Sierra Leone Community Development Project II -2SL 0085	USD	2015	15,000,000.0	2016	5	2020	2	40	2039	750,000.0	2.5	1,000.00	0.00	0.00	1,000.00	7,612,330.00
Opec Fund for International Development																	
2003100 /SL GOSL	OPEC - Commodity Import Program Cr.No.352G	USD	2003	9,500,000.0	2004	5	2008	2	30	2023	633,320.0	1	4,116.80	0.00	633.30	3,483.50	26,517,247.10
2005050 /SL GOSL	OPEC- Tokoh - Lumley Road Project 1017P	USD	2005	7,000,000.0	2007	5	2010	2	30	2024	466,666.7	2	3,733.30	0.00	466.70	3,266.70	24,866,944.70
2005080 /SL GOSL	OPEC - Hillside Bypass Road Cr.No. 1019P	USD	2005	6,000,000.0	2011	5	2010	2	30	2024	400,000.0	1	1,442.20	0.00	400.00	1,042.20	7,933,403.50
2006090 /SL GOSL	-OPEC- Bombura Hydroelectric Power Project 1088P	USD	2006	10,000,000.0	2008	5	2011	2	30	2026	966,666.7	2	6,287.10	0.00	666.70	5,600.40	42,632,038.40
2007030 /SL GOSL	-OPEC- Kenema - Pendembu Road Project 1160P	USD	2007	12,510,000.0	2010	5	2012	2	30	2027	834,000.0	1	8,757.00	0.00	834.00	7,923.00	60,312,484.30
2007050 /SL GOSL	OPEC- Debt Relief Agreement Cr. No. 1161H	USD	2007	5,400,000.0	2008	5	2012	2	30	2027	360,000.0	1	3,780.00	0.00	360.00	3,420.00	26,034,188.80
2011090 /SL GOSL	-OPEC- Three Towns Water Supply and Sanitation Project Cr.No.1377P	USD	2011	19,000,000.0	2013	5	2016	2	30	2030	1,266,666.6	1	15,293.50	2,049.80	1,266.70	15,986.40	121,683,757.40
2012040 /SL GOSL	-OPEC- Matoboka - Yiye Road Project Cr.No.1445P	USD	2012	10,000,000.0	2013	5	2017	2	30	2032	966,666.7	2	7,529.30	1,285.40	333.30	8,481.40	64,563,385.70
2013290 /SL GOSL	-OPEC- Fourah Bay College	USD	2013	13,000,000.0	0	5	2018	2	30	2032	866,666.7	2	0.00	3,358.80	0.00	3,358.80	25,588,196.30
ECOWAS Bank for International Devmt																	
2005001 /SL GOSL	SL Maritime Administration Project Cr.No.008	SDR	2005	4,110,000.0	2008	6	2011	2	34	2027	241,784.7	3	2,801.80	0.00	241.80	2,559.90	27,409,480.70
2009020 /SL GOSL	SIERRA L.E. Modernization & Expansion of Network & Telecom. Infra.	USD	2009	29,452,866.0	2012	6	2015	2	30	2029	1,963,523.7	2.75	29,280.40	0.00	981.80	26,298.60	215,418,636.80
2011020 /SL GOSL	Solar Street Light Project	USD	2011	20,000,000.0	2012	6	2017	2	30	2031	1,333,333.3	2.75	19,994.40	0.00	0.00	19,994.40	152,294,230.50
Total (Multilateral and Bilateral) - (A)																Leones	10,890,574,278.65
External Commercial - (B) See list of breakdown as attached																USD	195,046.52
Grand Total (Disbursed Outstanding Debt) - (A) + (B)																Leones	11,575,332,171.60

Prepared by PDMD

Note:

1/ Exchange rates used : USD = Le7,612.33; SDR/USD = Le10,707.43; EURO = Le9,111.38 JYK = Le 62,2267.58 SAR = Le2,029 PAMD = 25,193.45 CNY = 1,168.88

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 2017

No.	NAME	LEGAL STATUS	GOVERNMENT PARTICIPATION (In %)
A.	Utilities		
A1	Electricity Distribution and Supply Authority (EDSA)	Authority	100%
A2	S/L Telecommunications Co. Ltd. (SIERRATEL)	Limited Company	100%
A3	Sierra Leone Postal Services Ltd. (SALPOST)	Limited Company	100%
A4	Guma Valley Water Company (GVWC)	Limited Company	95%
A5	Electricity Generation and Transmission Company (EGTC)	Limited Company	100%
B.	Financial Institutions		
B1	Bank of Sierra Leone	Central Bank	100%
B2	Sierra Leone Commercial Bank (SLCB)	Limited Company	88%
B3	Rokel Commercial Bank (RCB)	Limited Company	65%
B4	National Development Bank (NDB)	Limited Company	99%
B5	National Insurance Company (NIC)	Limited Company	100%
C.	Transport and Shipping		
C1	Sierra Leone Road Transport Corporation (SLRTC)	Corporation	100%
C2	Sierra Leone Airport Authority (SLAA)	Authority	100%
C3	Sierra National Airlines (SNA)	Limited Company	100%
C4	Mining and General Services Co (SL) Ltd. (MAGS)	Limited Company	51%
C5	Sierra Leone Ports Authority (SLPA)	Authority	100%
C6	Sierra Leone National Shipping Company Co. (SLNSC)	Limited Company	100%
D.	Agriculture		
D1	Sierra Leone Produce Marketing Company (SLPMC)	Corporation	100%
E.	Information Services		
E1	Sierra Leone Daily Mail	Company	100%
E2	Sierra Leone Cable Company	company	100%
F.	Manufacturing		
F1	Seaboard West Africa	Limited Company	0.01%
F2	Sierra Leone National Workshop	Company	40%
G.	Housing		
G1	Sierra Leone Housing Corporation (SALHOC)	Corporation	100%
H.	Leisure		
H1	Sierra Leone State Lottery Co Ltd (Lotto)	Limited Company	100%

1.9. SOME COMMENTS ON THE CONSOLIDATED REVENUE FUND ACCOUNT

I have issued my Audit Report on the Annual Financial Statements of the Consolidated Revenue Fund Account of the Government of Sierra Leone in accordance with Section 119(2) of the 1991 Constitution of the Republic of Sierra Leone and Section 16(1a) to (1c) of the PFM Act 2016. A copy of my Audit Report precedes the Financial Statements of the Government of Sierra Leone and the Notes thereto which are reproduced in full above.

The financial statements are an expression of the government's accountability to parliament and civil society on how well it has exercised its responsibilities as custodian of the public purse. It is a basic tenet of our system of government that no revenue or expenditure may be collected or spent except as authorised by a parliamentary vote. Therefore, the Financial Statements of the Consolidated Revenue Fund Account are a report on the extent to which the government has complied with the intent of parliament.

The purpose of the annual audit of the financial statements is to provide the users thereof with an opinion on whether the financial statements fairly present, in all material respects, the key financial information for the reporting period, in accordance with the financial framework and applicable legislation. The audit provides the users with reasonable assurance on the degree to which the financial statements are reliable and credible, on the basis that the audit procedures performed did not identify any material errors or omissions in the financial statements.

An item or group of items is material if a deviation therein is likely to cause users of the information to take different decisions. Thus, I have assessed materiality with reference to my auditor's understanding of the users' expectations.

The short-form auditor's report – in this instance an unqualified opinion - is an expression of professional judgments which form is dictated by international good practice. I may issue a modified opinion on the accounts. Modified opinions are classified as either adverse, except for or a disclaimer. An unqualified opinion arises where the financial statements provide a true and fair view of financial position and performance. A qualified 'except for' opinion arises where the financial statements except for other material misstatements, provide a true and fair view of the financial position and performance. An adverse opinion is issued where the auditor has sufficient and appropriate audit evidence of a material and pervasive nature that the financial statements do not present a true and fair view. A disclaimer arises where the auditor does not have sufficient and appropriate audit evidence to form an opinion one way or the other. The disclaimer is considered to be the most serious form of modified opinion.

This year I have issued an unqualified opinion, on the financial statements of the Consolidated Revenue Fund Account of the government. This signifies consistency from last year 2016 when I also issued an unqualified opinion. This year's report seems to be consistent with last year as I continue to see improvement on a number of control issues. These include: (i) the preparation of regular and complete financial and performance reports; (ii) review and monitoring of compliance with legislation; (iii) better records management system; and (iv) better controls over daily and monthly processing and cash management practices resulting in an increase in domestic revenue collection by 8% in 2017. This increase was as a result of the increase in the payment of non-tax and other revenue collected and paid into the Consolidated Revenue Fund Account, reduction of tax irregularities and unauthorised payments, as well as the provision of adequate records on revenue collection. However, more work needs to be

done on reconciliation of transactions in respect of tax and non-tax revenue between the relevant institutions.

Such basic controls and disciplines if sustained will continue to ensure that errors, omissions and non-compliance are prevented, detected and corrected in a timely manner.

Through my rigorous audit exercises and regular interactions with those charged with governance over the years, I have seen a moderate improvement in audit outcomes in recent years. However, I still continue to report the root causes of poor audit outcomes in governance as being:

- A slow response by those charged with governance to our message of embracing their responsibility to guide and direct the development and performance of a strong system of internal controls in ministries, departments and agencies (MDAs). This includes improving their oversight function, demonstrating effective and ethical leadership, strengthening the audit committees and insisting on credible and regular reports on the finances and activities of MDAs.
- A lack of consequences for poor performance and transgressions in general government, this is evident from the inadequate response to the high levels of unauthorised, irregular as well as fruitless and wasteful expenditure, as detailed in the audit report in other paragraphs indirectly supporting the opinion; and the weaknesses in performance management, which include a lack of credible and effective performance management systems across MDAs.
- MDAs are not taking effective action to address the basic problems of lack of monitoring and supervision, and non-adherence to legislation, due to the outright disregard for established laws and regulations in the conduct of public financial business

The intervention of the executive arm of Government in following up on the implementation of the audit recommendations will make a real contribution to enhancing scrutiny of the report of the Auditor-General, a report debated and approved by Parliament. This action will also help in achieving the goals of improving public financial management reforms in Sierra Leone. Therefore, if the action of the executive persists the incidences of financial indiscipline will cease to persist. It continues to be my fervent hope and belief that with greater collaboration between the executive, parliament and the Auditor-General we could ensure that those charged with the implementation of programmes and/or projects adhere to the constitutional and statutory provisions aimed at effective public financial management, enhanced transparency, accountability and good governance. This will ultimately build trust in public officials, institutions and systems responsible for effective financial management.

I have again in this report drawn attention to several instances of non-compliance with financial and other regulations, as well as errors that occurred in the processing of transactions. These instances, though not of a material nature to the financial statements as a whole, are the results of systemic weaknesses that have persisted over time and other break-downs in internal control. I have provided recommendations which, if implemented, can serve to reduce the incidence of the irregularities and correct the causes of the conditions I have reported on.

The following paragraphs set out in greater detail our findings while conducting the audit and the matters giving rise to the unqualified opinion.

1.10. PRESENTATION OF THE CONSOLIDATED REVENUE FUND ACCOUNT

1.11. EXTERNAL PUBLIC DEBTS

Significant amounts of repayment and service dues made to creditors as per the Bank of Sierra Leone swift payment records could not be traced to the schedule of Disbursed Outstanding Debts (DODs) prepared by the Public Debt Unit at the Ministry of Finance. The lack of adequate reconciliation between these institutions means that it is impossible to be sure that the figures as presented in the Consolidated Revenue Fund Account are free from misstatement. Aside from the implications over the Consolidated Revenue Fund Account, these figures should be reconciled on a monthly basis to ensure that an accurate, up to date debt position can be provided at any point in time. This information could then be used by Government to properly plan cash flows and to have access to the best information when making decisions on the most desirable debt structure for government.

My audit procedures to confirm the completeness and accuracy of debts recorded involved the requesting of confirmation from external creditors and obtaining roll forward schedules detailing the movement of individual debts during the year.

Despite the improvements in the amount of debt confirmed by external creditors, confirmations received as part of the 2017 audit initially identified a number of errors in the Consolidated Revenue Fund Account that have now been corrected in the final version. Government should ensure that external confirmations and statements are used to reconcile the correct debt position. This is important not only for the Annual Consolidated Revenue Fund Account to be accurate and complete but also that Government has up to date information on which to base fiscal and macroeconomic policy decisions.

1.12. DOMESTIC REVENUE COLLECTION

The collection and reporting of revenue continue to be the major areas of concern to government.

Collection

The key revenue streams are operated on a self-assessment system, with individuals and businesses completing their own returns. Consequently, there is a risk that deliberate or accidental inaccuracies in self assessments may lead to under collection of tax. The NRA should introduce a compliance risk management process that will enable them to focus on the underlying drivers (not symptoms) of the inaccuracies in self assessment, non-compliance and the promotion of diversity in the treatment of major tax compliance issues (registration, filing, reporting, and payment) rather than the adoption of a ‘one size fits all’ approach.

Taxes due for collection from individuals, corporate bodies and other institutions by the Domestic Tax Department and Customs Division of the National Revenue Authority, but which had remained uncollected stood at approximately Le16 billion based on the samples tested. Most of the irregularities arose from assessed tax unpaid, as well as poor supervision of schedule officers, failure to enforce tax laws and financial regulations, and management’s failure to promptly settle disputes and sanction offenders. Controls should be put in place to ensure that all taxes due are collected and banked promptly.

Reporting

Once revenue has been collected by the NRA, It should be deposited through transit accounts into the CRF at the Bank of Sierra Leone and accurately recorded into the NRA’s books of Account. The Accountant General should then ensure that the deposits are recorded in the IFMIS. However, we noted

that the reconciliation of revenue transactions within the NRA, and between the Accountant General's Department and the NRA was not always performed. Typical examples of reconciliation problems include the following:

- Arrears in respect of taxes relating to customs duty as per payment plans were not consistent with the amounts recorded as outstanding arrears in the Asycuda system for the same. This resulted in a difference of Le 1, 934,422,979.26.
- The closing balance in respect of the total revenue collection in the NRA books of account for June 2017 was less than the opening balance for July 2017 by Le 1, 107,078,280.
- The revenue arrears balance disclosed in the notes to the Consolidated Fund account in respect of Customs Services Department was inconsistent with the records made available by the NRA. The records made available by the NRA exceeded the amount disclosed in the Consolidated Fund account by Le 2, 354,000,000.

Without proper reconciliations (at the assessment, collection and reporting stages), government revenue will remain relatively uncontrolled, funds are likely to be misused and it will prove impossible to ascertain whether revenue disclosed in the public accounts is free from material misstatement. The NRA should ensure that the necessary action is taken in reconciling NRA's various books of account including records maintained in cash books and the Asycuda system. On the other hand, the Accountant General should be reconciling his revenue records (e.g. tax receipts from the various revenue streams, revenue arrears etc.) with the same records from the NRA, and take follow-up action on all reconciling items.

Foreign Travel Tax Sales

Foreign Travel Taxes (FTTs) were inaccurately deducted from the sales made by Kenya Airlines and Air France. A reperformance of the calculations revealed that from January to June 2017, an amount of Le 1,086,913,317 was not deducted from the sales made by the above airlines and paid through the NRA into the CRF. It was also evident from the audit that the NRA did not levy any penalty charge on the concerned airlines. As a result of this potential tax revenue underpayment, government revenue might have been lost. This might have deprived the Government from meeting its planned commitments. The NRA should ensure that the difference in payment of FTTs is recovered and paid into the Consolidated Revenue Fund (CRF). In future, the regulation of deducting FTTs from the sales made by Airlines should be strictly adhered to.

1.13. PAYROLL

A review of the Government payroll revealed that salary arrears were paid to employees without adequate supporting documents like salary amendment forms, approved salary amendment letters, recalculation sheets etc. It was also observed that taxes were not deducted from top-up allowances paid to employees and consultants, and paid to the relevant authority. This could mean that due diligence was ignored in the payment of salaries and other allowances to employees and consultants of MDAs, and might have led to the loss of much needed government funds. The Accountant General should ensure that appropriate procedures and financial controls are implemented to enable the department to demonstrate that payments made in respect of salary arrears are supported by appropriate documentation, and taxes are deducted from top-up allowances of employees and consultants, and paid through the NRA into the CRF in accordance with the Finance Act, 2016.

1.14. OTHER CHARGES

Section 26 (1) of the Public Financial Management Act, 2016 requires the spending of public money only when expressly authorized by the Constitution or an Act of Parliament or an appropriation under an Appropriation Act. However, we noted that funds amounting to Le2,320,000,000 and US\$4,447 were withdrawn from the Consolidated Revenue Fund account at the Bank of Sierra Leone to defray the cost of funeral expenses of some senior government officers who had passed away without any regulation, policy or other legal instrument to justify the stated disbursements. In the absence of a legal instrument, such disbursements are considered ineligible. Apart from the fact that no legal instrument existed for the disbursement of such funds, there was also no evidence to indicate how the stated amounts were expended on the funerals of the deceased. This may create suspicion that government's much needed funds have been misappropriated. The Accountant General should ensure that all payments made out of the CRF are supported by regulations, government policies or other legal instruments.

CHAPTER II- CITIES, DISTRICTS AND MUNICIPAL COUNCILS

TABLE OF CONTENTS

MAIN POINTS	57
2.1. SUBMISSION OF FINANCIAL STATEMENTS TO THE AUDITOR-GENERAL	59
2.2. FOLLOW UP ON OUTSTANDING PREVIOUS AUDIT RECOMMENDATIONS	60
2.3. COUNCILS' BUDGETARY PERFORMANCE	61
2.4. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS	68
2.5. PAYROLL AND HUMAN RESOURCES MANAGEMENT.....	76
2.6. AUDIT OPINIONS.....	77

MAIN POINTS

What We Examined

The financial statements of local councils are subject to audit by the Auditor-General in accordance with section 119(2) of the 1991 Constitution of the Republic of Sierra Leone, and section 81(2) of the Local Government Act, 2004.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards- Cash (IPSAS-Cash) and legislation, and for such internal control as management determines is 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, management is responsible for assessing the Council's ability to continue as a going concern¹, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the council's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole 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 (ISSAIs) 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 our audit in accordance with International Standards for Supreme Audit Institutions, we exercise professional skepticism throughout the audit. We also:

- 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 policy uses and the reasonableness 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 relating to events or conditions that may cast significant doubt on the entity's ability to continue as a going

¹ The concept of going concern is an underlying assumption in the preparation of financial statements, hence it is assumed that the entity has neither the intention, nor the need, to liquidate or curtail materially the scale of its operations

concern. If we conclude that a material uncertainty exists, we are required to draw attention to it in our auditor's report in related disclosures 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 communicate with those charged with governance 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 identify during our audit.

We also provide for those charged with governance, a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Why it is Important

Obtaining an audit level of assurance on the financial statements of local councils, and comfort on the quality of governance, accounting and management reporting as well as the level of internal control exercised over expenditure of funds is a matter of profound public interest. Many aspects of key services delivered to the public such as health and education are funded through the councils and so the level of financial control exerted has a direct impact on the quality of service delivered. The extent to which there is evidence of legal compliance with statutory obligations, strong internal control and the employment of good business practices generally also inform our view on the quality of overall governance and public financial management.

What We Found

The annual financial statements for 19 local councils were submitted for audit. We however noted that 14(or 74%) of the councils submitted their financial statements after the legislative deadline of 31st March 2018 and that there was massive transfer or absence of key council personnel during the entire audit process. These absences negatively affected the timeliness of the publication of the audited reports as the statutory reporting deadline date of 30th June, 2018 was not met. Significant matters identified in the audit examinations across local councils fall into the following categories:

- Material deviation from the legislative framework for the submission and audit of financial statements;
- Ineffective implementation of outstanding audit recommendations;
- Unsatisfactory budgetary performance;
- Ineffective human resource management; and
- Councils opinion and a comparative analysis on their performance

In as much as the above issues are common across different councils, there is no doubt that some are better than others.

These observations are expanded upon in more details below and in even greater details in the individual councils' reports submitted to the Minister of Local Government & Rural Development for ultimate submission to Parliament.

2.1. SUBMISSION OF FINANCIAL STATEMENTS TO THE AUDITOR-GENERAL

Late Submission of Financial Statements and Non-availability of Staff

Provisions in the Public Financial Management Act 2016 and the Local Government Act (LGA) 2004 require all government spending entities to prepare annual financial statements at the end of each financial year. Section 81 of the LGA 2004 mandates all local councils to prepare a statement of its annual account in conformity with existing financial regulations and submit it to the Auditor-General on or before the 31st March after the end of every financial year. During 2017, it was observed that 14 (or 74%) of the 19 local councils failed to submit their 2017 financial statements for audit within the statutory deadline of 31st March, 2018. On average, all the financial statements were only submitted some 38 days after the statutory deadline date.

In addition, key staff were transferred or sent on leave immediately after the submission of the financial statements and commencement of the audit process. This resulted in a considerable delay and waste of resources in executing the entire audit process; thus the statutory deadline date of 30th June, 2018 for the publication of the audited reports was not met.

Table 2 gives names of defaulting councils and dates of submission of financial statements.

TABLE 2				
Councils and Dates of Submission of Financial Statements.				
No.	Name of Council	Due Date of Submission of Financial Statements	Date of Submission of Financial Statements	Days Delayed in Submission of Financial Statements
1	Kambia District	31st March, 2018	21st May, 2018	51 days
2	Portloko District	31st March, 2018	8th May, 2018	38 days
3	Bombali District	31st March, 2018	4th May, 2018	34 days
4	Makeni City	31st March, 2018	18th April, 2018	18 days
5	Western Area Rural District	31st March, 2018	25th May, 2018	55days
6	Kenema City	31st March, 2018	2nd May, 2018	32 days
7	Kenema District	31st March, 2018	23rd April, 2018	23 days
8	Koidu New-Sembehun City	31st March, 2018	13th June, 2018	74 days
9	Kono District	31st March, 2018	26th June, 2018	87 days
10	Kailahun District	31st March, 2018	23rd April, 2018	23 days
11	Bo District	31st March, 2018	12th April, 2018	12 days
12	Bo City	31st March, 2018	8thMay, 2018	38 days
13	Bonthe District	31st March, 2018	23rd May, 2018	53 days
14	Pujehun District	31st March, 2018	12th April, 2018	12 days

2.2. FOLLOW UP ON OUTSTANDING PREVIOUS AUDIT RECOMMENDATIONS

Over the years, the Auditor-General makes observations on issues coming to her attention and provides recommendations for improvement to the systems of governance; especially on the public financial management system in the councils. A systematic follow-up on those recommendations helps us to bring to the attention of taxpayers the progress in council's operations. The advantages of such exercise are mainly to ascertain the effective implementation of audit recommendations by the councils.

Basic council's actions on our previous recommendations have been described as follows:

Nature of Implementation	Meaning
<i>Implemented</i>	Adequate measures have been put in place that fully addresses the risk identified in the recommendation;
<i>Partly implemented</i>	Council's management is in the process of taking steps to put adequate measures to address recommendations.
<i>Not implemented</i>	Council's management failed to address the risk identified

The table below summarises the status of previous audit recommendations as at 31st December, 2017:

Table 2.1 Status of Previous Years' Recommendations During 2017				
Name of Council	Number of Recommendations			
	Implemented (No.)	Partly Implemented (No.)	Not Implemented (No.)	Total (No.)
Koinadugu District	1	0	6	7
Bombali District	1	3	8	12
Makeni City	0	1	7	8
Kambia District	2	1	5	8
Portloko District	0	2	7	9
Tonkolili District	0	3	7	10
Koidu New Sembehun City	7	2	45	54
Kailahun District	10	3	22	35
Kenema District	6	0	29	35
Kenema City	21	12	23	56
Kono District	26	9	16	51
Freetown City	0	5	10	15
Western Rural District	4	4	16	24
Bo District	12	8	4	24
Bo City	4	10	8	22
Bonthe District	16	10	13	39

Bonthe Municipal	16	4	12	32
Moyamba District	11	22	2	35
Pujehun District	7	8	1	16
Total Recommendations(No.)	144	107	241	492
Level of Action Taken (%)	29%	22%	49%	100%

During 2017, there were 492 outstanding recommendations from previous audit works that should have been adequately addressed by councils. From analysis in the table above, it was noted that 144(or 29 %) of the outstanding recommendations in previous years were fully implemented, 107 (or 22%) partly implemented and 241(or 49%) were not implemented by councils.

Table 2.2 also gives a comparative analysis of status of implementation of outstanding recommendations in 2016 and 2017.

Year	Table 2.2 Status of Prior Years Recommendations During 2016 and 2017						
	Number of Recommendations						
	Implemented (No.)	%	Partly Implemented (No.)	%	Not Implemented (No.)	%	Total (No.)
2016	118	30%	51	13%	230	58%	399
2017	144	29%	107	22%	241	49%	492
Variance(s)	26	-1%	56	9%	11	-9%	93

We noted, from information provided in the table above that during 2017, outstanding recommendations from previous audit works increased by 23% (from 399 in 2016 to 492 in 2017). Council's efforts to adequately address outstanding recommendations dropped by 1%; efforts to partly implement outstanding recommendations increased by 9% and a drop of 9% in no attempt to implement outstanding recommendations in 2017 when compared to 2016.

Many of these recommendations have been reported in the past and ought not to have been repeated. Councils are therefore required to address all the audit issues and recommendations made in the previous reports as they are intended to enhance efficiency of operations, accuracy of financial reporting and compliance with the applicable legislation.

2.3. COUNCILS' BUDGETARY PERFORMANCE

Own -Source Revenue (Tax & Non-Tax Revenue)

The Councils' budgetary performance in the mobilisation of own-source revenue in 2017 was poor. Comparative analysis between the budgeted and actual own-source revenue generated showed that the actual revenue was less than the budgeted amounts by approximately 42 % (Le16.7billion). This means that the Councils were only able to collect 58 % (Le23.5billion) of the own-source revenue that they budgeted to collect in 2017.

Similarly, there was a 3% drop in own-source revenue generation in 2017 when compared to 2016. Revenue generated dropped from Le24.3billion in 2016 to Le23.5billion in 2017. It was however

observed that even though there was an overall drop in revenue generation, 11 Councils increased their performance in the revenue mobilisation drive in 2017 when compared to 2016.

The poor performance in revenue mobilisation could have been attributed to over-ambitious budgeting, emanating from the use of unrealistic basis of budgeting or it could be that controls were not in place for the proper collection, banking and accounting of revenue. The Councils should therefore embark upon a massive campaign regarding taxes and other sources of revenue and either, restructure its current workforce, or recruit the services of more collectors for greater revenue generation. It is also important that the controls surrounding budgeting, collection, banking, and recording of own-source revenue are strengthened. This could be done by setting realistic targets using first hand data, cumulative experience and instituting proper segregation of duties, carrying out spot checks, doing regular reconciliation and supervision of the entire process.

Table 2.3 gives a detailed analysis of the comparison of actual revenue and budget during 2017.

Table 2.3
Comparison of Actual Own-Source Revenue and Budget during 2017.

Name of Council	Own Source Revenue(Tax & Non- Tax Revenue) 2017		Variance		Own Source Revenue(Tax & Non-Tax Revenue) 2016 (Le)	Variance (2017-2016)	
	Actual	Budget	(Le)	(%)		(Le)	%
Kambia District	319,509,104.00	700,454,320.00	- 380,945,216.00	-54%	360,495,750.00	- 40,986,646.00	-11%
Koinadugu District	258,902,574.00	985,043,073.00	- 726,140,499.00	-74%	274,687,929.00	- 15,785,355.00	-6%
Portloko District	893,469,985.00	1,028,266,281.00	-134,796,296.00	-13%	292,712,361.00	600,757,624.00	205%
Tonkolili District	811,869,091.00	419,425,091.00	392,444,000.00	94%	571,608,540.00	240,260,551.00	42%
Bombali District	375,064,971.00	1,347,606,059.00	- 972,541,088.00	-72%	267,314,012.00	107,750,959.00	40%
Makeni City	1,461,898,230.00	1,808,342,293.00	- 346,444,063.00	-19%	1,413,562,486.00	48,335,744.00	3%
Freetown City	9,837,455,225.00	16,365,578,357.00	6,528,123,132.00	-40%	11,929,819,418.00	2,092,364,193.00	-18%
Western Area Rural District	1,236,619,188.00	3,150,000,000.00	-1,913,380,812.00	-61%	1,869,930,070.00	- 633,310,882.00	-34%
Kenema City	1,530,654,853.00	2,519,900,000.00	- 989,245,147.00	-39%	1,864,763,285.00	- 334,108,432.00	-18%
Kenema District	395,426,600.00	894,470,100.00	- 499,043,500.00	-56%	457,950,905.00	- 62,524,305.00	-14%
Koidu New Sembehun City	902,130,417.00	2,110,562,170.00	-1,208,431,753.00	-57%	711,988,018.00	190,142,399.00	27%
Kono District	544,089,689.00	465,600,000.00	78,489,689.00	17%	443,296,074.00	100,793,615.00	23%
Kailahun District	260,353,403.00	479,000,000.00	- 218,646,597.00	-46%	269,993,100.00	- 9,639,697.00	-4%
Bo District	568,285,347.00	1,031,115,580.00	- 462,830,233.00	-45%	580,650,247.00	- 12,364,900.00	-2%
Bo City	1,544,994,509.00	2,759,600,000.00	-1,214,605,491.00	-44%	1,302,817,074.00	242,177,435.00	19%

Bonthe Municipal	33,624,000.00	338,665,000.00	- 305,041,000.00	-90%	19,540,000.00	14,084,000.00	72%
Bonthe District	442,054,200.00	1,198,323,343.50	- 756,269,143.50	-63%	424,052,392.00	18,001,808.00	4%
Moyamba District	1,476,249,387.00	1,882,043,471.00	- 405,794,084.00	-22%	680,560,994.00	795,688,393.00	117%
Pujehun District	638,009,423.00	751,318,721.00	-113,309,298.00	-15%	521,521,380.00	116,488,043.00	22%
Total	23,530,660,196.00	40,235,313,859.50	16,704,653,663.50	-42%	24,257,264,035.00	-726,603,839.00	- 3%

Grants to Councils

Grant transfers from central government include recurrent and development components, and are of three broad types: administrative grants, grants for devolved functions and local government development grants. These grants are categorised and disclosed in the council's financial statements domestic and external grants.

The domestic grant from central government includes recurrent and development components. The recurrent component covers non-salary transfers for devolved functions and the operational (administrative) running costs of councils. The development component, local government development grants (LGDG) is used to finance local council development projects. This is funded by donors and the central government.

The external grant consists of a range of conditional or tied grants, based on varying formulae or criteria depending on the purpose of the transfer. In both instances, transfers are processed on a quarterly basis and funds disbursed directly to the local council. Councils have separate accounts for each sector grant. Councils submit monthly financial and quarterly technical reports to the ministry responsible for finance, and accessing the next quarter's grant is contingent upon submission of the above reports.

The external grant is of three types: administrative grants, grants for devolved functions and LGDGs. The first two are stipulated in the Local Government Act, 2004 and are financed solely by central government. The LGDG is co-financed by the central government and its development partners. It provides funds that allow councils to undertake development projects to meet priority needs of their localities, including non-discretionary funds meant to support broad national developmental objectives. All these transfers are conditional or tied grants, though in the case of LGDG, the local council decides on which projects to fund in a given year.

Comparative analysis between the budgeted and actual grants transferred to councils in 2017 showed that the actual grants were less than the budgeted amounts by approximately 53 % (Le79.5billion). This means that the Councils were only able to receive 47 % (Le71.1billion) of the total grant that they budgeted in 2017.

Similarly, there was a 24% drop in grants transferred in 2017 when compared to 2016. Transfers dropped from Le94.2billion in 2016 to Le71.1billion in 2017. These could have been attributed to the setting of high unachievable targets and irregularity of grant transferred from central government. The credibility of the budget may be undermined by the untimely grant transfer² from central government to local councils, and this may consequently affects the planning process of the councils in budget preparation. The councils' yearly expenditures were impeded since targets were not met.

Table 2.3.1 gives a detailed analysis of the comparison of actual grants transferred and budget during 2017.

² **Source:** *In an interview with key officials of the Local Government Finance Department, it was revealed that the delay in grant transfer in some instances was as a result of councils failing to meet preconditions set by the central government for the release of such grants*

Table 2.3.1
Comparison of Actual Grants Transferred and Budget During 2017.

Name of Council	Total Grant(Domestic & External) 2017		Variance		Total Grant(Domestic & External) 2016	Variance (2017-2016) Actual	
	Actual (Le)	Budget (Le)	(Le)	(%)	Actual (Le)	(Le)	(%)
Kambia District	3,855,622,306.00	6,434,524,200.00	2,578,901,894.00	-40%	5,112,337,918.00	1,256,715,612.00	-25%
Koinadugu District	3,836,894,127.00	8,941,442,212.00	5,104,548,085.00	-57%	5,345,524,446.00	1,508,630,319.00	-28%
Portloko District	3,858,623,695.00	10,366,673,102.00	6,508,049,407.00	-63%	5,489,324,195.00	1,630,700,500.00	-30%
Tonkolili District	3,405,016,854.00	7,347,628,678.00	3,942,611,824.00	-54%	4,425,719,395.00	1,020,702,541.00	-23%
Bombali District	4,267,567,907.00	9,350,116,211.00	5,082,548,304.00	-54%	5,537,916,650.00	1,270,348,743.00	-23%
Makeni City	6,886,519,460.00	9,359,264,774.00	2,472,745,314.00	-26%	5,027,069,822.00	1,859,449,638.00	37%
Freetown City	11,729,193,359.00	24,846,119,816.00	13,116,926,457.00	-53%	17,359,669,928.00	5,630,476,569.00	-32%
Western Area Rural District	7,169,453,200.00	18,538,972,189.00	11,369,518,989.00	-61%	7,192,079,128.00	-22,625,928.00	0%
Kenema City	1,584,251,169.00	3,358,916,136.00	1,774,664,967.00	-53%	2,513,216,437.00	- 928,965,268.00	-37%
Kenema District	2,913,115,709.00	5,586,028,262.00	2,672,912,553.00	-48%	5,672,783,475.00	2,759,667,766.00	-49%
Koidu New Sembehun City	1,752,601,940.00	2,972,786,320.00	1,220,184,380.00	-41%	2,407,935,074.00	- 655,333,134.00	-27%
Kono District	2,855,428,768.00	5,241,639,426.00	2,386,210,658.00	-46%	3,911,015,145.00	-1,055,586,377.00	-27%
Kailahun District	2,587,207,428.00	7,007,008,176.00	4,419,800,748.00	-63%	4,289,935,953.00	-1,702,728,525.00	-40%
Bo District	2,796,483,958.00	7,168,831,097.00	4,372,347,139.00	-61%	3,959,686,808.00	-1,163,202,850.00	-29%
Bo City	1,512,542,083.00	3,106,128,388.00	-1,593,586,305.00	-51%	3,239,156,625.00	-1,726,614,542.00	-53%

Bonthe Municipal	1,363,593,133.00	2,628,016,116.00	-1,264,422,983.00	-48%	1,724,482,681.00	- 360,889,548.00	-21%
Bonthe District	1,450,784,088.35	3,807,806,744.80	2,357,022,656.45	-62%	2,406,110,682.53	- 955,326,594.18	-40%
Moyamba District	4,771,474,451.00	8,119,242,907.00	3,347,768,456.00	-41%	4,476,007,576.00	295,466,875.00	7%
Pujehun District	2,551,200,171.00	6,421,958,139.00	3,870,757,968.00	-60%	4,128,854,394.00	1,577,654,223.00	-38%
Total	71,147,573,806.35	150,603,102,893.80	79,455,529,087.45		94,218,826,332.53	23,071,252,526.18	

2.4. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The Local Government Act 2004 (LGA 2004)

In spite of recommendations in my previous reports, the councils continue to pay sitting fees and allowances to Councillors without guidelines. This has now been reported for at least five years in a row. Section 30(2) of the Local Government Act 2004 requires that the Ministry of Local Government and Rural Development, in consultation with the Ministry of Finance and Economic Development, issue guidelines to Councils with regards to the payment of any allowance or remuneration. To date, no such guidelines have been issued.

In similar vein, during the year to 31st December, 2017, the sum of Le1.5billion was paid as sitting fees and other allowances to Councillors who were absent from meetings and Le588.3million was paid for which there was no evidence of meetings such as signed minutes, attendance register to which the payments relate.

The table below gives detailed amount paid as sitting fees and allowances without evidence of meetings such as signed minutes, attendance register and payment made to absentee councillors during 2017.

Table 2.4 Payments of Sitting Fees and Allowances		
Name of Council	No Evidence of Meetings (Le)	Payment to Absentee Councillors (Le)
Kambia District	25,420,000.00	-
Koinadugu District	-	48,860,000.00
Portloko District	-	-
Tonkolili District	57,365,302.00	-
Freetown City	355,648,000.00	152,053,360.00
Western Area Rural District	-	12,450,000.00
Kenema District	-	51,000,012.00
Koidu New Sembehun City	-	198,985,473.00
Kono District	-	527,110,008.00
Kailahun District	-	482,080,000.00
Bo District	55,675,000.00	-
Pujehun District	94,200,000.00	
Total	588,308,302.00	1,472,538,853.00

The Income Tax Act 2000

Withholding Taxes not Paid

The Government of Sierra Leone relies on tax revenue to finance key public services. Failure to properly and fully deduct, collect and remit withholding taxes reduces available government revenue and ultimately, reduces the level and quality of public services received by citizens. Section 130(1) of the Income Tax Act 2000 requires tax withheld or that which should have been withheld to be paid within 15 days after collection. Although the Council withheld taxes from payments to suppliers and contractors, payments to the National Revenue Authority were not made promptly as stipulated in the Income Tax Act. As at the end of the 2017 financial year, unpaid withholding tax amounted to Le173.9 million. Late payment of withholding tax is a violation of the Income Tax Act 2000 which could attract penalties as the

anomaly deprives the state of much needed revenue. The amounts identified during the audits should be recovered and paid to the NRA. Evidence of payment should be forwarded to the ASSL for verification, and the Commissioner of Income Tax should take the necessary action.

Table 2.4.1: Withholding tax not paid over to the relevant authority, identifies councils and provides values for the statutory deductions.

Table 2.4.1	
Withholding Tax not Paid over to the Relevant Authority	
Name of Council	Amount Le
Kambia District	44,439,481.00
Koinadugu District	1,363,881.26
Portloko District	16,273,981.47
Western Area Rural District	26,264,402.00
Kenema District	3,314,750.00
Koidu New Sembehun City	49,460,147.00
Bonthe District	32,738,634.59
Total	173,855,277.32

Pay-As-You-Earn (PAYE) Tax not Paid

A review of the Freetown City Council's payroll revealed that PAYE deducted from staff salaries totalled Le146,561,727.17 during 2017. However, evidence of payment such as receipts and bank deposit slips to the National Revenue Authority was not submitted to the audit team for verification.

National Social Security and Insurance Trust (NASSIT) Act 2001

NASSIT Contributions not Paid

Sections 25 (1, 2, 3) and 27(1) of the National Social Security and Insurance Trust Act 2001 requires the deduction and payment of NASSIT contributions for every employer. It was however observed that, NASSIT deductions of Le428million from salaries of core staff were not paid over to NASSIT. The failure to pay over the amounts withheld from employees' salaries would adversely affect the processing of their retirement benefits when they are due. The retirement benefits of staff will also be seriously affected as retired workers will not be able to get their correct terminal benefit packages and pensions, hence Council would risk being sanctioned for not complying with NASSIT regulations.

Table 2.4.2: NASSIT not paid over to the relevant authority, identifies councils and provides values for the statutory deductions.

Table 2.4.2	
NASSIT not Paid over to the Relevant Authority	
Name of Council	Amount (Le)
Kambia District	23,088,675.00
Portloko District	24,406,800.00
Kenema City	85,635,000.00
Bo City	254,254,790.00
Bonthe District	40,665,000.00
Total	428,050,265.00

The Financial Management Regulations (FMR), 2007

▪ *Disbursements/Payments Process*

It is always necessary to retain records of all payments made along with certain supporting documents so that the appropriate use of that money can be verified. Section 73(1) of the FMR 2007 requires all disbursements of public monies to be supported by an appropriate payment voucher and other relevant documents. Based on samples of expenditure presented in the Financial Statements by the councils as tested, supporting documents for payments made by councils totalling Le817million were not presented for audit inspection during 2017. As these documents were not made available, there is a risk that these payments were for goods or services that were not actually delivered. In addition, it was impossible to conclude whether these payments had followed the proper procedures as laid down in law. It was recommended that all supporting documents in relation to these transactions should be submitted to the ASSL for inspection. In future, all supporting documents must be attached to PVs and retained for audit purposes.

Other payments totalling Le591.8million was undertaken for which some supporting documents were submitted. However, the nature of these supporting documents was insufficient to fully substantiate the payment concerned. For example, payments should be supported by receipts, invoices, delivery notes and other relevant documentation, as well as the payment voucher. It was therefore recommended that the councils concerned should submit the relevant supporting documents to the ASSL. In future, all supporting documents should be retained and made available for audit inspection.

Table 2.4.3 gives a detail on payments that violate the provisions in the FMR.

Table 2.4.3		
Payments without Supporting Documents		
Council	Payments without Supporting Documents (Le)	Payments without Adequate Supporting Documents (Le)
Kambia District	22,125,000.00	
Portloko District		96,750,000.00
Tonkolili District	764,886,786.00	14,175,000.00
Freetown City		160,881,200.00
Kenema District		89,120,000.00
Koidu New Sembehun City		96,900,000.00
Kailahun District		58,600,000.00
Bo District	30,000,000.00	37,154,199.00
Bonthe Municipal		7,050,000.00
Bonthe District		21,209,136.00
Pujehun District		10,000,000.00
Total	817,011,786.00	591,839,535.00

▪ *Revenue and Receipts*

Sections 40 (1) of the FMR, 2007 states that: "The vote controller is personally responsible for ensuring that adequate safeguards exist and are applied for the assessment, collection of and accounting for such revenues and other public monies relating to their departments or offices".

The following were observed:

(i) Revenue not Banked

The requirement of sections 40 (1) of the FMR 2007 was not met by the Kambia and Portloko District Councils during 2017, as revenue totalled Le13.4million and Le3.7million respectively were not banked.

(ii) Mining Companies not Taxed

In the Tonkolili District Council, mining companies operating within the district were required to pay surface rent to the District Council. During the course of the audit, we noted that several mining companies did not pay, with the exception of two companies (SD Steel and Miro Forestry Limited). There was no evidence of such payments in 2017 for the remaining 19 companies. There is a risk that huge sums of money may have been lost due to non-payments of surface rent to the Council.

(iii) Non-Compliance with Policies and Procedures Manual

A review of the Bo City Council Waste Management Department policies and procedures manual revealed that the department was entitled to receive 15% of the total property taxes and 5% of the total market dues collected. However there was no evidence to confirm that a total amount of Le90,427,441.70 in respect of the 15% and 5% council contribution was received by the department. There is a risk that project implementation will be delayed and project targets may not have been achieved within the set timeframe. The CA should ensure that council fulfil its commitment to the project and provide the funding.

(iv) Service Level Agreement between Timber Revenue Collectors and the Council not Provided.

We noted with concern that the Koinadugu District Council did not have adequate control over the revenue collectors as there were no service level agreements between the Council and the timber revenue collectors. In this regard, the revenue collectors had the liberty of retaining monies collected over a long period of time before remitting same to the Council. Due to the lack of adequate controls over own-source revenues, the Council may not be able to collect sufficient funds to support its developmental projects.

(v) Inadequate Management of Council's Leased / Rented Buildings and Lands

The Freetown City Council has freehold properties within its municipality that are leased and rented to individuals and institutions. During the period under review, the council generated Le1,060,845,950, accounting for five percent of total revenue. Rental and lease agreements were not submitted for audit inspection.

(vi) Inappropriate Outsourcing of Council Facilities

Tonkolili District Council outsourced some of its income generating services such as the mini stadium, lorry park, market dues collection and business licenses to various unions and partners. The audit team

was however not provided with service level agreements to confirm the amounts to be paid to the Council and when it was due. Moreover, evidence of payments from these outsourced partners was neither provided, nor was the outstanding amounts recognised in the council's 2017 financial statements.

Public Procurement Act 2016 and Public Procurement Regulations 2006

The following were observed:

(i) Proper Disposal Procedure not Followed

Section 164 of the Public Procurement Regulation states:

- (1) "Items not exceeding an estimated sale value of Le10 million may be disposed of through the formal invitation of public bids.*
- (2) A public advertisement shall be issued in at least one official local newspaper inviting bidders to inspect the items and submit sealed bids, not less than 14 days before the deadline set for the opening of bids.*
- (3) Bidders shall be required to include a bid security at the value set out in the advertisement with their bids. Bids submitted without the required bid security shall be rejected."*

It was however noted that during 2017, the Koinadugu District Council disposed off two unused vehicles (ACJ 844 and ABD 906) without properly following the regulations in the sections noted above as there were no evidence of formal bid invitations, public advertisement and bid securities in respect of the disposals. Non-compliance with the National Public Procurement Regulations is an infraction of the procurement laws which has the tendency of undermining the purpose of the laws. It was therefore recommended that management provides explanation why the above sections were not followed in the process of disposal of those two vehicles and ensures that going forward; all provisions in the Public Procurement Regulation are adhered to.

Management of the council however stated that: "indeed advertisement was done on the local radio and was also posted on the council notice boards at strategic areas in the district. This was done after careful consideration and in recognition of the revenue mobilisation principle. The cost of collecting revenue must not exceed the actual revenue collected especially in the light of the valuation results provided by the Regional Valuation Officer and that evidence of the advertisement done is available for verification".

During a follow up on the management comments, we observed that evidence of advertisement such as receipt for payment made to local radio stations and invoices were not made available during the verification.

(ii) Procurement without Three Requests for Quotation (RFQs)

In the Kambia District Council, RFQs in support of payments made, to the tune of Le8,000,000 as provided for in section 45 of the Public Procurement Act, 2016 for procurement below Le60 million were not made available for inspection. There is a risk that procurement may not have been open and competitive. The Procurement Officer should ensure that the RFQs are submitted for verification within 15 days upon receipt of this report. In future, the choice of procurement methods must be appropriate and procurement must be subjected to open and competitive selection/bidding in accordance with the Public Procurement Act, 2016 and the necessary procurement documents should be retained for audit and reference purposes.

(iii) Modification of Contract

Section 144(5) of the Procurement Regulation, 2006 states: *'Where a contract modification would cause the contract value to be increased by more than twenty-five percent of the original contract value, the additional requirement shall be treated as a new procurement requirement. Where the additional requirements could be obtained from an alternative supplier, the end user shall initiate new procurement proceedings, rather than proceeding with a contract modification.'*

A review of the Portloko District Council's expenses revealed that a contract agreement was signed with Positive Infinity Construction Company for the reconstruction of the District Education Office at an initial contract price of Le344,271,000 in 2013. We noted that this contract was modified by the Procurement Committee in 2016 with disbursements of the reviewed sum made in 2017. The modification resulted in an increase in the contract price by Le232,718,337 (representing 68% of the original contract price). In accordance with section 144(5), the Council should have initiated a new procurement proceeding; notably the modified and costlier contract was awarded to the existing contractor.

Even though a certificate of completion had been issued and retention fees paid to the contractor, we noticed during physical verification of the Education Office that, the building leaked profusely and work on the windows were incomplete. This constitutes a gross breach of the Procurement Regulation of 2006 as value for money may not have been achieved in the utilisation of Council's funds. We recommend a justification from the Procurement Officer (PO) why tendering procedures were not followed even though the contract modification was above 25%. The PO in collaboration with the CA should ensure that action is taken by the contractor to address the observed structural deficiencies of the building and evidence of steps taken to remedy the defects be forwarded to the Audit Service for verification..

(iv) Service Level Agreement not Fulfilled as per Contract Agreement by Credit Recovery Agency

The Portloko District Council entered into a contract with Credit Recovery Agency (CRA) on 8th February 2017 for the collection of business licenses and property rates. Upon review of the contract agreement, we observed that CRA was contracted to perform specific duties among which were - the reassessment of all property rates and business licenses within the jurisdiction of the Port Loko District Council; set up a sound cadastral system; collect property rates, business licenses and organise training programmes for particularly Council staff of the Property Assessment/Valuation Department.

During our review of revenues collected, we noticed that revenue in respect of business licences was not collected by CRA. On this note, we realised that the Council did the collection of business licenses without any recourse to CRA as there was no evidence that the Council reprimanded CRA for its failure to live up to its contractual responsibility which is in contravention with Article 3.5 of the contract agreement. Moreover, no sanction was levied on CRA for the dereliction of its contractual responsibility.

Failure to get CRA to live up to the terms and conditions of the contract agreement, may result in the Council losing needed revenue necessary for its planned development activities.

It is also apparent that controls surrounding revenue mobilisation are inadequate.

The CA should ensure that a review of the contract agreement with CRA is done so as to straighten all contentious issues and allow the Council to maximise its own-source revenue.

In response to the issue raised, council's management stated: "The collection of business licenses directly by Council was not as a result of the inability of CRA to collect. The contract state that 45% of collection goes to CRA and considering the collection cost for business licenses, it would be more advantageous for

Council to collect and keep 100% of the proceeds rather than share with CRA. It was negotiated with CRA to let go that portion to the advantage of the Council. CRA could therefore not be queried”.

There was however no evidence of negotiation held between the contracting parties for CRA to relinquish the collection of business license to support management’s response.

(v) Lack of Contract Agreement between the Council and the Different Market Dues Service Providers

The Port Loko District on 23rd November, 2016 signed several contract agreements with various service providers for the billing and collection of market dues within the district for a one-year period. The contract agreements should have expired at the end of November 2017. We were however not provided with evidence to confirm whether a new procurement process was undertaken or the old contracts were renewed. As a result, it is difficult to explain in what capacity the formerly contracted various service providers continue to bill and collect market dues within the same jurisdiction as required for in the expired contracts signed with the Council during the month of December 2017. As there is no longer a formal contract between the Council and the various service providers, it would be difficult for the Council to remedy any defect arising from this informal arrangement, as the Council may not apparently have the authority to make legal claims against these service providers.

The CA should submit a written explanation supported by documentary evidence for the reasons the Council didn’t conclude valid contract agreements with the various service providers for the billing and collection of market dues. With immediate effect, the CA should cause action to be taken to remedy the situation by instituting a new procurement process.

In their response, management stated: “Port Loko District was affected by the re-districting & creation of a new city. Within the period under review, we had no clear boundary limit as part of the district went to the formation of Kerena District and a portion to form the Port Loko city. Collectors were therefore in a meeting encouraged to continue collection as usual while Council works on new contracts within its geographical boundaries”.

There was no evidence to suggest that action had been taken to address the anomaly.

(vi) Contract Terms not Met

The Western Area Rural District Council outsourced the collection of property taxes to two contractors - Credit Recovery Agency (SL) Ltd and PEC (SL) Ltd- for a period of three (3) years (2017 to 2019). In the contract agreements between the Council and the two contractors, Credit Recovery Agency (SL) Ltd should pay to the Council a total sum of Le1,500,000,000 per annum and PEC (SL) Ltd should pay 65% of the total collection in respect of property taxes to Council each year. During the period under audit, Credit Recovery Agency (SL) Ltd and PEC (SL) Ltd only paid Le451,179,830 as property taxes into the Council’s account.

(vii) Inappropriate Outsourcing of Council Facilities

For the period under review, the Tonkolili District Council outsourced some of its income generating services such as the renting of the mini stadium, dues from lorry parks, market dues collection and business licenses to various unions and partners. Service level agreements to confirm the amounts to be paid to the Council and when it was due was not submitted for audit reviews. Moreover, evidence of payments from these outsourced partners was neither provided, nor was the outstanding amounts recognised in the Council’s 2017 financial statements. Without service level agreements for outsourced functions, it would be difficult to establish the

amount payable; and enforcement of payments in the instances of default, may be difficult. This may lead to loss of much needed revenue to the Council.

(viii) Contract Awarded to a Councilor

Section 29 of the Local Government Act, 2004 states: “A Councilor shall:

- (a) Maintain close contact with his ward or chiefdom, consult the electorate on issues to be discussed in the local council and collate their views, opinions and proposals for that purpose, and present them to the local council;
- (b) Report to the electorate the decisions of the Council and the actions he has taken to solve problems or deal with issues raised by the electorate;
- (c) Promote communal and other development activities in the locality”

A contract in respect of maintenance of feeder roads worth Le128,796,707.00 was awarded to one of the councilors representing ward 221 in the Tonkolili District. It is our considered view that since councilors are responsible for the monitoring of activities undertaken in their locality and the approval of the Council’s budget, they should not be involved in the day-to-day operations of the Council, let alone serve as contractors.

(ix) Procurement Procedures not Followed

Procurement procedures were not appropriately followed for contracts undertaken in the Council for various devolved sectors. The table below gives names of councils and the specific procurement breaches during 2017.

Table 2.4.4 Procurement Procedures Not Followed	
Name of Council	Specific Procurement Breaches
Kenema District	It was observed that procurement of stationery, equipment and furniture totalling Le191,747,000 and Le215,000,000 respectively were split into batches instead of going through national competitive bidding method.
Kenema City	Section 49 (2) of the Procurement Act, 2016 and sections 29(4), 45 (1) of the Public Procurement Act, 2016 require adherence to procurement procedures and documentations. Procurement rules and regulations were not followed for various procurement undertaken on rehabilitation works, maintenance services and other assorted items worth Le719million. These procurement were also without supporting documents and there was no evidence of approved annual procurement plan
Kono District	The total sum of Le90,041,000 was consistently disbursed to a single supplier for the supply of drugs, spare parts, maintenance services, stationery supplies, office equipment and furniture without frame contract to ensure effectiveness, efficiency and value for money in the Council business which was contrary to the Public Procurement Regulations 2016, section 130(1) (a &b) .
Pujehun District	Section 135 (4) of the PPR 2016 states: “Unless otherwise specified in the contract, any advance payment shall only be made against the provision by the supplier of an advance payment guarantee, covering the full amount of the advance payment and in accordance with regulation 139”. It was observed that advance payment guarantee and performance bond for Le82,647,000.00 were not made available to the audit team as stipulated in the contract agreement signed between Pujehun District Council and a contractor for the supply of diet to the Pujehun Government Hospital.

2.5. PAYROLL AND HUMAN RESOURCES MANAGEMENT

Personnel management in the councils is divided into two main categories: Core and Support Staff. local councils' core staff are employed by the council following a recruitment process led by the Local Government Service Commission (LGSC) in conjunction with the council, in accordance with LGSC guidelines and selection criteria. Salaries for core staff are paid from central government grants. For devolved functions, staff devolved from the parent MDA are paid by central government.

Councils may pay for additional staff (support staff) from their own-source revenue.

We observed the following during a review of selected controls in the human resources management of local council staff.

(i) Incomplete Staff NASSIT Records

During the physical verification of selected staff, we observed that some staff of the Councils were without NASSIT registration numbers, ID cards and statements of annual contributions made on their behalf to confirm that they were registered members of the NASSIT scheme, even though contributions were deducted and paid for some staff. There is a risk that the said staff will be deprived of their pension should they retire. With immediate effect, the Chief Administrators should ensure that the said staff are registered with NASSIT and their contributions paid on a regular basis. In future, all staff employed should be encouraged to go through the NASSIT registration process so as to be issued with NASSIT numbers to facilitate the monthly payment of their social security contributions.

We also observed that documents such as posting letters, birth certificates, appointment letters etc, were not attached to staff details. This may create hindrance for staff to access their end-of-service benefits when due. The CA and HRM should ensure that the missing documents are placed in the staff personal files.

(ii) Core Management Staff not on Payroll Voucher

During a review of personnel records, we observed that two core staff of the Port Loko District Council i.e. the Valuation Officer and Accountant had not received their salaries since they were transferred to the Council by the LGSC in 2017.

It is apparent that the staff in question may be less motivated to effectively contribute to the revenue mobilisation process. Thus, there is the risk that Council's revenue base may greatly dwindle and may not be able to garner enough resources to meet its planned commitments

As the personnel in question are key to ensuring a sound and robust financial management system, it is recommended that the CA in collaboration with the LGSC ensure that steps are taken to regularise their emolument situation.

The CA in his response to our audit queries stated: "The two core staff of the council, the Valuation Officer and the Accountant who were posted to the Council by the Local Government Service Commission (LGSC) in 2017 were not paid salaries because the Local Government Finance Department did not include their names in the salary payroll of the council. However, the Council was paying them out of their own-source revenue and other funding windows. Also, the Chief Administrator has taken up their non-payment of salary with the Local Government Finance Department which will surely be resolved".

However, evidence to justify that council have been paying these staff from their own- source revenue and other funding windows was not made available for verification. Furthermore, correspondence to confirm that this issue has been communicated to the Local Government Finance Department was not made available for verification.

(iii) Salaries Paid Cash Instead of Through the Banking System

In Pujehun District Council, we observed that salaries of staff (both core and support staff) were still paid on the table. No direct payment was made into staff personal accounts. It is highly risky to collect huge sums of money and make payment of salaries on the table since cash is highly susceptible to theft and misappropriation.

Additionally, Pin codes were not assigned to staff working in the council as a means of easily identifying and distinguishing staff.

(iv) Salaries Paid to Absentee Staff

In the Pujehun District Council, during a review of staff list, staff daily attendance register and salary vouchers, it was revealed that Mustapha Koroma - Chief Administrator received his salaries throughout 2017 but his name was not in the council staff list submitted for audit. Further enquiries revealed that he was suspended but there was no letter in his personal file to substantiate this information.

Similarly, Kai Gborie - Finance Officer received his salaries in 2017 but abandoned work since August 2017 to 31st December 2017. We were later informed by the CA and FO that he was sick. However there was no medical report in his personal file to confirm that claim and that up to the time of writing this report, there was no evidence submitted to substantiate that he has resumed duty.

There was also no evidence in the file to confirm that the HRM or the CA reported this issue to the LGSC for appropriate actions to be taken. The total salaries paid to both officers amounted to Le13, 282, 500.

2.6. AUDIT OPINIONS

In a local council audit, an auditor determines whether the financial statements are presented fairly in all material respects and in accordance with accounting standards by reviewing the underlying information and processes that went into preparing the financial statements. Audit reports include an opinion as to whether there is reasonable assurance that the financial statements are free from material misstatements.

Types of Audit Opinion

The basis used to arrive at the audit opinion is described in Table 2.5 below and also in the separate reports issued on individual entities.

Table 2.5 Modified Opinions and Basis of Opinions 2017			
No.	Name of Council	Opinion	Basis of Opinion
1	Kenema District	Qualified Opinion	(i) Bank reconciliation statements not prepared. Section 139 (1) of the Financial Management Regulations, 2007 states: "The balance of

			<p>every bank account as shown in a bank statement shall be reconciled with the corresponding cash book balance at least once every month; and the reconciliation statement shall be filed or recorded in the cash book”.</p> <p>In addition to the regulation, bank reconciliation is a fundamental financial control procedure that helps to identify discrepancies between the balances recorded in the cash book and those entered in the records held by the bank. However, we observed that bank reconciliations were not carried out for eighteen accounts held by the Council during the financial year ended 31st December, 2017. The total bank balance of these accounts was Le99.8million. In the absence of reconciliation, we were unable to confirm that the amounts recognised in the financial statements in respect of these accounts were free from material misstatement or the revenue and expenditure transactions processed through these accounts.</p> <p>(ii) Omitted bank balance</p> <p>Bank confirmation revealed that (Kenema District Council) a/c No 003005511548100238 at the Sierra Leone Commercial Bank with a balance of Le12,835,412.25 was not disclosed in the financial statements</p>
2	Moyamba District	Qualified Opinion	<p>Payroll reconciliation not done</p> <p>We were unable to determine that figures reported in the Council's financial statements for payroll cost are free from material misstatement as reconciliation was not done between salary vouchers and cash book records that resulted in a difference of Le93million.</p>
3	Bonthe District	Qualified Opinion	<p>Bank reconciliation statement not prepared and submitted</p> <p>Bank reconciliation statements were not submitted for salary and revenue accounts.</p>
4	Bo City	Qualified Opinion	<p>(i) Non reconciliation of own-source revenue records</p> <p>Own-source revenues recorded in the receipt books issued was Le810,819,600 and the total</p>

			<p>amount recorded in the own-source revenue cashbooks was Le1,537,834,412. As a result, a difference of Le732,014,812 was noted between the two records. Similarly, own-source revenue accounts held at FIB and SLCB revealed that a total of Le1,490,854,042.72 was collected and the total amount recorded in the cashbooks for own-source revenues was Le1,537,834,412. As a result a difference of Le46,980,370 was noted between the two records. No proper reasons were given to account for the discrepancies.</p> <p>(ii) Analysis of information in the financial statements</p> <p>Total own-source revenues reported in statement No. 1 – “Statement of Cash Receipts & Payments (all funds)” and Statement No. 6 - “Statement of Revenues Collected” is Le1,544,994,509. However, revised cash book total was Le1,575,006,914.66 resulting in a difference of Le30,012,405.66.</p> <p>(iii) Closing account balances wrongly brought forward in cash books</p> <p>Review of the revised cashbooks revealed that closing balances of eight bank accounts reported in statement No. 4 - “Statement of Financial Assets and Liabilities (all funds)” of 2016 financial year that were wrongly brought forward in the cashbooks in 2017 have been adjusted in the cash books. However, these adjustments did not reflect in the revised financial statements.</p>
--	--	--	--

The definition and type of audit opinions issued on each of the councils is given in the paragraphs below:

Unmodified Opinion (*Unqualified Opinion*)

The auditor concludes that the financial statements of a given entity are presented fairly, in all material respects, in accordance with generally accepted accounting principles.

Audit Findings 2017

Fifteen councils (79%) received an unqualified opinion. These councils were able to reasonably address errors initially identified during the audit process. These errors were largely related to fair presentation of financial statements. The councils were however able to account accurately for the financial transactions they have carried out during the period under review.

Table 2.5.1 Councils with Unqualified Audit Opinion		
No.	Name of Council	Type of Audit Opinion
1	Kambia District	Unqualified
2	Koinadugu District	Unqualified
3	Tonkolili District	Unqualified
4	Bombali District	Unqualified
5	Makeni City	Unqualified
6	Port Loko District	Unqualified
7	Freetown City	Unqualified
8	Western Area Rural District	Unqualified
9	Kenema City Council	Unqualified
10	Koidu New-Sembehun City	Unqualified
11	Kono District	Unqualified
12	Kailahun District	Unqualified
13	Bo District	Unqualified
14	Bonthe Municipal	Unqualified
15	Pujehun District	Unqualified

There was however instances where the councils may not have been sufficiently transparent in the manner in which they carried out their activities, as there were instances where they did not follow the required processes. These deviations from internal control were largely in the area of compliance with legal regulatory framework such as the procurement laws, FMR, Income Tax Act and the LGA.

Modified Opinion

A modified audit opinion can be categorised into the following: qualified opinion, adverse opinion and disclaimer of opinion.

Qualified Opinion

The auditor, having obtained sufficient appropriate audit evidence, concludes that misstatements, individually or in the aggregate, are material but not pervasive to the financial statements, or the auditor is unable to obtain sufficient appropriate audit evidence on which to base the opinion, but concludes that the possible effects on the financial statements of undetected misstatements, if any, could be material but not pervasive.

Audit Findings 2017

Four councils (21%) received a qualified audit opinion. This simply means that these councils were unable to adequately and accurately account for all the financial effects of the transactions and activities they conducted. The financial statements prepared and submitted by these councils were unreliable in certain areas.

Most of the councils failed to address issues relating to differences between cash books and financial statement balances, inconsistencies in the recognition, reporting and presentation of financial information. Some failed to fully comply with a number of rules and regulations required for efficient and effective financial management and reporting. These deviations were largely in the area of compliance with the procurement laws, FMR, Income Tax Act and the LGA.

Adverse Opinion

After obtaining sufficient and appropriate audit evidence, the auditor concludes that misstatements, individually or when grouped with other misstatements, are both material and pervasive to the financial statements.

Audit Findings 2017

An adverse opinion was not issued on any of the 19 local councils audited during 2017.

Disclaimer of Opinion

The auditor is unable to obtain sufficient appropriate audit evidence on which to base the opinion, and concludes that the possible effects on the financial statements of undetected misstatements, if any, could be both material and pervasive

Audit Findings 2017

A disclaimer of opinion was not issued on any of the 19 local councils audited during 2017.

Table 2.5.2 gives list of councils with modified opinions

Table 2.5.2		
Councils with Modified Opinion		
No.	Name of Council	Type of Audit Opinion
1	Kenema District	Qualified
2	Bo City	Qualified
3	Bonthe District	Qualified
4	Moyamba District	Qualified

Council's Performance Progress in 2017

Progress made by individual councils during 2017 is given in Table 2.5.3. The councils that improved are one city, one municipality and two district councils. Although the expected target of all councils having 100% unqualified opinions was not met in 2017, the results are however encouraging.

Table 2.5.3 Council's Opinion				
No	NAME OF COUNCIL	TYPE OF OPINION		Comment
		2016	2017	
1	Kambia District	Unqualified	Unqualified	Sustained good performance
2	Koinadugu District	Unqualified	Unqualified	Sustained good performance
3	Port Loko District	Unqualified	Unqualified	Sustained good performance
4	Tonkolili District	Unqualified	Unqualified	Sustained good performance
5	Bombali District	Unqualified	Unqualified	Sustained good performance
6	Makeni City	Unqualified	Unqualified	Sustained good performance
7	Freetown City	Unqualified	Unqualified	Sustained good performance
8	Western Area Rural District	Qualified	Unqualified	Improved in performance
9	Kenema City	Unqualified	Unqualified	Sustained good performance
10	Kenema District	Unqualified	Qualified	Regressed in performance
11	Koidu New-Sembehun City	Unqualified	Unqualified	Sustained good performance
12	Kono District	Unqualified	Unqualified	Sustained good performance
13	Kailahun District	Adverse	Unqualified	Improved in performance
14	Bo District	Unqualified	Unqualified	Sustained good performance
15	Bo City	Adverse	Qualified	Improved in performance
16	Bonthe Municipal	Qualified	Unqualified	Improved in performance
17	Bonthe District	Unqualified	Qualified	Regressed in performance
18	Moyamba District	Qualified	Qualified	Sustained fair performance
19	Pujehun District	Unqualified	Unqualified	Sustained good performance

The results reflect positive gradual progress by local councils as 12 councils (63% overall) retained their unqualified audit opinions (four cities and eight district councils). This may not be unconnected with administrative and political leadership's commitment to maintaining a strong control environment and having daily and monthly controls embedded in all routine processes. The basic disciplines of preparing and reviewing regular financial and performance reports received due attention at these councils.

Three districts and one city council received qualified opinions.. Kenema and Bonthe District councils regressed to qualified audit opinions. Two councils (Western Area Rural District and Bonthe Municipal) improved from qualified opinions to unqualified opinions, one council (Kailahun District) improved from adverse opinion to unqualified opinion and one council (Bo City) improved from adverse to qualified opinion.

This analysis of councils' performance over the years clearly indicates that a good number of them have addressed their weaknesses in internal controls by improving systems and processes, together with the improved leadership oversight and governance. We will continue to intensive interactions with the political and administrative leadership as well as oversight role players, in the coming years. Discussions will be included in the financial management in the respective councils, key internal control deficiencies preventing sustainable improvement in audit recommendations, the need for effective functioning of governance and oversight structures are possible reasons inhibiting further progress. We had strongly emphasised the need to appoint the right skilled people, institutionalising daily and monthly controls, and improving management's ability to implement action plans in a manner that is sustainable.

Emphasis of Matter

A disclaimer opinion on the Financial Statements of the Port Loko District Council was issued to the Minister and the Council on 17th October, 2018 as required by Section 81(3) of the Local Government Act, 2004. The basis for the disclaimer of opinion was that the Council failed to submit complete bank statements for its Credit Recovery Account held at the Zenith Bank in spite of repeated requests by the audit team. Furthermore, the said account was not recognised in the Council's financial statements, and as such, we could not obtain sufficient appropriate audit evidence that the total income and expenditure, as well as cash and cash equivalent balances reported in the financial statements were free from material misstatements. The Council in a letter dated 23rd November, 2018 submitted the revised financial statements and copies of bank statements for its Credit Recovery Account. In this regard, the audit team has made reference to the relevant International Standard on Auditing (ISA), test/check the adjustments to ensure they are correct and came to the conclusion of issuing an unqualified opinion on the financial statements of the Port Loko District Council for the year ended 31st December, 2017.

CHAPTER III – PERFORMANCE AUDIT

TABLE OF CONTENTS

MAIN POINTS	85
3.1. INTRODUCTION	88
3.2. THE NATURE AND PRACTICE OF PERFORMANCE AUDITING	89
3.3. SUMMARY OF PERFORMANCE AUDIT FINDINGS	89

MAIN POINTS

In this chapter, we present summaries of a number of performance audits we tabled in Parliament this year. These are tabled as special reports under Section 95(6) of the Public Financial Management Act 2016. In principle, Section 11 (2c) of the Audit Service Act of 2014 mandates the Auditor General to carry out value-for-money and other audits to ensure that efficiency, effectiveness and economy are achieved in the use of public funds”.

What we examined

In October 2018, three Performance Audit reports were submitted to Parliament as follows:

- Management of Healthcare Waste at regional referral hospitals by the Ministry of Health and Sanitation
- Management of Fertilizer Scheme by the Ministry of Agriculture, Forestry and Food Security
- Management of School Facilities by the Ministry of Education, Science and Technology.

A report on Preparedness for Implementation of the Sustainable Development Goals (SDGs) was also approved by the Auditor General for onward submission to Parliament.

This chapter presents concise summaries of the four performance audits.

Performance auditing refers to an independent, objective and reliable examination of whether government entities are performing in accordance with the principles of economy, efficiency and effectiveness (the 3Es). The purpose therefore is to have MDAs “do the right things in the best way”. Like any other form of audit, the core concepts and basic techniques in performance auditing are the same but with different subject matter. If government undertakes an activity either partly or wholly, it can be the subject of a performance audit.

Why it is important

In recent decades Performance Audit, also known as “Value for Money Audit”, has become increasingly common in the public sector. Put simply, it means verifying if an activity or government program was done in a right way with due regard for economy (at the lowest cost), efficiency (in the best way) and effectively (achieving intended results)

The contributions from parliamentarians, citizens and donor organisations alike are overseen by SAIs that hold government to account through the audits conducted on the utilisation of public funds.

Performance audit goes beyond the purely legal question of whether revenues collected or expenditure made is authorised by Parliament. It goes deeper and examines, against criteria derived from principles of economy, efficiency and effectiveness, how revenues are spent and whether value-for money is achieved. Assessing whether value-for-money is obtained is the key driver and it does so by examining inputs, outputs and outcomes.

What we found

Preparedness For Implementation Of The Sustainable Development Goals

The following were observed:

- The Department of Central Planning, Monitoring and Evaluation (CPME), had not integrated the SDGs into its National Development Plan (NDP), which is the Agenda for Prosperity (2013 – 2018).

- Content analysis of the advanced draft report on adaptation of the goals in Sierra Leone indicates that the country has failed to identify and explain the gaps between the NDPs and the SDGs.
- The CPME unit at the MoFED did not inform the government agencies of their roles and responsibilities in the integration and implementation of the SDGs.
- No process has been designed to identify the stakeholders that are relevant for the successful implementation of the SDGs.
- The MoFED, has erected billboards and posters of the seventeen SDGs in most MDAs, and along some major highways. However, it has not reached out to the national, sub-national and local level with information and other materials that are tailored to their specific functions, roles and responsibilities.
- The Sierra Leone Advance Adaptation Report on the SDGs was silent on the resources and capacities needed for the implementation, monitoring and reporting of the 2030 Agenda.
- The thirteen sector papers have not been consolidated into the National SDGs Investment Plan (NaSIP) apparently due to unavailability of funds.
- The CPME unit at the MoFED has not been able to identify and secure the capacities required to implement, monitor and report on the priorities in the 2030 Agenda.
- There was no evidence of partnership opportunities created to invest in areas critical to sustainable development.
- There was no evidence to show that MoFED had set up task forces for managing all the risks associated with resources and capacity for the implementation of the SDGs.
- There was no evidence that the Office of National Security (ONS) designed a framework for:
 - Effectively crossing uncertainty, change and surprise across all areas geared towards the implementation of the SDGs.
 - Testing system mechanism that will be applied regularly in the development planning.
 - Policy-making process for detecting emerging issues and examining the ability of plans, policies and programmes.
- Some relevant institutions were not aware of their roles and responsibilities towards implementation of the SDGs and others had not been operational since they were established.
- Statistics Sierra Leone (SSL) did not have the capacity to measure the goals that were related to the environment.

Management of School Facilities by the Ministry of Education, Science and Technology

The following findings were observed:

- There was overcrowding in all 35 schools visited.
- There was insufficient furniture in almost all of the schools visited.
- Out of the 35 sampled schools ten were in a deplorable condition with no toilet facilities; windows; ceilings, etc.
- Water, sanitation and hygiene facilities were poor in some schools and lacking in others.
- Various schools visited did not have any form of science laboratory and some schools that had the facility were dilapidated and unusable.
- Inadequate and inappropriate recreational facilities were observed in most of the schools visited and that the Ministry did not have any plans in place for the maintenance of such facilities.
- Maintenance of school facilities was not budgeted for by the MEST.
- Infrequent inspection of school facilities was observed.
- School Inspectorate Inspection Forms were not properly completed.

Management of Healthcare Waste at Regional Referral Hospitals by the Ministry of Health and Sanitation

The following findings was observed:

Planning of Healthcare Waste Management Activities

- No specific plan for healthcare waste activities.
- Healthcare waste management not adequately budgeted for.
- No healthcare waste management team exists.
- Inadequate steps taken to minimise healthcare waste.
- Lack of mechanisms for waste tracking.
- Inefficient monitoring of waste management activities.
- EIA license not obtained by the MoHS for treatment and disposal of waste.

Compliance with Healthcare Waste Standards

- Improper use of bins and bags in the segregation of healthcare waste.
- Inappropriate segregation of healthcare waste.
- Overfilled waste containers in the hospitals.
- Waste not treated before disposal.
- Inappropriate on-site storage of waste prior to disposal.
- Unsafe disposal of healthcare waste.
 - Disposal of infected general waste in municipal dumpsite.
 - Liquid waste discharged into the Atlantic Ocean.
 - Dumping healthcare waste close to the facility.
 - Unsafe methods adopted for final disposal of healthcare waste.
 - Inappropriate burning of healthcare waste.
- Lack of trained and certified staff to operate modern waste equipment.
- Insufficient consumables.
- Waste handlers not adequately protected.
- Inadequate mechanisms to create public awareness on risks associated with healthcare waste.

Management of Fertilizer Scheme by the Ministry of Agriculture, Forestry and Food Security

The following findings were reported:

Planning the Implementation of the Fertiliser Scheme

- A policy document on the management of the fertiliser scheme had not been developed.
- No redistribution criterion was developed by the Ministry to guide the redistribution process of seed rice recovered from the fertiliser scheme.

Acquisition of Fertilisers

- There was over-pricing in the purchasing of fertilisers.
- There were delivery delays.
- Fertilisers supplied did not meet the required technical specifications.
- The ministry did not claim payments for damaged fertilisers from the suppliers

Management of Fertiliser Stores

- Fertilisers were missing at the MAFFS stores at Kissy.
- There was poor storage conditions.

- Stacking of fertilisers was not done in an orderly manner in the stores.
- Store issue procedures were not observed.

Distribution of Fertilisers

- The Ministry failed to develop a fertiliser distribution plan.
- Perished and unusable fertilisers were distributed to farmers.
- There was no evidence of distribution of fertilisers.

Recovery of Fertiliser

- The cost and basis on the recovery of fertiliser was observed to be very low.
- There were authorised withdrawal as well as unsupported utilisation of recovered fertiliser funds.
- Recovered seed rice were not accounted for.

Record Management

There was poor management of records for the distribution of fertilisers.

3.1. INTRODUCTION

Performance audit is a relatively new reporting area for ASSL which was first included in 2009 as a component of an audit capacity development project. We submitted one performance audit report that year. At present, about 7% of the ASSL's audit staff is assigned to performance audit.

Creating a performance audit capability did not happen overnight. It requires strong critical and analytical skills, careful staff selection and training. The fundamental skill-set is a strong knowledge of basic and classical audit techniques. Consequently, performance auditors have been generally drawn from the ranks of financial and regularity auditors, both of which are traditional audit areas that have long been the focus of ASSL. ASSL has also had an intake of staff with backgrounds in the social sciences and other disciplines.

Although relatively new to countries at a similar stage of development as Sierra Leone, performance audit has been practiced in various and evolving forms in mature economies for over 30 years. Its practice is virtually unique to the public sector and mostly to Supreme Audit Institutions (SAIs). As a consequence, the professional audit standards that apply to it have largely been developed under the aegis of INTOSAI, the International Association of Supreme Audit Institutions, in which ASSL is an active member through AFROSAI-E. The reports of many SAIs are now largely comprised of the outcomes from performance audits and there is a trend in some jurisdictions to capture all SAI audit activity under a more generic name such as comprehensive auditing which, in effect, represents the collective practice of financial, regularity and performance audit that frequently uses multi-disciplinary teams of auditors.

This Chapter summarises four performance audits conducted this year, three of which have been tabled in Parliament as special reports under Section 11 (2c) of the Audit Service Act of 2014 which mandates the Auditor General to carry out value for money and other audits to ensure that efficiency and effectiveness are achieved in the use of public funds.

Performance audit reports are generally published on the ASSL's website immediately after being laid before Parliament. Reports are also sent to key stakeholders.

3.2. THE NATURE AND PRACTICE OF PERFORMANCE AUDITING

Performance auditing carried out by Supreme Audit Institutions (SAIs) is an independent, objective and reliable examination of whether government undertakings, programmes, systems, activities or organisations are achieving economy, efficiency and effectiveness in the employment of available resources and whether there is room for improvement. Broadly speaking, the principles of economy, efficiency and effectiveness – often referred to as the 3Es -can be approached as follows:

- The principle of *economy* means minimizing the amount of resources spent on activities in an appropriate, quantitative and qualitative manner within a reasonable time frame.
- The principle of *efficiency* means getting the most from available resources. It is concerned with the relationship between the resources employed and the outputs delivered.
- The principle of *effectiveness* is about meeting set objectives and achieving results.

Performance auditing promotes *transparency* by affording taxpayers, financiers, ordinary citizens and the media insight into the management and outcomes of different government activities. It contributes to this directly way by providing useful information to citizens while also serving as a basis for learning and improvement.

In selecting areas for performance audit, we consider matters of significance for social and economic development and where, at the same time, there is a risk that performance may not meet the goals of economy, efficiency and effectiveness.

In the 2018 reports as summarized below, we assessed the performance of the selected MDAs responsible for the audited activity and indicated how performance may be improved. We also assessed the preparedness of the government in implementation of the SDGs. The recommendations made aim to remove the causes of problems and weaknesses identified thereby adding value not only to the MDA or programme, but to society as a whole.

3.3. SUMMARY OF PERFORMANCE AUDIT FINDINGS

The Preparedness for Implementation of the Sustainable Development Goals

As permitted under in Section 119 (2) of the 1991 Constitution of Sierra Leone, Audit Service Sierra Leone conducted a performance audit on the preparedness for implementation of the SDGs in Sierra Leone. The audit covered the period between January 2016 and March 2018. The objective of the audit was to assess the ‘preparedness for the implementation of the 2030 Agenda’. It focused on the following:

- (i) The integration of the SDGs into Sierra Leone’s national context;
- (ii) The funding sources available for the planning and implementation of the 2030 Agenda; and
- (ii) The monitoring, review and reporting system that is in place for the implementation of the SDGs.

The following is a summary of the main findings from this performance audit:

Integration of the SDGs into Sierra Leone’s National Context

In integrating the SDGs into its national context, Sierra Leone has done the following:

- undertaken the SDGs Voluntary National Review (VNR);
- attended the UN High Level on Political Forum (HLPF);
- prepared the SDGs Adaptation Report;
- aligned its National Development Plans (NDP), Poverty Reduction Strategy Paper III (PRSP) and National Ebola Recovery Strategy (NERS) to the SDGs; and

- aligned its annual budget to the SDGs.

Despite these efforts towards integrating the SDGs into the national context, the following was noted:

- The Department of Central Planning, Monitoring and Evaluation (CPME), which is the leading SDGs government agency in Sierra Leone, aligned (compare) the SDGs with the NDP and the National budgets of 2016 and 2017. It has however not integrated (domesticate) the SDGs into its NDP, which is the Agenda for Prosperity (2013 – 2018).
- Content analysis of the advanced draft report on adaptation of the goals in Sierra Leone indicates that the country has compared the PRSP III and NERS with the SDGs, but it failed to identify and explain the gaps between the NDPs and the SDGs.
- The CPME unit at the MOFED did not inform the government agencies concerns of their roles and responsibilities in the integration and implementation of the SDGs.
- No process has been designed to identify the stakeholders that are relevant for the successful implementation of the SDGs.
- The MOFED, whose responsibility is to coordinate the SDGs (through collaboration with the Ministry of Information and Communication), has erected billboards and posters of the 17 SDGs in most MDAs, and along some major highways. It has however, not reached out to the national, sub-national and local level with information and other materials tailored to their specific functions, roles and responsibilities.

Resources and Capacity Needed to Implement the SDGs

Analysis of the government's budget and statement of economic financial policies 2017 revealed that government is renewing its commitment to diversify the economy through investments in agriculture, fisheries and tourism for generating revenue and increasing local production. The Central Planning, Monitoring & Evaluation unit has developed 13 research papers (sector policies) on the 17 SDGs that will provide indicators of resources required to achieve the targets set out in the SDGs. The audit team however noted the following:

- The Sierra Leone Advance Adaptation Report on the SDGs was silent on the resources and capacities (financial, human, ICT and data) needed for the implementation, monitoring and reporting of the 2030 Agenda. For instance, nothing was stated on the amount of financial resources that will be required annually until 2030 for the implementation of the SDGs.
- The 13 sector papers have not been consolidated into the National SDGs Investment Plan (NaSIP) apparently due to lack of funds.
- The CPME unit at the MOFED has not been able to identify and secure the capacities – including skills and capabilities (human resources, ICT; and data) required to implement, monitor and report on the priorities in the 2030 Agenda.
- Content analysis of the information provided by the SDGs Coordinator at the MoFED revealed that the Government of Sierra Leone (GoSL) faces enormous capacity and resource constraints in the implementation of development programmes for achieving the SDGs.
- There was no evidence of partnership opportunities created to invest in areas critical to sustainable development. In addition, there was no evidence to indicate that a risk framework has been developed for effectively navigating uncertainties across the various areas.
- According to the AfP, MOFED is responsible to set up task forces for managing risks associated with securing resources and capacity for the implementation of the SDGs. There was no evidence to show that this has been done. There was also no evidence that the Office of National Security (ONS) designed a framework for:

- Effectively navigating uncertainty, change and surprise across all areas (i.e. from building awareness, financing and budgeting to monitoring, reporting and accountability) of the SDGs.
- Testing system mechanism that will be applied regularly in the development planning.
- Policy-making process for detecting emerging issues and examining the ability of plans, policies and programmes.

Monitoring, Review, Reporting and Follow-up on the Progress of SDGs

Analysis of the July 2016 Advance Draft Adaptation Report and interviews with key stakeholders revealed that:

- Institutions such as EPA, Right to Access Information Commission (RAIC), and Office of the President were not aware of their roles and responsibilities with regard to monitoring, reporting and follow-up on the SDGs.
- The presidential body, and ministerial committee, which were established to provide strategic and operational guidance, respectively, have not been operational since they were established.
- Statistics Sierra Leone (SSL) did not have the capacity to measure the goals that were related to the environment (i.e. SDG goals 12, 13, 14 and 15).

Management of School Facilities by the Ministry of Education, Science and Technology

We undertook a performance audit on the management of school facilities with the objective of determining if the quality of school facilities were compliant with the required standards and whether there were proper structures in place for the effective maintenance and inspection of school facilities.

The audit was undertaken at the MEST headquarters in Freetown, as well as its regional offices in the provinces. We selected 35 government and government-assisted schools in two districts per province and all local councils in those selected districts were targeted.

The following findings were observed:

Status of school facilities and their level of adherence to MEST standards

Overcrowding in schools - Physical inspection and the review of class lists revealed that there was overcrowding in all 35 schools visited. An analysis of enrollment records for schools submitted, revealed that there were more than 45 pupils per classroom and in some cases, the ratio of pupils per class was far higher.

In a bid to accommodate more pupils, some schools converted their laboratory and library facilities into classrooms, whilst others accommodated two different classes in one classroom with barely curtains separating one class from the other.

Insufficient furniture – three out of the 35 schools visited only had sufficient furniture. The rest did not have sufficient furniture for the pupils. According to interviews with heads of schools, repair of furniture was supposed to be funded out of school fees and government subsidies but for the 2016/2017 academic year, up to June 2017 no transfer of subsidies were made. Cases were observed where five classrooms were packed with piles of broken desks and tables. The large quantities of unusable furniture meant that only 5 children had access to regular seating accommodation in the five classrooms in question. The late transfer of subsidies by MEST was said to have been responsible for the poor state and disrepair of furniture.

Physical condition of the schools - Ten of the 35 sampled schools (28.5% of the sample), were in a deplorable condition. Some had holes in the roofs, some had broken and dilapidated windows, and some buildings had exposed classrooms. We also observed poor ventilation of some classrooms. Most

classroom floors were not paved and the dusty floors provided excellent breeding ground for vermin which could compromise the health of children and teachers alike.

Water, Sanitation and Hygiene Facilities (WASH Facilities) - Out of 35 schools visited 6 did not have water facilities exposing 13,394 pupils to the risk of disease. In addition, 10 out of 29 schools had wells which dried up during the dry season. Furthermore, none of the 35 sampled schools visited had the required ratio of drop-holes per either boys or girls (i.e. 1:45) (1:144 was the ratio in the provinces and 1:248 in Western Area Urban District)

The toilets were hardly clean and most had no hand-washing facilities. In fact, only four schools had hand washing-facilities but even in these, there was no soap. This exposes the pupils to diseases related to poor hygiene and sanitation.

Inadequate laboratory facilities in the schools – Nine out of 25 schools did not have any form of science laboratory facilities even though they offered science subjects. Six of the 25 schools had rooms designated as laboratories but were not functional. Two of the ‘laboratories’ were converted to classrooms to remedy the issue of overcrowding; whilst the other 4 were simply dilapidated and unusable. Ten of 25 schools had functional laboratories but only 4 were fully functional. The others were struggling with inadequate equipment/apparatus and other basic facilities.

Inadequate library facilities – Only five of 35 schools had functional libraries whilst 19 had not enjoyed library facilities since their inception. Four had inadequate furniture that could hardly sit up to 40 pupils. In two schools, the ‘libraries’ were converted to classrooms to remedy overcrowding, while the others were not equipped with furniture or books.

Inadequate and inappropriate recreational facilities - All the schools visited, with the exception of two (Kulafai Rashideen and Evangelical primary schools), had playgrounds with most of them not ideal and child friendly. The Islamic Call Primary School playground was used as a dump site by the community.

Planning and execution of the maintenance of schools facilities

Annual maintenance plans not prepared - The Ministry did not have any plans in place for the maintenance of facilities. Out of seven councils visited, five had maintenance plans in place. Moreover, 35 sampled schools provided annual maintenance plans

Maintenance of school facilities not Budgeted - MIST had over the years not prepared maintenance budgets for school facilities even though this is part of its primary mandate’. In addition, of 7 councils visited, five had prepared budgets for the maintenance of school facilities. Furthermore, 60% of the sampled schools (21 schools) had prepared budgets for the maintenance. However, out of the 21 schools that had prepared maintenance budgets, only 16 actually spent money on maintenance and of those evidence of maintenance works was seen in only nine schools. Consequently, most of the classrooms were deplorable with dusty floors, broken blackboards, leaking roofs without ceilings and broken window panes.

Inspection of school facilities

Irregular Inspection of school facilities- We noted that 6 inspections were carried out over a period of three years (2014-2016) for the 35 sampled schools. In addition, inspection reports were not prepared in a manner that would provide the relevant information as required by the School Inspectorate Inspection Form.

Management of Healthcare Waste At Regional Referral Hospitals by the Ministry Of Health and Sanitation.

We conducted a performance audit in order to assess the management of healthcare waste at government referral hospitals and suggest recommendations for improving on healthcare waste management. The audit covered the period between 2014 and 2016 (including available information in 2017).

The following findings were observed:

Planning Of Healthcare Waste Management Activities

No specific plan for healthcare waste activities - The Ministry developed national plans and guidelines that integrated healthcare waste management. However, these plans and guidelines were not translated into annual work plans for the period under review. Therefore activities regarding healthcare waste management were undertaken on ad-hoc basis.

Healthcare waste management not adequately budgeted for - Allocations for healthcare waste management were used for administrative purposes. The Ministry neither budgeted nor spent for items related to waste management such as consumables (containers, waste bags, sharp boxes, gloves, etc...), equipment for health facilities and training of staff. As a consequence, much needed resources such as consumables, equipment, trained staff, etc. were scarcely available to effectively manage healthcare waste.

Healthcare waste management team not in existence - There was no waste management team in place to specifically oversee or coordinate healthcare waste management activities in any of the referral hospitals visited. This clearly indicated that healthcare waste management issues were given little attention at the senior management level in the hospitals.

Inadequate steps taken to minimise healthcare waste - Adequate steps were not taken by the Ministry to minimise healthcare waste in the four regional referral hospitals as stipulated in the National IPC Guidelines of 2015 as there were no waste minimisation plans in any hospitals visited. It was therefore not possible to properly determine resources needed for waste management activities.

Lack of mechanisms for healthcare waste tracking - None of the four referral hospitals had data on the type, quantities, treatment and disposal of waste generated in the hospitals as required by the National IPC Guidelines of 2015. Therefore, waste generation data in a HCF could not be established at any given time. This made it difficult or impossible to identify the rates of production in the different medical areas and plan accordingly.

Inefficient monitoring of healthcare waste management activities - Evidence of monitoring and evaluation was not provided during the audit of the Ministry headquarters or at regional offices. Failure to monitor the management of medical waste contributed to the deplorable state of waste management activities.

EIA license not obtained by the MOHS for treatment and disposal of healthcare waste - Modern waste treatment equipment autoclaves, shredders and incinerators were provided to hospitals during the last three years. However, an Environmental Impact Assessments license for the operations of those equipment and the disposal methods adopted had not been obtained by the Ministry from the Environmental Protection Agency – Sierra Leone (EPA-SL). In the absence of an environmental impact assessment and licence for management of medical waste, there was a high risk of environmental pollution for which mitigating measures would not be instituted.

Compliance With Healthcare Waste Standards

Improper use of bins and bags in the segregation of healthcare waste - There were no brown containers for the collection of pharmaceutical and chemical waste and radiological waste in hospitals visited.. This is contrary to the rules of collecting waste in correct containers. According to officials of the hospitals, the inconsistencies in the colour of the containers used were as a result of the non-availability of the required colours in the right quantities.

Inappropriate segregation of healthcare waste - Healthcare waste (including infectious waste) were put into the same container even though the containers were labelled to indicate their required contents. As a consequence, mixing of infectious and non-infectious general waste could lead to increase in the volume of infectious waste thereby exposing health workers, patients and waste handlers to disease.

Overfilled healthcare waste containers in the hospitals - Healthcare waste containers were overfilled and not collected in a timely manner for transportation to disposal sites. As a result, waste handlers, patients and visitors were exposed to offensive odour and disease.

Healthcare waste not treated before disposal - Waste generated within the hospitals was not treated before disposal. Waste collected were taken directly to the burning pit.

Inappropriate on-site storage of healthcare waste prior to disposal - The on-site storage facilities of hospitals visited were inappropriate. Healthcare waste was stored in the areas of disposal. At Connaught hospital, the on-site storage point for the general waste, was piled and mixed with healthcare waste wrapped in biohazard bags. They were exposed to sunlight and rain, kept in an open area, not protected and were accessible to unauthorised personnel. In Makeni hospital, waste dumped close to the burning pit included pathological waste; and scavenger birds (vultures which are typically known to feed on animal remains) were found at the disposal site. Keeping healthcare waste in easily accessible areas creates a risk of its being transported back to the wards through by unauthorised personnel or rodents.

Unsafe disposal of healthcare waste

○ Disposal of infected general waste in municipal dumpsite

We observed that disposal of infected general waste in yellow bags was mixed with general waste in containers at the municipal landfill by MASADA. This resulted in general waste infected and exposed waste handlers and scavengers to the high risk of acquiring diseases.

○ Liquid waste discharged into the Atlantic Ocean

At the Connaught Hospital, untreated liquid waste was directly emptied through a channel that ran into the ocean. This wastewater was potentially infected, thereby threatening marine life. In addition, none of the hospitals visited were connected to efficient, working sewage-treatment plants. This posed a very high risk to the environment and can lead to several waterborne diseases that are a threat to human life.

○ Dumping healthcare waste close to the facility

Healthcare waste had been dumped at the back of the hospital fence, very close to the ocean. Dumping waste is a dangerous practice, made worse when dumped close to the ocean as it constitutes serious threat to people entertaining at beaches as well as seafoods thereby threatening people's life especially those consuming seafood.

- ***Unsafe methods adopted for final disposal of healthcare waste***

The method adopted for healthcare waste disposal is by burning in a pit. According to IPC guidelines, burning pits present a hazard to healthcare workers. In addition, incomplete, low-temperature burning presents an environmental pollution risk. They emit smoke which spread and pollute air.

- ***Inappropriate burning of healthcare waste***

Healthcare waste including pathological waste generated in the hospital were disposed of in a burning pit that was in an open location close to residential areas. In Makeni and Kenema Government Hospitals, the disposal site was overfilled and waste were scattered all over and was therefore impossible to cover them as recommended in the IPC guidelines. This poses a very high risk to surrounding environment, health workers, waste handlers as well as patients.

Capacity for Healthcare Waste Management

Lack of trained and certified staff to operate modern healthcare waste equipment - There was no trained and certified staff to operate the modern equipment available in the hospitals. The only training provided was on the operation of autoclave and this was delivered to volunteers that were serving at Connaught Hospital during the Ebola crisis (when this equipment was installed in the various hospitals). Since the end of the Ebola epidemic, volunteer workers were no longer serving the hospital and the autoclave is not operational.

Insufficient healthcare waste consumables - Healthcare waste consumables were insufficient for use on a daily basis in the hospitals. It was established that these consumables, especially biohazard bags, were sold in the open markets particularly in Freetown and used for purposes not consistent with their intended use.

Healthcare waste equipment kept idle - Modern waste management equipment had been supplied to the hospitals by the MoHS and its partners. However, the equipment had either not been put into use since it was supplied or had stopped being used since the end of the Ebola epidemic. With exception of the Bo Government Hospital which is using an “old school incinerator” which is also not effective, other hospitals are still using burning pit yet the equipment are not in use.

Healthcare waste handlers not adequately protected - Healthcare waste handlers were not immunised against infectious diseases and post-exposure prophylactic treatment and regular medical surveillance were not given to staff even when they were mostly exposed to handling infectious waste. In the absence of such provision or immunisation programme there is a greater risk of exposure and transfer of diseases potentially acquired from infectious healthcare waste.

Awareness of the Risk Associated with Healthcare Waste

Inadequate mechanisms to create public awareness on the risk associated with healthcare waste- Posters displayed for awareness raising programmes were considered inadequate to inform the public on the dangers or risks associated with healthcare waste and how to avert them.

Management of fertilizer Scheme by the Ministry of Agriculture, Forestry and Food Security

We conducted this audit to assess whether the fertiliser scheme was properly planned and whether fertilisers were properly acquired, stored, distributed and its proceeds recovered by the Ministry of Agriculture Forestry and Food Security (MAFFS). The audit was undertaken at MAFFS headquarter in Freetown and its regional offices in three districts namely: Kenema, Tonkolili and Moyamba. Data was collected through review of documents, interviews with key players as well as the physical inspection of stores.

The following findings were reported:

Planning the Implementation of the Fertiliser Scheme

The lack of a policy document on the management of the fertiliser scheme - A policy document that would have guided the process was not developed hence; the project was implemented without a guiding document. Furthermore, there was no documentation the method and time distribution, utilization and recovery of the said fertiliser, neither were there responsible persons or departments to have undertaken and monitored the process.

To Manage a project like a fertiliser scheme without a policy document to guide the process may have undermined the Ministry's ability to effectively monitor the project's progress and subsequent valid corrective measures and mitigating factors against specific risks may not have been undertaken.

Furthermore, no redistribution criterion was developed by the Ministry to guide the redistribution process of seed rice recovered from fertiliser scheme. This made it difficult to determine which farmers were eligible for recoveries (seed rice) and what quantities they were entitled to. It could also have exposed the scheme to the risk of misappropriation of the recoveries.

Acquisition Of Fertilisers

Over pricing of the Purchase Price of Fertilisers - A comparison of the unit price paid by MAFFS for specific quantity of fertiliser with the one paid by, for instance, the Rehabilitation and Community Based Poverty Reduction Project (RCPRP) for the same quantity and quality of fertiliser, in the same period revealed a variance in price of between 201% to 212%. This overpricing resulted in an additional cost on the Ministry of the sum of Le66,630,940,000.

Delays in the delivery of the fertilisers - All of the fertilisers were scheduled for delivery between 5–8 weeks after the signing of the contract, however, a comparison of the stipulated delivery dates in the contract with the actual dates of delivery revealed delays of between **26 to 56 weeks and 6 days**. Shockingly, despite these very long delays, MAFFS did not take any action against the defaulting suppliers.

Fertilisers supplied did not meet the required technical specifications- Physical inspection of the fertilisers delivered to MAFFS revealed that the supplier delivered NPK 0:20:20 instead of NPK 20:20:20 contrary to the stipulated requirements in the contract.

Damaged fertilisers not claimed from suppliers - During physical examination of MAFFS Mechanical Stores at the Kissy warehouse in Freetown, we observed that 180 bags of fertilisers worth USD 13,140 were damaged. In an interview with the Chief Storekeeper, it was revealed that although the fertilisers were received in a damaged condition no action was however taken by the vote controller to ensure the replacement of these damaged items by suppliers.

Management Of Fertiliser Stores

Missing fertilisers in MAFFS stores at Kissy- A review of the fertiliser ledger maintained by MAFFS at their Kissy stores revealed that the opening balance of fertilisers in store for the year 2014 was 9,976 bags (50 kg each). Another 30,000 bags were delivered in the period 2014-2016. Total distribution for the same period was recorded at 38,038 bags. From the above figures, the closing balance was expected to be 1,938 bags.

Physical inspection of MAFFS stores at Kissy on the 8th of April, 2017 revealed that no fertilisers were brought forward from the year 2016. The only fertilisers that were available in stores were those delivered

in 2017. This was also confirmed in an interview with the Acting Chief Storekeeper who could not explain the reason for the missing 1,938 bags of fertiliser worth USD 234,498.

Poor storage condition for fertilisers - Physical inspection of MAFFS Mechanical Stores at Kissy in Freetown, and the district stores in Kenema, Moyamba and Tonkolili showed that the stores were not suitable for storage of fertiliser as the rooves were leaking, the walls cracked and there was a shortage of pallets. These conditions may have caused 2,087 bags of fertilisers worth USD 279,798 to perish.

Inappropriate stacking of fertilisers - As part of the audit process, we had planned to carry out a stocktake of fertilisers stored at the Kissy warehouse. However, the poor stacking of the fertilisers in the three locations made this impossible. The awkward stacking of the fertilisers poses the high risk of error or theft of goods going undetected.

Unauthorised store issue - A review of the store ledger and requisition forms for 4,119 bags of fertilisers supplied to Kenema and Moyamba Districts in 2016 revealed that only 2,525 bags were authorised for release by the DAO. The remaining 1,594 bags worth USD 192,874 were released from stock without the DAO's authorisation. There is a risk that the 1,594 bags were misappropriated.

Distribution Of Fertilisers

Failure to prepare a fertiliser distribution plan - Interviews with the Chief Agriculture Officer, the Director of Crops and the Director of Extension at MAFFS revealed that the Ministry did not have a distribution plan in place for the distribution of fertilisers to farmers in various districts for the period under review. It was therefore difficult for the district agriculture personnel to know when fertilisers should be distributed, to whom, how and where it should be stored.

Distribution of perished and unserviceable fertilisers - A review of stock records at MAFFS mechanical store at Kissy warehouse revealed that 1,819 bags of fertilisers were verified between the 6th of October 2014 and the 29th of January, 2015 by Stock Verifiers of the Accountant General's Department and declared unserviceable. Their report also indicated that these fertilisers were damaged because of the poor conditions in which they were stored and this damage resulted in a loss of USD 260,117 to the government and people of Sierra Leone. These fertilisers were distributed to farmers per the authorization of the Permanent Secretary without tests being carried out to determine their potency or the effect they may have on crops and users.

Fictitious distribution of fertilisers - There was an anomaly in the quantity of fertilisers supplied to farmers in Tonkolili. Farmers in this district did not receive the quantity of fertilisers that were due them. Out of 2,192 bags of fertilisers received by MAFFS headquarters for distribution to farmers in 2016 the difference between what is reported as distributed as confirmed by FBOs and BESs revealed that 48 bags worth USD 25,410 did not reach the farmers for whom it was intended.

Recovery of Fertiliser

Low recovery of cost of fertiliser - A review of store ledgers and store issue vouchers for the period 2014 and 2015, noted that 21,813 bags of fertilisers (50kg each) were distributed to FBOs on a cost recovery basis at Le110,000 per 50kg bag. The total expected cash recoverable from the fertilisers was Le 2,399,430,000. However, a review of the fertiliser bank account statement showed that only payments amounting to Le 1,452,950,000 representing 13,209 bags of fertilisers were recovered with 8,604 bags valued at Le. 946,480,000 unrecovered as at the time of the audit.

Low recovery of in kind basis proceeds - Field visits to Kenema, Moyamba and Tonkolili Districts noted that 6,311 bags of fertilisers were distributed to farmers in 2016 and the total expected recoveries

from these should have been for 6,311 bags of seed rice (50kg each bag). However, we noted that only 1,374 bags of 50kg were recovered.

Diversion of recovered fertiliser funds - A review of the 2014 to 2016 bank statements of the fertiliser recovery account revealed that Le 1,614,618,888 was withdrawn from the account, for which there was no supporting evidence for its withdrawal. The failure to utilise this fund in the interest of the Scheme may undermine the success of the project.

Missing seed rice for fertiliser proceeds - 1,374 bags of seed rice (50kg) were recovered for the period under review however, only 104 bags were redistributed from the stores leaving 1,281 bags of 50kg undistributed. Physical verification of the blocks and ABC stores showed no seed rice in all the facilities visited. The missing rice in question represented 93% of seed rice recovered from the fertiliser.

Record Management

Inadequate management of records -Evidence of fertilisers distributed to some farmers showed that they received less than what was due them. There was no record of registered farmers as required by MAFFS to whom the fertilisers were distributed. Requests were made by the auditors for the list of farmers that were registered in Kenema, Moyamba and Tonkolili for distribution purposes but none was provided. In addition, it was discovered that recovery records were poorly managed. In 2016, the fertiliser distribution details showed that 16,225 bags of fertilisers were distributed to farmers all over the country however, no recoveries were made. This situation negatively impacted the management of the scheme.

CHAPTER IV – CIVIL SOCIETY ORGANISATIONS

TABLE OF CONTENTS

MAIN POINTS	100
4.1. FOCUS 1000	101
4.2. ABERDEEN WOMEN’S CENTRE (AWC)	102
4.3. PLANNED PARENTHOOD ASSOCIATION OF SIERRA LEONE (PPASL).....	102
4.4. ACTION PLUS.....	103
4.5. SOS CHILDREN’S VILLAGE, SIERRA LEONE TRUST	103

MAIN POINTS

This chapter summarises the consolidated report on the review of selected civil society organisations (CSOs) in Sierra Leone. CSOs play pivotal roles in ensuring sustainability of our democratic values as a nation. As moral guarantors, CSOs played an important role in ensuring an end to the civil war and restoration of the country's democratic dispensation. Civil society activists have in recent years monitored the implementation of government manifestos made during electoral processes, and are actively involved in the fight against corruption.

The review was conducted on the basis that the 1991 Constitution of Sierra Leone, the Public Financial Management Act 2016, and the Audit Service Act, 2014 mandate the Auditor-General to audit all institutions that receive funds from the Consolidated Revenue Fund, or receive money for and on behalf of the Government and people of Sierra Leone. In addition to this, a request was received from the Office of the President for the Audit Service Sierra Leone to review the operations of CSOs and report to Parliament. The review covered the period between 1st January 2015 and 31st December 2016 and focused on the operations and activities of the following CSOs:

FOCUS 1000

FOCUS 1000 is a local non-governmental organisation (LNGO). It was established in 2012 to invest in the first 1000 days of a child's life - the period from conception to the child's second birthday. It has prioritised three key intervention areas, namely: (i) Maternal and child nutrition (ii) Teenage pregnancy and (iii) Utilisation of services.

Aberdeen Women's Centre

The Aberdeen Women's Centre (AWC) was established in 2005 to serve as a primary healthcare facility for children less than 12 years old in Aberdeen and greater Freetown. Its goals include the following:

(i) Increasing the quality of life of women suffering from fistula, by providing specialised surgical intervention and training medical personnel to handle fistula cases. (ii) Supporting local fistula prevention efforts through partnerships with local health providers, NGOs and communities in order to increase awareness of cultural practices that predispose the condition and (iii) Reducing the number of fistula cases through the provision of a birthing centre, a midwifery training programme and family planning services.

Planned Parenthood Association of Sierra Leone

The Planned Parenthood Association of Sierra Leone (PPASL) is a non-governmental organisation committed to the promotion of sexual and reproductive health (SRH) including family planning. PPASL strives to achieve sustainable improvement in the sexual and reproductive health of men and women with emphasis on young people; by providing and promoting quality and affordable SRH information, counseling services and related rights.

Action Plus

Action Plus was established in 2002 and named "Sierra Leone Youth in Crisis" (SLYIC). It was founded by youth activists who converged in Bo to discuss the way forward on youth issues at the end of the second grant by the National Endowment for Democracy (NED) to a youth serving consortium "Campaign Against Violent Events" CAVE. The reason for establishing this organisation was to carve out a structure specialising in the provision of youth driven services to traumatised youth emerging from the civil war.

SOS Children's Village, Sierra Leone Trust

The SOS Children's Village, Sierra Leone Trust started its operations in Sierra Leone in 1974. It is a member of the SOS Children's Village International. The general secretariat of the SOS Children's Village International is the implementing unit of the federation. The secretariat is tasked by the international senate to lead and manage the global organisation, acting as the guardian and ensuring its appropriate strategic development.

What We Reviewed

As indicated above, the review was prompted by both the ASSL's mandate and a request from the Office of the President. The financial and non-financial activities of the five CSOs mentioned above were reviewed in accordance with the Audit Service Manual which is based on International Standards of Supreme Audit Institutions, and the applicable laws of Sierra Leone. The review was also conducted in accordance with the standards for assurance engagements set out by AFROSAI-E.

It was undertaken in order to ascertain whether donor funds and other resources allocated to CSOs were utilised for the intended purposes and in accordance with applicable rules and regulations. We also reviewed the activities of the above CSOs to ascertain the following:

- whether CSOs were operating within the objectives for which they were set up;
- whether CSOs met the desk requirement of the Ministry of Finance and Economic Development (MoFED) to operate as an NGO;
- whether the internal control systems instituted by the CSOs were robust enough to handle the financial and non-financial management requirements of organisations;
- whether CSOs have the ability to continue operations into the foreseeable future; and
- whether the balances in the books of accounts of CSOs were accurate and complete.

What We Found

A brief summary of the findings in the consolidated report is presented below:

4.1. FOCUS 1000

- FOCUS 1000 complied with the objectives for which it was set up. We noted that the activities were geared towards improving maternal and child nutrition, teenage pregnancy, utilisation of health services by conducting series of research, community engagements, advocacies, etc.
- The biannual certificate of registration revealed that FOCUS 1000 registered with the NGOs' desk at MoFED before commencing its operations in the country.
- FOCUS 1000 complied with the accounting systems and controls set forth in its programme and financial management policies, processes and procedural manual as well as donor requirements and policies.
- FOCUS 1000 was in compliance with the relevant sections of the National Social Security and Insurance Trust (NASSIT) Act 2001, the government's local content policy, the government's Child Rights Act, the Anti-Corruption Commission Act, 2008 and the Income Tax Act, 2009 (as amended).
- The records management system was adequate. The organisation had a system in place for the recording of BUSINESS transactions and employee's records were updated on files. However, we noted that the organisation experienced a fluctuating trend in the financial flow of its operations.

4.2. ABERDEEN WOMEN'S CENTRE (AWC)

- AWC complied with its primary objective to provide quality health care for women suffering from fistula and improve access to quality healthcare for children.
- The biannual certificate of registration revealed that AWC registered with the NGOs' desk at MoFED before commencing its operations in the country.
- AWC was in compliance with section 25 (1) and (2) of the NASSIT Act, 2001 which require the employer and employee to pay 5% and 10% respectively of the employee's monthly earning to NASSIT. AWC was also able to comply with section 6.3.3 (4.0 & 5.0) of the Sierra Leone's Local Content Policy which requires: (4.0) CSOs to "ensure that 20% and 50% of the management and intermediate level positions, respectively, are filled by Sierra Leonean citizens; and (5.0) CSOs to ensure that all junior level staff promotions such as drivers, security personnel, secretaries, general casual labourers, etc. are held by Sierra Leonean citizens".

We were however not able to verify whether AWC complied with section 23 of the Consolidated Income Tax Act, 2000 (as amended) which requires the organisation to deduct PAYE tax from employment income and pay to the NRA. This was evidenced by the fact that payments of Le24,144,300 (August to October) and Le71,504,680 (June to September) in 2015 and 2016, respectively, were not deducted as PAYE tax and paid to the NRA.

- Salary payments made to six staff members were duplicated. The total amount paid to them in excess of their normal salaries was Le5,798,407.

4.3. PLANNED PARENTHOOD ASSOCIATION OF SIERRA LEONE (PPASL)

The following were observed:

- PPASL was able to increase demand and awareness for modern contraceptives reaching women, men and young people in the Western Area, Port Loko and Kenema districts.
- The biannual certificate of registration revealed that AWC registered with the NGOs' desk at MoFED before commencing its operations in the country.
- The Association maintained a proper filing system.
- We were able to verify that PPASL complied with the following laws of Sierra Leone: (i) the Income Tax Act, 2000 (as amended) in respect of PAYE (ii) the NASSIT Act 2001, in respect of contributions paid for employees, and (iii) the Income Tax Act 2000 (as amended) in respect of the deduction of 5% withholding taxes from the payment made for goods and services.
- Monitoring reports were not done according to programmes funded by each donor. We noted that reports were highly summarised with no detailed information about the activities undertaken. In addition, submission of reports on training, outreach and promotional activities undertaken by the FP2020 project staff was not done.
- The controls over the management of fixed assets were inadequate. This was evidenced by the fact that: (i) no policy was designed for the management of assets (ii) no register was maintained for recording of assets and (iii) a reasonable number of the assets procured were not coded.
- The Association has no internal audit unit as required by section 11.2.1 of the Finance Manual.
- The Association experienced severe reduction in the level of funding from the IPPF. This was as a result of exchange loss due to the depreciation of the Leone to major foreign currencies. Shortage of contraceptive supplies due to inadequate funds and late arrival of contraceptive orders from the IPPF were also observed.

4.4. ACTION PLUS

- Action Plus complied with the organisation's objectives for which it was established. Interviews with some of the beneficiaries confirmed that they have benefited from the objectives for which the organisation exists.
- The organisation was in compliance with MoFED NGO's desk requirements for the period under review as documents such as its constitution; audited financial statements; MoFED certificate; valid income tax clearance; SLANGO registration; and attestation of clearance from line ministries were up-to-date.
- Action Plus has demonstrated proper accountability and transparency to its donors and project beneficiaries, by providing periodic reports to them on the implementation and impact of the programme activities.
- The organisation partly complied with the laws of Sierra Leone such as the NRA Act 2002, NASSIT Act 2001, Child Rights Act 2007 and the Income Tax Act, 2000 (as amended); even though there were areas for improvements such as PAYE not fully paid over to NRA and staff without NASSIT numbers.
- The organisation has some controls over certain areas such as the accountability of transactions, effective file management system, and involvement of victims of HIV/AIDS as part of the committees. There is however room for improvement in other main areas as there was lack of segregation of duties among staff; and staff appraisals were also not done.
- Action Plus maintained a secured filing system. Standard entry forms were used for recording cash receipts, cash disbursement and journal entries into the general ledger.

4.5. SOS CHILDREN'S VILLAGE, SIERRA LEONE TRUST

- The control environment at the SOS Children's Village, Sierra Leone Trust was not adequate, especially at the finance department where there was no proper system for appropriate documentation in the processing of transactions. Various payments were made without following proper accounting procedures to justify that those payments were undertaken in the interest of the Trust. Payments which amounted to Le87,605,645 did not have adequate supporting documents like receipts, delivery notes etc. There is a risk that due diligence was not done in the use of those funds.
- The budget preparation was not realistic. In most programmes, the actual amount on specific activities exceeded the budgeted amount. Payments were also made for activities that were not budgeted for.
- The Trust was set up to implement programmes in the achievement of the objectives of the SOS Children's Village International. We noted that the Trust has been implementing the programmes and activities to meet these objectives.
- The Trust is required to comply with the Good Management and Accountability Quality Standards document which clearly sets out the minimum quality requirements. However, we noted that the Trust has not been complying with these requirements as stated in the document.
- We were unable to form a conclusion on the cash and bank balances as at 31st December 2016 reported in the financial statements. This was because bank confirmations were not received from some commercial banks, and from those received, some bank accounts were not confirmed.
- As part of the registration process with the NGO's desk at MoFED, the Trust is required to make its re-registration payment along with the submission of certain documents. We could not confirm whether the Trust fully met the re-registration criteria, because some pertinent documents were not presented for review.

- We could not confirm whether the Trust has been meeting its obligation under the Income Act, 2000 (as amended). There were instances where withholding taxes were not deducted from the suppliers invoice value and paid to the NRA. The total amount of withholding taxes not deducted and paid to the NRA amounted to Le12,023,425. In instances where taxes were deducted, the NRA receipts were not presented as evidence of payment to the NRA.
- We could not confirm whether NASSIT payments were made for all employees, because there were instances where NASSIT deductions were not evidenced on the salary advice slips.

CHAPTER V – FOLLOW-UP ON PREVIOUS RECOMMENDATIONS

TABLE OF CONTENTS

MAIN POINTS	106
5.1. INTRODUCTION	107
5.2. ENTITIES SELECTED FOR REVIEW.....	107
5.3. METHODOLOGY, SCOPE AND APPROACH TO THIS REVIEW	108

MAIN POINTS

ABOUT THIS CHAPTER

This chapter reveals progress on the implementation of audit recommendations in selected entities and identifies those where progress is less than satisfactory. In view of this, two audit years are considered for the selected entities.

One of the key components of any audit process is the follow-up of audit recommendations. An audit activity is seen to add value when recommendations are implemented. In order to address this issue, ASSL continues to follow-up and report on previously issued audit recommendations in a selection of entities. The resources devoted by ASSL to this follow-up are significant and commensurate to the importance we place on improving public financial management, getting value-for-money and having sound systems and processes for internal control and asset management.

This year, in an expanded effort to track the status of our past recommendations, we return to our last year's recommendations that were not implemented and therefore appeared in the AG's Annual Report as outstanding and effectively followed-up and report on the status.

Every year, we follow-up on the status of actions taken on our recommendations that ministries and broader-public sector organisations agree upon when the initial audit is completed. The status of those proposed actions is reflected in this chapter.

What We Examined

The Auditor-General's annual report for 2016 and management letters issued to selected audit entities in 2018 were analysed. The idea for the analysis was to determine the number of recommendations for the selected institutions that were outstanding in the annual report for 2016 and relate it to the management letters of 2018 to reveal whether actions have been taken to implement those recommendations. The analysis was classified into three groups: *implemented*, *not implemented* or *work-in-progress*, the latter meaning that some work was being undertaken but has not yet been completed.

Why It Is Important

The outcome of our work assures Sierra Leoneans that national resources to various government authorities have been used to carry out the activities of government in compliance with laws and regulations. It also assures the general public that resources have been utilised in a way that will promote good governance, accountability and value for money.

Our work is one of the pillars of sound public financial management and the recommendations we make are a fundamental part of improving it.

ASSL draws its authority from the Constitution of Sierra Leone, the Audit Service Act 2014, and other laws to do this work.

Public financial management in Sierra Leone is known to be progressing too slowly. We make observations on issues coming to our attention and provide recommendations for improvement to the public financial management system.

All of our audit reports comprise of specific recommendations to specific findings. This is so because the goal of our audit activity aims at adding value by way of promoting accountability, transparency and better service delivery to the institutions we interface with on a yearly basis. Our outputs are at risk when recommended actions are not implemented on time or not implemented at all. With a thorough follow-up on recommendations, we are in the position to disclose to taxpayers, improvement and deterioration in government programmes and operations. The merits of such an exercise are not in the number of recommendations made, but in their effective implementation.

Senior public servants as well as government ministers are entrusted with the responsibility of ensuring that taxpayers' monies are properly guarded. Parliament, citizens and international donors have a right to expect nothing less. That is why this is important.

5.1. INTRODUCTION

We set out to make an assessment of the implementation rate on our recommendations that were not addressed and therefore stood out in the annual report of 2016. Those recommendations are followed up through our current management letters and the findings reported to Parliament in a summarised form.

Although there has been a little positive trend to implement recommended actions, we would have expected to see a higher implementation rate in the recent two years, given that we issued, and management accepted these recommendations more than a year ago. In our annual reports, we have said the same things over and over to little avail. We know that others have noticed the pattern as well. For example, the civil society organisations have said that issues in the annual report keep recurring and donors have commented on the repetition and lack of progress. They question whether MDAs and other agencies of government take their responsibility for public financial accountability seriously. More than one has said that if MDAs were seen to take their custodial and fiduciary roles more seriously – an indicator of which would be addressing our recommendations – it could even lead to increased donor funding and support.

Communicating the message is important. By aggregating the number of recommendations made in selected 2016 management letters and following then up in a classified manner would make the pattern of action or inaction taken by MDAs clearer. Presenting just a few number of recommendations in respect of ministries, department, public enterprises and local councils gives a succinct view of the whole picture to parliamentarians and other stakeholders. That is our overall objective.

In addition, we want to achieve the following:

- That, improvements were made as a result of our audit work.
- Our recommendations to be effected in a timely and satisfactory manner.
- Measure the extent to which monetary recovery is made when that was part of a recommendation.
- Compare the performance of audit entities in terms of the manner and timeliness in which they address our recommendations.

The Public Accounts Committee (PAC) has a fundamental role to play in seeing that appropriate action is taken on our recommendations. Section 119 (5) of the Constitution states that Parliament:

“Shall debate the report of the Auditor-General and appoint where necessary, in the public interest, a committee to deal with any matters arising there from”

This is the constitutional authority of the PAC. It may summon public servants and others as witnesses on such parts of the Auditor-General’s annual report as it deems appropriate. Its process may include *inter alia* ordering monetary recoveries, verifications of findings, requests for supporting documents, referral to the Attorney-General and the Anti-Corruption Commission.

Transparency is important to the PAC. Therefore, oral evidence sessions are normally held in public and any witness, who, without good reason, fails to attend, may be held in contempt of Parliament.

5.2. ENTITIES SELECTED FOR REVIEW

The entities selected for review and comment are as follows:

- Vice President’s Office-2016
- Bo City Council-2016
- Freetown City Council-2016
- Kenema City Council-2016
- Ministry of Fisheries and Marine Resources-2016
- Sierra Leone’s Correctional Center-2016
- Sierra Leone Commercial Bank-2016
- Ministry of Agriculture, Forestry and Food Security-2016

- National Commission for Privatisation- 2016
- Sierra Leone Ports Authority-2016
- Makeni City Council-2016
- Ministry of Education, Science and Technology-2016
- Sierra Leone Police-2016

The audit entities whose reports were reviewed were selected on a sample basis, taking into consideration the audit entities that were audited in 2018 for the 2017 financial year.

5.3. METHODOLOGY, SCOPE AND APPROACH TO THIS REVIEW

Follow-up review as part of our audit activities is conducted on the outset of subsequent audits. We follow up on the status of actions taken on our recommendations attached to outstanding issues that entities agreed to when the initial audit was completed. We also identify who in management is responsible for implementing specific recommendations and request a status update verbally or in writing. The status is confirmed by review procedures.

We do not re-perform the original audit procedures although we may cover the same ground in the current year's audit. Review procedures are not audit procedures. To assess the reliability of responses in support to audit issues, we rely on management's representations, on limited examination and evidence of actions taken. Our procedures are limited to enquiry, document review, discussion and physical verification. The evidence obtained through these procedures enables us to conclude on whether the action taken is plausible and reasonable in the circumstances.

This chapter includes a table indicating the current status of our recommendations. For the twelve entities shown in the table, there is a clear ranking of how well each is dealing with our recommendations. The PAC may use this information to identify ministries from which to call witnesses or take such other action it deems appropriate.

We categorise entity action in the following manner:

- *Implemented* - the recommendation has been implemented or an alternate solution has been applied that fully addresses the risk identified in the recommendation;
- *Work-in-Progress* - management is in the process of taking steps to implement our recommendation; and
- *Not implemented* - management has not implemented our recommendation or addressed the risk identified.

What We Found

Our observations and recommendations are still not being given the attention they deserve. Parliament, citizens and international donors have a right to know about the utilisation of resources. There is a clear pattern of repeated observations across all the audit entities we reviewed. The areas of repetition relate to basic tenets of public financial management and compliance with the laws of this country as enacted by Parliament. Some of the systems that are not being looked after by public officers in question are as follows:

- Cash management and internal control.
- Public procurement management.
- Basic records management of an administrative and financial nature.
- Management of assets.

We reviewed 232 recommendations derived from analysis of 2016 audit recommendations for 13 audit entities.

The following is the status:

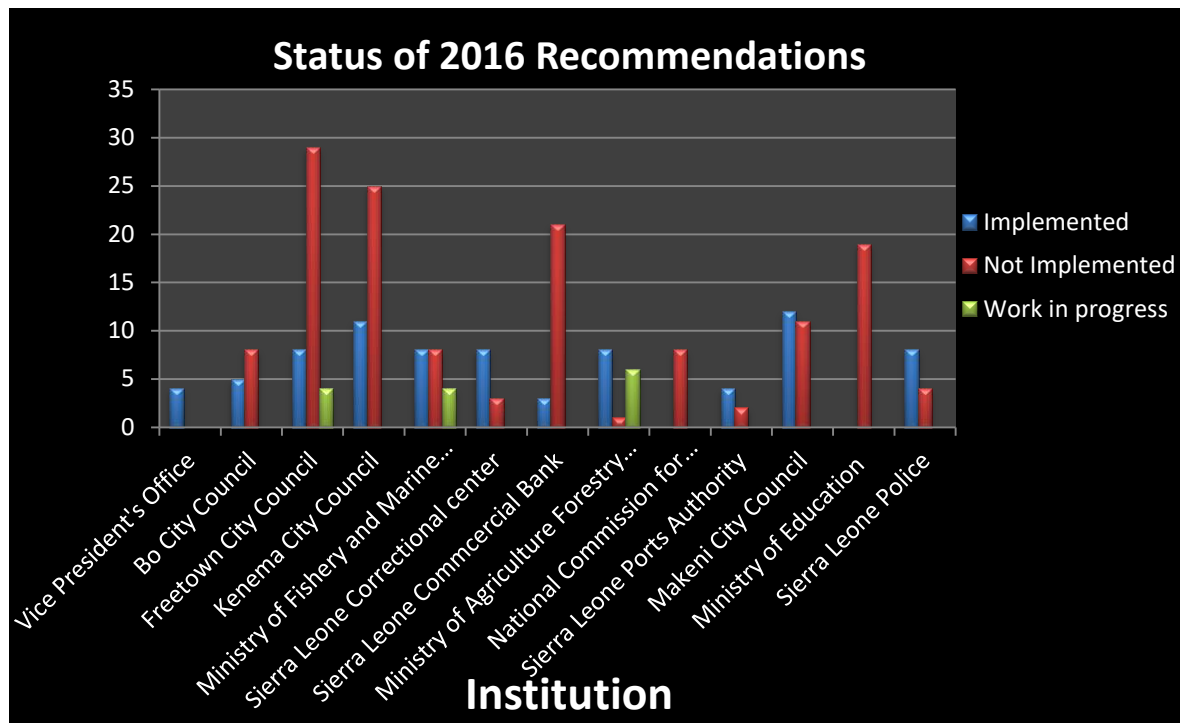
- 79 have been implemented.
- 139 have not been implemented.
- 14 remain in progress.

The implementation rate of 34% is not encouraging. Overall, 4 of the 13 entities have an implementation rate of less than 25%.

We encourage the PAC to request status reports of these recommendations that are “not implemented” and those that “remain in progress.”

Table 5 -Status of Recommendations for 2016

Audit Entity	Table-5 Status of Recommendations for 2016 (follow-up after response to draft management letters in subsequent year's audit)				Implementation by Entity (%)
	Total	Implemented	Not Implemented	Work in Progress	
Vice President's Office-2016	4	4	-	-	100%
Bo City Council-2016	13	5	8	-	38%
Freetown City Council-2016	41	8	29	4	19.5%
Kenema City Council-2016	36	11	25	-	27%
Ministry of Fisheries and Marine Resources-2016	20	8	8	4	40%
Sierra Leone's Correctional Center-2016	11	8	3	-	73%
Sierra Leone Commercial Bank-2016	24	3	21	-	12.5%
Ministry of Agriculture, Forestry and Food Security-2016	15	8	1	6	53%
National Commission for Privatisation- 2016	8	-	8	-	0%
Sierra Leone Ports Authority-2016	6	4	2	-	67%
Makeni City Council-2016	23	12	11	-	52%
Ministry of Education Science and Technology-2016	19	-	19	-	0%
Sierra Leone Police-2016	12	8	4	-	67%
TOTAL	232	79	139	14	
Percentage	100%	34%	60%	6%	



PART II

CHAPTER VI- MINISTRIES, DEPARTMENTS AND AGENCIES

TABLE OF CONTENTS

MAIN POINTS	114
6.1. MINISTRY OF FINANCE AND ECONMIC DEVELOPMENT-2017	115
6.2. MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY – 2017	116
6.3. MINISTRY OF EDUCATION, SCIENCE & TECHNOLOGY-BO DISTRICT-2017.....	122
6.4. MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY, MOYAMBA – 2017	122
6.5. MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY -PUJEHUN DISTRICT- 2017.....	124
6.6. MINISTRY OF EDUCATION, SCIENCE & TECHNOLOGY, KENEMA – 2017	125
6.7. MINISTRY OF EDUCATION SCIENCE AND TECHNOLOGY BOMBALI – 2017	126
6.8. MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY, BOMBALI -2016	126
6.9. MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY, TONKOLILI DISTRICT-016.....	126
6.10. MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY, KONO – 2015-2016	127
6.11. GOVERNMENT HOSPITAL BO-2017	128
6.12. GOVERNMENT HOSPITAL, MOYAMBA-2017	136
6.13. GOVERNMENT HOSPITAL KONO – 2016.....	140
6.14. GOVERNMENT HOSPITAL KONO – 2015.....	141
6.15. GOVERNMENT HOSPITAL TONKOLILI – 2016.....	143
6.16. GOVERNMENT HOSPITAL, MAKENI-2017	146
6.17. GOVERNMENT HOSPITAL MAKENI -2016	151
6.18. GOVERNMENT HOSPITAL PUJEHUN- 2017	152
6.19. GOVERNMENT HOSPITAL PORT LOKO - 2015-2016	157
6.20. PRIMARY HEALTH CARE, BOMBALI - 2017	159
6.21. PRIMARY HEALTHCARE KAMBIA – 2015	161
6.22. PERIPHIRAL HEALTH CENTER, PORT LOKO - 2015-2016.....	162
6.23. PERIPHIRAL HEALTH CENTRE, TONKOLILI - 2016.....	162
6.24. DISTRICT HEALTH MANAGEMENT TEAM, BO -2017	163
6.25. DISTRICT HEALTH MANAGEMENT TEAM, MOYAMBA – 2017.....	167
6.26. DISTRICT MEDICAL HEALTH TEAM, KONO – 2015	168
6.27. DISTRICT MEDICAL HEALTH TEAM, PUJEHUN- 2017	170
6.28. MINISTRY OF AGRICULTURE, FORESTRY AND FOOD SECURITY, 2017	172
6.29. MINISTRY OF AGRICULTURE, FORESTRY AND FOOD SECURITY-BO, 2017	179
6.30. MINISTRY OF AGRICULTURE, FORESTRY AND FOOD SECURITY-PUJEHUN, 2017	183
6.31. MINISTRY OF AGRICULTURE, FORESTRY & FOOD SECURITY, KENEMA – 2017.....	188

6.32. MINISTRY OF AGRICULTURE, FORESTRY AND FOOD SECURITY- KENEMA 2016.....	188
6.33. MINISTRY OF AGRICULTURE FORESTRY AND FOOD SECURITY, BOMBALI-2017	189
6.34. MINISTRY OF AGRICULTURE, FORESTRY AND FOOD SECURITY, KAMBIA DISTRICT – 2016 .	190
6.35. MINISTRY OF AGRICULTURE, FORESTRY AND FOOD SECURITY, MOYAMBA -2017.....	190
6.36. MINISTRY OF AGRICULTURE, FORESTRY AND FOOD SECURITY, TONKOLILI DISTRICT- 2016	192
6.37. MINISTRY OF FISHERIES AND MARINE RESOURCES, 2017	192
6.38. MINISTRY OF SOCIAL WELFARE, GENDER & CHILDREN’S AFFAIRS, BO - 2016	195
6.39. MINISTRY OF SOCIAL WELFARE, GENDER & CHILDREN’S AFFAIRS, KENEMA- 2015 – 2016 .	198
6.40. MINISTRY OF SOCIAL WELFARE, BOMBALI DISTRICT 2015-2016	199
6.41. MINISTRY OF SOCIAL WELFARE, TONKOLILI DISTRICT - 2016	200
6.42. PROVINCIAL SECRETARY’S OFFICE, NORTHERN REGION –2016	200
6.43. JUSTICE SECTOR COORDINATION OFFICE-2017	201
6.44. LAW OFFICERS DEPARTMENT – 2017.....	202
6.45. HIGH COURT SOUTHERN REGION- 2017	203
6.46. JUDICIARY-EASTERN REGION-2016.....	206
6.47. MAGISTRATE COURT NO.2 BO, 2017	207
6.48. HUMAN RESOURCES MANAGEMENT OFFICE – 2017	209
6.49. OFFICE OF THE ADMINISTRATOR AND REGISTRAR GENERAL, HQ 2017	209
6.50. OFFICE OF THE ADMINISTRATOR AND REGISTRAR GENERAL, SOUTHERN REGION – 2017 .	211
6.51. OFFICE OF THE ADMINISTRATOR AND REGISTRAR GENERAL, EASTERN REGION – 2017.....	212
6.52. SIERRA LEONE POLICE, HQ 2017	213
6.53. SIERRA LEONE POLICE, SOUTH - 2017	215
6.54. SIERRA LEONE POLICE– EASTERN REGION- 2017	218
6.55. SIERRA LEONE POLICE, NORTH-EAST – 2017	220
6.56. SIERRA LEONE CORRECTIONAL SERVICES, HQ- 2017.....	221
6.57. SIERRA LEONE CORRECTIONAL SERVICE, SOUTHERN REGION – 2017	222
6.58. SIERRA LEONE CORRECTIONAL CENTER, EASTERN REGION – 2017.....	225
6.59. SIERRA LEONE CORRECTIONAL SERVICE, NORTHERN REGION - 2016	226
6.60. NATIONAL FIRE FORCE - 2017.....	228
6.61. NATIONAL FIRE FORCE –SOUTHERN REGION- 2017	229
6.62. NATIONAL FIRE FORCE, BOMBALI DISTRICT - 2016.....	230
6.63. NATIONAL FIRE FORCE, BOMBALI DISTRICT – 2014	230

MAIN POINTS

What we examined

Our audits of Ministries, Departments and Agencies (MDAs) are risk-based compliance audits. We focus on high risk areas. By risk we mean the likelihood of an undesirable event occurring and the potential impact should it happen, e.g. corrupt practices. For a selected function or area within an MDA, we examine, on a test basis, a sample of transactions in a given time period and form a judgement on whether applicable laws, policies and regulations 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, including 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

Governments should only collect revenue and make expenditure as formally 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 a manner compliant with the laws, policies, regulations and good accounting practice.

When revenue is not recorded or banked, when monies go missing or when procurement rules are broken or expenditures are not supported, in addition to being a breach of law, these matters erode the confidence of civil society and donors - the integrity of government and the reputation of Sierra Leone is damaged.

What we found

We estimate there has been cash losses to the public purse of Le37billion. This has occurred for a number of reasons; some inter-related suggesting that public financial management still has much for improvement in all MDAs. For example:

- A perennial problem; payments without adequate supporting documents persists in most MDAs.
- Payments without any supporting document are observed in some MDAs.
- There are significant weaknesses in the management of revenue in most of the revenue generating entities.
- We noted in some cases that withholding taxes were not being deducted from suppliers or contractors' payments.
- Several significant lapses were observed in procurement procedures resulting in incomplete transactions and hence unsatisfactory service delivery.
- Fixed assets, stores and fuel records are not adequately recorded in applicable registers and other records.

In addition, although there has been some improvement over the years, there are reluctance in making available requested documents to our audits for review.

The findings, expanded upon in greater detail below, do not inspire confidence that resources are being managed optimally with due regard for economy, efficiency or effectiveness or fully in accordance with the intent of Parliament.

6.1. MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT-2017

6.1.1. Withholding Taxes not Deducted and Paid to the NRA

A review of the monthly cash books and other financial records submitted for audit inspection revealed that withholding taxes totalling Le7.1 Million were not deducted at source from the payments made for goods and services and paid to the NRA. It was therefore recommended that the Accountant should ensure that taxes due to the NRA are paid with immediate effect and evidence of payment made available to the ASSL office for verification.

Official's Response

The Financial Secretary (FS) stated that the necessary supporting documents are now available for verification.

Auditor's Comment

As at the time of the verification, documentations such as pay-in-slip, NRA receipt and bank statement were not submitted for audit inspection. Therefore, the issue remains unresolved.

6.1.2. Evidence to Support Payment of Arrears not Submitted

Evidence indicating the reason for payment of arrears totalling Le2.1 billion on the payroll was not made available for audit. It was recommended that the Human Resource Manager must provide accurate evidence to explain the arrears paid to employees.

Official's Response

The FS stated that necessary supporting documents are now available for your verification.

Auditor's Comment:

Evidence was not submitted for audit verification in respect of payment of arrears recorded in the payroll. Therefore, the issue remains unresolved.

6.1.3. Contract Documents not Submitted

The financial records of the Ministry revealed that approved arrears to suppliers as at 31st December, 2017 amounted to Le 2.1 billion. The auditors were however unable to confirm the Ministry's payment obligation to the stated suppliers as the contract documents were not made available for audit inspection.

Official's Response

The FS stated that the valid contract documents in support of payment totalling Le.2.1 billion made to service providers are available for your perusal.

Auditor's Comment

The internal audit department at MoFED, carried out an internal audit exercise with regard to arrears due to contractors. The report revealed that Le1.5 billion was the actual arrears owed to the contractors during the period 31st December, 2017. We reviewed the report and the supporting documents and ascertained that the outstanding debt was indeed 1.5 billion. The issue therefore remains partly resolved.

6.1.4. Unrecovered Amount from Beton Villa

An amount equivalent to US\$5 million in the books of Road Maintenance Fund Administration (RMFA) was reported as loan to Beton -Villa towards Waterloo township roads projects. The said payment was

initially part of an advance payment made by RMFA to Benton Villa but later agreed to be treated as loan from RMFA to Benton Villa.

In a letter dated 30th June, 2017, MoFED had requested a transfer of the project from RMFA. However, the Authority responded accordingly. According to the minutes of a meeting held on 12th October, 2017, it was agreed that MoFED should be committed to recover the advance payment of Le 56.6 billion from IPCs in favour of Beton – Villa (SL) for work done as well as taking over the actual liabilities in respect of the project. The treatment of the recovery of the advance payment will be determined by MoFED and RMFA. To date, an amount of US\$5Million is still being reported as loan in the financial statement of RMFA.

Official's Response

The FS said that there were discussions on this issue to ascertain who was to pay the arrears. He however mentioned that there was no written obligation that the Ministry of Finance should pay the US\$5million debt.

Auditor's Comment

Government, through the Ministry of Finance and RMFA has not been able to determine whether the advance US\$ 5million payment made to Benton Villa has been recovered from subsequent payments made to the contractor. This issue therefore remains unresolved.

6.2. MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY – 2017

6.2.1. Overpayment of College Fees Subsidy

A review of the invoice for the 1st cohort of students dated 27th October 2016 revealed that the Limkokwing University made mention of an agreement between the Government of Sierra Leone and the Limkokwing University of Creative Technology, Malaysia for the payments of fees for 1,200 sponsored students. The Memorandum of Agreement between the Government of Sierra Leone and the Limkokwing University of Creative Technology was not submitted for audit inspection.

In addition, the following were observed:

- The Ministry received invoice for fees (Le9,877,400,000) dated 27th October, 2016 for the 1st cohort of 1,200 government sponsored students (i.e. for 600 students) studying at the University for the first academic year (2016/2017). From the review of first installment payment cost summary, it was observed that government paid Le10billion which resulted in an overpayment of Le122,600,000.
- A review of the University's installment payment cost summary revealed that a balance 50 percent owed by government amounted to Le9,670,570,760 and the overpayment of Le122,600,000 on the first payment was set-off against this amount which resulted in a revised unpaid fees of Le9,547,970,760. From the review of the Ministry's payment analysis for the balance 50 percent payments done by the former Acting Principal Accountant, it was observed that the Ministry paid Le12,180,110,420 to the University resulting in an overpayment of Le2,632,139,660 (Le12,180,110,420 - Le9,547,970,760) to the University.

It was recommended that the Permanent Secretary (PS) at the Ministry of Technical and Higher Education should provide a Memorandum of Agreement for audit inspection. In addition, the PS at the Ministry of Higher and Technical Education should inform the Limkokwing University of Creative Technology of this overpayment and take necessary steps to get refund. Evidence of steps taken to get refund from the University should be submitted for audit inspection.

Official's Response

The PS in his reply said "The Ministry of Technical and Higher Education was duly informed about this query. A team of internal auditors from the Ministry of Finance has crosschecked this matter prior to the receipt of this report. Please engage the Ministry of Technical and Higher Education for detailed information on this matter and verification of the relevant supporting documents. It was alleged that there was a depreciation of our local currency (the Leone) when payment was about to be effected. Please contact the Ministry of Technical and Higher Education for verification of the relevant documents".

Auditor's Comment

The draft report was sent to both the Ministry of Basic and Senior Secondary Education and the Ministry of Technical and Higher Education. We learnt that the Internal Audit Unit assembled all information and supporting documents from the two ministries. In connection with the allegation of a depreciation of our local currency, the invoice sent by the University to the Ministry was quoted in both the United States Dollar and the Leones. Therefore, the settlement of same does not warrant revaluation of the billed amount. In addition, the Ministry of Technical and Higher Education did not submit evidence of notification sent to the University about this overpayment. Therefore, the issue still stands.

6.2.2. No Structured Approach for Determination of College Fees Subsidies

During a review of payment vouchers and related supporting documents for payments of fees subsidies for students in tertiary institutions, it was observed that payments totalling Le76,212,000,000 were made during 2017. It was strange to note that the supporting documents attached to the payment vouchers were payroll vouchers from these institutions instead of the list of enrolled students, courses offered, fees charged and computation of government obligations. It was recommended that the Director of Educational Programmes and Services must ensure that the lists of enrolled students for the respective academic years including courses offered and fees structured are obtained from the concerned tertiary institutions. Government subsidies should be assessed and corrective actions taken.

Auditor's Comment

Management did not respond to this audit observation. The issue therefore remains unresolved.

6.2.3. Non-Compliance with Withholding Tax Provisions

The following were observed:

- Inspection of payment vouchers confirmed that withholding taxes amounting to Le84,004,791 were not deducted and paid over to the NRA as required by the provision in Section 117 (3&4) of the Income Tax Act, 2000. These taxes relate to activities implemented by various staff in different directorates, programmes and units of the Ministry which were primarily funded by government and donor partners. This was due to non-involvement of staff of the Account Unit at the Ministry.
- Section 117 of the Income Tax Act, 2000 (as amended) requires withholding tax of 10% to be deducted from payments of non-resident contractors. The Finance Act, 2016 also included an additional 0.5% of withholding tax to be deducted. It was observed that the Ministry when making payment to SOGEFEL SARL, a non-resident contractor, deducted only 5% withholding tax instead of the required 10.5%. Hence, withholding tax of Le346,253,738 was not deducted from payment to this contractor and paid over to the NRA.

The following were recommended:

- The concerned personnel that failed to deduct withholding tax should immediately recover and pay the said withholding tax to the NRA. Evidence of such payments to the NRA must be submitted for verification.

- Effective co-ordination and collaboration between staff at the Account Unit and the implementing directorates, programmes and units of the Ministry should be enhanced to ensure full compliance with tax laws.
- By copy of the report, the Commissioner-General of the National Revenue Authority should take necessary action to recover those unpaid taxes.

Official's Response

The PS in his reply said "Evidence of payment provided by some of the responsible officers are now available for inspection. Currently, withholding taxes are deducted from source. The PS, as administrative head, of the Ministry has told programme officers to work closely with the Procurement and Accounts Units in implementing their programmes.

The address of the contractor cannot be traced to enhance communication with him and the responsible officers have been transferred to other ministries".

Auditor's Comment

Of the Le84,004,791 evidence of withholding tax deducted and paid to the NRA which totaled Le40,530,305 was submitted leaving Le43,474,486 as an unpaid balance. The Ministry did not submit evidence of action taken to recover the withholding tax of Le346,253,738 from the foreign contractor, SOGEFEL SARL. The issue remains partially unresolved.

6.2.4. Overpayments to Consultants and a Contractor

The Ministry overpaid consultants and a contractor for rehabilitation and extension works at the Fourah Bay College totalling Le72,588,682 due to use of the Bank of Sierra Leone's (BSL) United States Dollars (USD) selling rate rather than the BSL mid-rate. It was recommended that the acting Principal Accountant in consultation with the PS should inform the contractor and the consultants of the overpayments and obtain refund. Evidence of repayment should be submitted for audit inspection.

Official's Response

The PS said that the address of the contractor could not be traced to enhance communication with him and the responsible officers had been transferred to other ministries.

Auditor's Comment

There was no evidence to support reasons for the use of the Bank of Sierra Leone's (BSL) United States Dollars (USD) selling rate rather than the BSL mid-rate. This issue is therefore unresolved.

6.2.5. Unreasonable Elimination of a Bidder for Procurement of Diet (foodstuff, sundry items, fuel and firewood)

In the review of the procurement of diet (foodstuff, sundry items, fuel and firewood) for the Government Secondary School Bo, the following were observed:

- During the preliminary examination of bids, a bidder was not allowed to proceed to the technical evaluation stage in LOT 1 because it was alleged that the bidder failed to fully comply with the preliminary requirements by not submitting samples of the diet items to the procurement committee.
- The bidder that was eliminated in LOT 1 due to the reason noted above went on to win LOT 2 for the supply of the same diet items. This means the bidder supplied the requested samples for LOT 1 and LOT 2. The procurement documents did not specify whether the bidder who wishes to bid for more than one LOT should present separate samples for the individual bids.
- Government would have saved Le266,379,736 (Le1,478,342,936 - Le1,211,963,200) on this contract had the contract been awarded to the 'eliminated bidder' for LOT 1 because the 'eliminated bidder's' invoice price was lesser than the contracted bidder's invoice price.

It was recommended that the Senior Procurement Officer in collaboration with the chairman of the evaluation committee must provide detailed explanation justifying the rationale for the elimination of a bidder on the basis of not submitting samples of the diet items to be supplied even though that bidder won LOT 2 for the supply of the same diet items.

Official's Response

The PS stated that the procurement process and evaluation committee file was available for inspection to justify the action.

Auditor's Comment

The Ministry again resubmitted the same procurement file and documents that were initially reviewed by the audit team that led to the query of unreasonable elimination of a bidder for procurement of diet (foodstuff, sundry items, fuel and firewood). No additional or new evidence were submitted in support of the queried transactions which resulted in loss of public funds. Therefore, the issue is unresolved.

6.2.6. Bank Withdrawals without Supporting Documents

A review of bank statements revealed that withdrawals of Le3,190,815,029 made from the Ministry's imprest account held at the Bank of Sierra Leone were not supported by payment vouchers and relevant supporting documents such as invoices, signed list of recipients, receipts, etc. It was recommended that the concerned personnel of the respective directorates and programmes must ensure that the relevant supporting documents are submitted for audit inspection; otherwise, the full amount should be refunded into the Consolidate Revenue Fund.

Official's Response

The PS noted that the documents are available for inspection and that the recommendations had been noted for necessary action. He added that the Programme Managers/officers implementing the programmes will submit liquidations to the Accounts Unit for proper record keeping.

Auditor's Comment

Supporting documents such as requests, procurement documents, invoices, receipts, delivery notes, etc. were submitted for payments totalling Le1,537,742,100 and duly verified leaving a balance of Le1,653,072,929. Of the Le1,537,742,100 payments verified, withholding tax totalling Le19,341,875 were deducted from payments made to suppliers but evidence of payment to the NRA was not submitted for audit. In addition, withholding tax of Le5,087,500 was not deducted from payment made to SALWACO for the drilling and construction of boreholes.

Finally, the Ministry paid SALWACO Le92,500,000 (50percent of the contract price) for the drilling, construction of boreholes and installation of two 5000 litre water tanks. Our verification revealed that two 2000 litre water tanks were installed instead of the two 5000 litre water tanks paid for. The issue therefore remains partly resolved.

6.2.7. Inadequate Operational Support to the School Feeding Secretariat

The Ministry of Education, Science and Technology (MEST) through the President's Recovery Priorities and with support from development partners re-introduced the school feeding programme in 2016. A School Feeding Secretariat that facilitates the operations of this activity was set up with a Director appointed as head. Interviews with key personnel revealed that since the office space for the School Feeding Secretariat was a rented structure, the Ministry did not provide monetary allocation to the Secretariat to meet its operational costs such as electricity, cleaning, office stationery, etc. It was recommended that the Director of the School Feeding Secretariat in collaboration with the Permanent

Secretary of Primary and Secondary Education should take necessary actions to ensure operational costs of the Secretariat are covered in the Ministry's budget and funds provided for the Secretariat's operations.

Official's Response

The PS stated that subventions were paid to the school feeding programme and evidence of payment voucher were available for inspection.

Auditor's Comment

Evidence of payment vouchers for payments of subventions to the School Feeding Secretariat were not submitted for audit inspection. Therefore, the issue remains unresolved.

6.2.8. Inadequate Control over Personnel Management

Personnel management in essence is the administration of employees' financial and non-financial matters in the Ministry. Personnel management in the Ministry includes but not limited to maintaining an updated personnel files, completing periodic performance appraisal forms, facilitating staff retirement processes, etc. The audit of the Ministry's personnel system revealed the following:

- The names of nine staff who have retired and to whom retirement letters have been given were still on the Ministry's payroll vouchers for the period under audit. Evidence to justify why the names of these staff continue to appear on the Ministry's payroll voucher was not submitted for audit inspection. Total salaries paid to them amounted to Le84,678,976.
- Review of staff list revealed that 11 staff that have attained the statutory retirement age of 60 years were not served with letters of retirement and their names continue to appear on the Ministry's payroll voucher. For the period under review salaries totalled Le193,003,944 were paid to them.

The following were recommended:

- The Deputy Director, Human Resources Management should provide evidence justifying why salaries were paid to these former staff of the Ministry; otherwise, the relevant authority would be informed for appropriate action.
- The Deputy Director should take necessary actions to inform the Human Resources Management Office of this anomaly and evidence of such action submitted for audit inspection.

Official's Response

The PS stated that the recommendations were noted and evidence were now available for inspection.

Auditor's Comment

The names of the six out of seven staff had been deleted from the Ministry's payroll as at the time of the audit verification; whilst a staff, (with pin code 107412) was inadvertently included in this list. Her retirement date was due in two years' time. In addition, the names of the 11 staff that had reached the statutory age of 60 years had been removed from the Ministry's payroll. Therefore, the issue remains partly resolved.

6.2.9. Unverified Staff

As part of our audit work for the period under review, we requested for staff of the Ministry to avail themselves for physical verification. It was observed that two staff did not show up for physical verification. It was recommended that the concerned contract staff should show up for verification; otherwise, the relevant authority would be informed for appropriate action.

Official's Response

The PS noted that the Ministry had noted the recommendation and will make the personnel available for verification.

Auditor's Comment

The two staff were still not available for verification. Therefore, the issue remains unresolved.

6.2.10. Lack of a Structured Internship Programme

In the review of internship programme at the Ministry, it was observed that the Ministry did not have a policy on internship. Best practice on internship requires students to first submit letters from their universities, assigning/attaching them to an entity for a period of three months. During our audit review, it was observed that 23 interns worked at the Ministry for an average of eight months and letters of internship from their respective universities were not submitted for audit inspection. It was recommended that letters from the respective universities for the concerned interns should be submitted for audit inspection. In addition, an internship policy should be designed, retained and use at all times in the administration of internship programme in the Ministry.

Official's Response

The PS said that the necessary action was taken by stopping all interns in response to a memorandum from the Director General of the HRMO.

Auditor's Comment

The Ministry has not taken action to draft a policy on internship to prevent future abuse. Therefore, the issue remains unresolved.

6.2.11. Follow-up on Previous Year's Recommendations

During the audit exercise, we followed up on all recommendations made in previous years. A summary of the status of these recommendations is given below:

- *Supporting documents such as invoices, receipts, signed list of beneficiaries were submitted for payments totalling Le4,628,625,790.66, leaving a remainder of Le 2,492,879,610.00 not supported with expense returns.*
- *Evidence of payment of withholding tax to the National Revenue Authority amounting to Le62,078,440.42 was not submitted for audit verification.*
- *In contravention of section 73(1 & 3), supporting documents in the form of payment vouchers, receipts, invoices, delivery notes to justify withdrawals from School Materials and EMIS Account totalling Le1,423,078,075.00 made from the school materials accounts were not submitted for audit.*
- *In contravention of section 73(1 & 3) of the FMR, 2007, several payments were made, as recorded in the IFMIS printouts, for which adequate supporting documents to justify the utilisation of funds totalling Le1,617,206,000 were not seen or made available for audit.*
- *Review of payment vouchers, revealed that from the total amount of Le48,848,500 disbursed by the Technical and Vocational Education Training Project (TVET) in respect of the repair of vehicles, sundry expenses, DSA, fuel and oil etc. supporting documents were only provided for Le16,959,500 leaving a difference of Le31,889,000 not adequately accounted for.*
- *Bank statements, cheque stubs and bank reconciliation statements to justify that funds transferred to and disbursed by the Technical Vocational and Educational Training Project were appropriately managed were not made available for audit inspection.*
- *The Ministry did not have an inventory management policy to guide the management of its assets for the period under review.*
- *A master inventory register in which all assets owned and controlled by the Ministry are recorded was not submitted for audit.*
- *Twenty-two (22) motor vehicles identified as road worthy were plying the streets of Freetown without valid road user licences and insurance.*
- *For proper accountability and transparency in the financial management of public funds, and Integrated Financial Management Information System software was installed at the Ministry by the Ministry of Finance*

and Economic Development. However, for the period under review, there was no evidence to show that the software has been functional, as the recording of daily financial transactions was not done.

6.3. MINISTRY OF EDUCATION, SCIENCE & TECHNOLOGY-BO DISTRICT-2017

6.3.1. Employees not Available for Physical Verification

Two employees attached to the Ministry in Bo were not available for physical verification. It was recommended that the Deputy Director (DD) in collaboration with the various heads of department should ensure that these staff make themselves available for verification or their names be removed from the Ministry's payroll and that of Accountant General.

Official's Response

The DD said that management had instructed these two workers through their heads of unit to report to the regional audit office for verification.

Auditor's Comment

The employees were still not available for physical verification. This issue remains unresolved.

6.3.2. Unapproved Staff in the Ministry

A review of staff list, attendance register and physical verification of teachers carried out revealed that the Information Technology Officer at the Ministry's situation room and five teachers who were attached to the Home Economics centres in Bo have not been approved by the Ministry of Education, Science and Technology. These teachers had taught in these centres for quite a considerable period of time. It was therefore recommended that the DD in collaboration with the PS of the Ministry of Education and the Accountant General's Department should ensure that these staff are regularised to enable them carry out their functions efficiently and effectively.

Official's Response

The DD said that one of the staff was neither a teacher nor a civil servant and was appointed by the Ministry as coordinator of the activities of ward monitors at district level under the situation room project. He added that he was regularly paid the agreed allowance by the situation room head office at the Ministry's headquarters. He further disclosed that the remaining persons were not workers of the Ministry and could be described as volunteers waiting around for employment but not on the directives of management.

Auditor's Comment:

These staff have still not been regularised. This issue therefore remains unresolved.

6.3.3. Follow-up on Previous Year's Recommendations

During the audit exercise, we followed up on all recommendations made in previous years. A summary of the status of these recommendations is given below:

- *There was no evidence of monitoring by the district office of funds given to schools, technical and vocational institutions and university. In addition, funds totalling Le2,469,730,592 were given to some of these institutions in the 2017 academic year.*

6.4. MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY, MOYAMBA – 2017

6.4.1. Inadequate Control over the Management of Stores

The following were observed:

- Teaching and learning materials were not properly stored. There were no shelves and pallets for storage purposes.

- The store building was not in good condition as there were leakages in the roof that caused water to drop from the roof when it was raining. One of the doors in the store was without a lock and there were crack marks on the walls.
- UNICEF donated to the Ministry, 20 cartons of recreation kits and 197 boxes of early child development kits. However, there were no documents such as receipt vouchers and delivery note to confirm that these were the exact items received from UNICEF. It was also noted that these items were still in stores even though they were donated since 2017. But there was no plan of distribution of these items to the actual beneficiaries.

It was recommended that the DD should ensure the following:

- Shelves and pallets are provided to pack store items including teaching and learning materials.
- Collaborate with the appropriate authorities to ensure that the roof is renovated.
- The lock must be installed on the door without further delay; otherwise, the District Director (DD) and storekeeper will be held responsible for any loss of store items.
- Submit the actual list of items received from UNICEF, provide a distribution plan and distribute the items to the beneficiaries without further delay.

Official's Response

The Deputy Director responded as follows:

- *Request shall be made for funds from the Council in order to make shelves and pallets as temporary store.*
- *The roof shall be repaired when funds are available*
- *With reference to item one, the request made include changing of the doors and re-enforcement of the locks*
- *Unfortunately we cannot attempt to distribute the ECD equipment because UNICEF has not provided funds for that. Distribution will be done as and when funds are made available;*
- *Distribution arrangements have been put in place for seventy five (75) primary schools to receive the remaining items in the store immediately schools reopen.*

Auditor's Comment

There was no evidence that the recommendations were implemented. The issues therefore remain unresolved.

6.4.2. Fixed Assets Management

- A review of the inventory register maintained by the MEST-Moyamba revealed that the register was not updated. For instance, 12 dining chairs and one conference table of the Ministry were not included in the register.
- Physical verification of assets revealed that there was only one vehicle allocated to the Ministry and it was observed to be unserviceable since 2017.
- A vocational skills training centre, built by the Government in 2009 under the SABABU Education Project was yet to be put into use since it was constructed. The ceiling, windows and doors of the building were damaged and needed urgent renovation. Training tools and equipment such as refrigerators, freezers, sewing machines, 13 KVA generator, generator plants and many other items supplied for the operation of the centre were still parked in the Ministry's store without being put into use.

It was recommended that the DD should ensure the following:

- The inventory register is updated with the furniture stated earlier.
- Collaboration with the appropriate authorities so that the vehicle is properly serviced; if on the other hand it cannot be repaired, recommend for it to be boarded and request for replacement.
- Do a comprehensive report of the building to the Chief Education Officer or PS of the Ministry and copy other relevant stakeholders informing them about the circumstances of the building.

- The training centre is renovated and put into operational use so that educational services are provided to the community.
- Adequate explanation backed by evidence as to why the training tools and equipment were still in store without being used.

Auditor's Comment

Responses were not provided and the recommendations were not implemented. The issues therefore remain unresolved.

6.5. MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY -PUJEHUN DISTRICT- 2017

6.5.1. Inadequate Staff in the Inspectorate Division

A review of the staff list, attendance register and staff personal files revealed that, there was only one inspector of schools in the entire Pujehun District. This posed a serious challenge for effective and efficient monitoring and supervision of schools within the District. There was a huge need for more staff to be recruited in the Inspectorate Division of the Ministry in the District. It was therefore recommended that the Acting Deputy Director in collaboration with the Permanent Secretary should ensure that there are adequate staff in the Inspectorate Division at the Ministry in Pujehun for better and improved monitoring of schools; otherwise, poor supervision and monitoring of schools in the District will deter service delivery and the smooth running of both the Ministry and schools in the Pujehun District.

Official's Response

The Acting Deputy Director (ADD) in his reply said: "Authorities in the Ministry of Basic and Senior Secondary Education (MoBSSE) have been informed about the present staff situation in the District Education Office.

Education being a flagship project under the new government, arrangements are on-going to ensure that staff are available for effective and efficient monitoring and supervision of schools within the District".

Auditor's Comment

Documents such as correspondence between the Ministry's headquarters and the District Education Office to confirm that management was committed to increase the number of school inspectors in the District were not provided during the audit. Therefore, this issue remains unresolved.

6.5.2. Lack of Fixed Asset Policy

The Ministry in Pujehun District did not maintain a fixed assets policy that made necessary provisions for the usage, maintenance and disposal of assets. It was recommended that the Acting Deputy Director in collaboration with the Permanent Secretary should ensure that a fixed assets policy is immediately prepared and adopted by the Ministry in Pujehun District.

Official's Response

The ADD stated that the Acting Deputy Director of Education in Pujehun will continue to collaborate with the appropriate authorities at the Ministry's headquarters to have a fixed assets policy and maintain it in the Pujehun Education Office.

Auditor's Comment

There was no evidence to justify that the Deputy Director of Education has engaged the Ministry's headquarters to address this issue. Therefore, this issue remains unresolved.

6.6. MINISTRY OF EDUCATION, SCIENCE & TECHNOLOGY, KENEMA – 2017

6.6.1. Procurement Procedures not followed

A total of Le194million was expended on the rehabilitation works by the Kenema district and city councils and the Ministry of Education, Science and Technology (MEST) for various schools for which certificates of work completion were not submitted for audit. It was therefore recommended that the Deputy Director (DD) should ensure that the relevant documents in respect of the rehabilitation work are provided for inspection.

Official's Response

The DD in his response said: "Certificate of work completion is issued by the engineers of the respective councils and such certificate had not been given to the District Education Office".

Auditor's Comment

Evidence of certificate of work completed by the engineer was yet to be produced for audit verification.

6.6.2. Poor Human Resource Management

Poor personnel management in the Ministry engendered the failure to make available staff personal files for audit review. In addition, a comprehensive staff list, time-book and evidence of staff appraisal for the Ministry of Education - Kenema were not presented for inspection. It was recommended that the DD should ensure that personal files of individual staff with all relevant employment details were prepared on a half yearly or annual basis.

6.6.3. Payment of School Feeding and Subsidy Fees

During physical verification of the school feeding programme and the payment of school fees subsidies in some selected schools in Kenema city, the following were observed:

- Some government assisted schools such as the Holy Rosary Primary School, Dama Road; the Eastern Polytechnic Practising Primary School, the Ar-Rahim Islamic Primary School in Nyandeya Section; the Ahmadiyya Muslim Primary School, Blama Road; the Ansarul School in Lubabu and the National Islamic Primary School along Hotagua Street had not received funds for the school feeding programs implemented by the Ministry of Education for the 2016/2017 academic year.
- The number of pupils presented to the Ministry and class registers of these schools showed huge differences in 2017.
- Schools subsidies and funds for the school feeding programme were not received by schools on time and so implementation was delayed. A review of the allocation list for the school feeding programme coordinated by MEST Kenema revealed that the sum of Le24,067,824 was outstanding payments to two schools.

Official's Response

The DD in his response said that the allocation of funds for the school feeding programme was done by the Ministry of Education, New England through the Ministry of Finance. The District Education Office had limited control over the allocation of such funds. He added that all the Ministry did in those cases was to report to the division in charge of school feeding. On the issue of class registers as against beneficiaries, he noted that the matter will be looked into. He further mentioned that the allocation of funds for the school feeding programme and subsidy is done by Finance; the District Education Office had limited control as to when funds were made available to various schools for utilisation. He noted that the Ministry did not have control over the disbursement of funds for the school feeding programme.

Auditor's Comment

There was no evidence that the issues have been addressed by the Ministry. Therefore the issues remain unresolved.

6.7. MINISTRY OF EDUCATION SCIENCE AND TECHNOLOGY BOMBALI – 2017

6.7.1. Monthly Bank Reconciliation Statements not Submitted for Inspection

Bank reconciliation statements in respect of the inspectorate account held at the Serra Leone Commercial Bank were not submitted for audit inspection. The auditors were unable to confirm the total amount held in this account as at 31st December, 2017. It was recommended that the Acting Finance Officer in collaboration with the DD should explain why the monthly bank reconciliation statements were not prepared and submitted. In addition, the Acting Finance Officer should submit the monthly bank reconciliation statements for audit inspection in respect of the said account.

Official's Response

The DD said that the bank reconciliation statements were available for verification.

Auditor's Comment

The bank reconciliation statements in respect of the said account were not made available for verification. Therefore, the issue remains unresolved.

6.8. MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY, BOMBALI DISTRICT-2016

6.8.1. Inadequate Controls over the Management and Distribution of Fuel

The controls over the management and distribution of fuel were inappropriate. There were no fuel chits and appropriate register to substantiate how Le 27,750,000 was utilised on fuel for the period under review. It was recommended that the Deputy Director of Education should submit the fuel records to the audit office for verification.

Official's Response

The District Education Officer (DEO) said that relevant documentary evidence in support of the fuel management amounting to Le27,750,000 (Request forms, fuel chit and distribution list) were available for verification.

Auditor's Comment

Fuel records to substantiate the utilisation of Le27,750,000 for fuel was not produced for verification. The issue therefore remains unresolved.

6.9. MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY, TONKOLILI DISTRICT-2016

6.9.1. Fuel Consumed not Justified by Fuel Chits

A comparison between fuel supplied to the Ministry of Education Science and Technology (MEST) Tonkolili District with fuel chit listings revealed that fuel worth Le10, 597,500 could not be justified by fuel chits. There is a risk that the said fuel could have been used for purposes not intended.

6.9.2. Fixed Asset Register not Updated

Verification of fixed assets revealed that certain assets owned by the Ministry were not recorded in the fixed assets register implying that the Ministry's fixed asset register was not updated. Assets may get missing without being noticed by the Authority. This may also lead to loss of public property.

6.10. MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY, KONO – 2015-2016

6.10.1. Inadequate Control of the Distribution and Use of Fuel

There was no fuel maintenance policies. In addition, there were no fuel chits, usage reports, registers and distribution lists to justify the distribution and use of fuel which amounted to Le22,722,500. It was recommended that the Deputy Director should ensure the following:

- A policy on fuel and maintenance is prepared and followed for the distribution and utilisation of fuel and maintenance of vehicles, motorbikes and generators.
- A fuel register and chits are maintained to account for fuel and recipients of fuel are to sign the register in acknowledgement of receipt.

Official's Response

The Deputy Director stated that the fuel register was maintained and there was a register for the usage of fuel and distribution list is now available for your verification.

Auditor's Comment

There was no evidence that the recommendation was implemented. The issue is therefore unresolved.

6.10.2. Periodic Inspection of Schools not Undertaken

A total amount of Le20,721,000 was expended for periodic inspection of schools. However, reports to justify this activity or to confirm that school activities were coordinated and supervised were not submitted by the Director. It was recommended that the Deputy Director in collaboration with the Minister should ensure that periodic visits to schools are made by school inspectors in accordance with the above regulation. In addition, reports on these visits should be appropriately documented and copies filed for audit, assessment and reference purposes.

Official's Response

The Deputy Director stated that the periodic visits to schools by inspectors were done and activities were coordinated and supervised.

Auditor's Comment

There was no evidence that the recommendation was implemented. The issue is therefore unresolved.

6.10.3. Stores Management

The following were observed:

- It was identified that the Ministry does not have a store.
- Shipping containers that are used as store are not in good condition to store learning and teaching materials.
- There was no storage facility such as cabinet for safekeeping of store documents.
- The Ministry did not have a trained storekeeper.

It was therefore recommended that the Deputy Director should ensure that the store is built and all the environmental defects highlighted are rectified immediately.

6.11. GOVERNMENT HOSPITAL BO-2017

6.11.1. Ineffective Internal Controls

There was no risk assessment process in the hospital for the identification of business risk, fraud and irregularities in the generation of revenue and disbursement of funds. This resulted in poor own-source revenue collection and disbursement made without payment vouchers and other supporting documents. It was recommended that the MS should ensure that an appropriate risk assessment process for the identification of fraud and financial deficiencies is designed, communicated to all staff and effectively monitored.

Official's Response

The MS in his reply said: "The hospital management has already started reviewing the hospital internal control mechanism by holding two meetings with top management and the DMO to correct the poor own source revenue collection, risk of fraud and inadequate control in revenue generation and disbursement of funds without preparing payment vouchers and supporting documents. The payment vouchers and supporting documents are now ready for verification".

Auditor's Comment

Evidence to confirm that appropriate risk assessment process for the identification of fraud and financial deficiencies is designed, communicated to all staff and effectively monitored was not provided. The issue therefore remains unresolved.

6.11.2. Inadequate Control over the Management and Distribution of Drugs

The following were observed:

- Stock cards were not maintained for some store items received and utilised. An interview conducted with the storekeeper revealed that stock cards were not available at the store. It was observed that request for supply of stock cards was sent to the Central Medical Stores but it was not honoured up to the time of the audit. It was further observed that photocopies of stock cards were used to do the necessary records.
- Request, report and issue vouchers (RRIV) to carryout recordings of drugs were not available. Ledgers were being used for recording of drugs.
- The Pharmaceutical Division was no longer using the invoice channel management system for the management and control of drugs received from Central Medical Stores.
- There were delays in the supply and delivery of emergency medical drugs from Central Medical Stores. Request for emergency supply of drugs took time before being approved and there was no available delivery van to distribute drugs, thereby affecting units that are in need of such drugs for prompt service delivery;

It was recommended that the MS should collaborate with other stakeholders to ensure the following:

- That the storekeeper updated the inventory stock cards by inputting items received, issued and appropriate store management training is organised for the storekeeper.
- List of expired drugs compiled and sent to the central medical stores for destruction as soon as possible and that drugs supplied were not close to their expiring date.
- The RRIV is provided to the store and Pharmaceutical Department to ensure proper recording of drugs related items.
- The inventory control cards were provided to the store to ensure proper recording of drugs related items.
- The dispensary registers were provided to the store to ensure proper recording of drugs related items;

- The invoice channel management system or any other drugs management system should be in operation for the proper management of drugs received from the Central Medical Stores.
- The pharmacist effectively communicates with the Central Medical Stores after request is being made for timely approval and a standby delivery van arrangement is made for the timely delivery of medical drugs.
- The pharmacy should be in operation for 24 hours for any emergency drug needs.

Official's Response

The MS in his response said "This was due to the fact that the store has only one personnel working there. The store is responsible for receiving products, parking them on the shelves recording them on the stock cards, distributing drugs to the various service delivery points (SDPs) and maintaining other store records. So most often, he is overwhelmed with work.

However, the pharmacist comes in to help in maintaining and updating the records, and currently the stock and other records are being updated.

We are short of stock cards and other logistics management system (LMIS) tools to maintain all records. The pharmacist had made several requisitions to the Ministry of Health and Sanitation for those tools but they are yet to be provided as they are not available in the Directorate of Drugs and Medical Supply (DDMS). However, we have gone the extra mile to make photocopies of those tools that can be copied like the inventory cards and other documents just to be able to maintain the records.

As for the RRIV and the daily dispensing registers that cannot be copied, we use ledgers to improvise just to ensure that we maintain the records properly. So at the moment, we are seriously constrained for these LMIS tools. However, we are constantly making requisitions to central medical stores and we hope they provide them so that we can run smoothly.

This is because the District is not authorised at the moment to carry out destruction of expired drugs and damaged products. This has to be carried out at central level, but we are challenged with transportation to carry the items to Freetown, and reserve logistics system is not yet operational. However, we are making follow up so that destruction will be done as soon as possible.

The channel system has been faulty for a long time now. The pharmacist has reported the matter to the District Information Officer (DIO) and he tried reporting it but could not and subsequently made report to the central, but up till now replacement has not been made. The pharmacist has also made several reports to Central Medical Stores for replacement but it is yet to happen. However, we will continue to make follow up on that issue".

Auditor's Comment

- Stock cards are now maintained for all store items received and utilised. However, there was no evidence that the stock cards had been updated. The issue is therefore unresolved.
- It was noted that the Pharmaceutical Division has now acquired a new software called the Supply for recording all drugs received from Central Medical Stores.
- There were still delays in the supply and delivery of emergency medical drugs from the Central Medical Stores.

6.11.3. Inadequate Control over the Collection, Recording and Banking of Revenue

The collection, recording of own source revenue were ineffective, resulting in the following weaknesses:

- A review of the bank statement and the receipt books of the hospital revealed that out of the total revenue collected, there were no duplicate receipts for Le109,923,000 to confirm that receipts were issued upon collection of the revenue. The total revenue deposited into the bank was Le174,206,000 and duplicate receipts was Le64,283,000.

- It was observed that each unit within the hospital has its own revenue collector. This fragmentation of revenue collection in the hospital may create room for mismanagement of public funds and incurring additional costs of having several revenue collection points.
- The Scanning Division of the hospital did not maintain patients' attendance records and documents such as receipts, cash book, invoices, etc. were maintained to account for revenue generated by this Division. Furthermore, this Division did not report any amount of revenue collected during the period under review. Discussions with the officer-in-charge of the scanning Division stated that all the scanning carried out by this Division was done under the "Free healthcare Scheme". However, there was no record to justify this claim.
- It was observed that the medical doctors retained some portion of the revenue they generated. However, there were no documentary records or agreements between the doctors and the Ministry of Health and Sanitation authorising them to retain revenue collected as professional fees for the year under review. An interview conducted with the Finance Officer revealed that the doctors retained 60% of revenue collected and paid 40% to the Finance Office.

It was recommended that the MS should ensure the following:

- Receipts are issued by the Finance Officer immediately revenues are collected by the hospital.
- The revenue collection system should be centralised to the Finance Division. All units in the hospital should be given payment slips which the patients must take to the Finance Office for payment and the Finance Division should then issue receipts for payments received.
- Revenue in the Scanning and Ambulance Divisions should be centralised to the Finance Division.
- Revenue on professional fees collected by doctors should also be centralised to the Finance Division and agreement on the sharing of revenue collected be formalised.

Official's Response

The MS said: "It is true that there were weaknesses in the collection and recording of own source generated revenue which resulted in the bank statement not agreeing with the receipt books. A total revenue as per bank statement shown Le174,206,000 were collected, whilst the receipt speaks of revenue of Le64,283,000 with a difference of Le109,923,000. One of the reasons was that there were some units that paid money without receipt books given to them by the Finance Office and those units are as follows:

- *Eye Department*
- *Maternity Theatre*
- *Main Theatre*
- *Mortuary Unit*
- *Scanning Unit*

In light of the above mentioned units, all monies collected from those units were deposited at the bank and that brought about the difference between the bank statement and the receipt books. However, proper structures are now put in place by the top management to see that all units collect receipt books for their operations".

Auditor's Comment

- Evidence of duplicate receipts for Le109,923,000 was not provided. It was noted that the units that were collecting revenue for which receipts were not issued had started issuing receipts.
- There was no evidence to confirm that the revenue collection system has been centralised to the Finance Division.
- Evidence to confirm that the Scanning Division of the hospital has maintained patients' attendance records and documents such as receipts, cash book, invoices, etc. were not provided. Evidence of report of revenue collected was also not provided.

- Documentary records or agreements between the doctors and the Ministry of Health and Sanitation authorising them to retain some proportion of revenue collected as professional fees was not provided during verification.

The issues therefore remain unresolved.

6.11.4. Inadequate Control of the Management and Security of Furniture and Equipment

The following were observed:

- Fixed assets register was not submitted for audit purpose.
- There was no evidence to indicate that the hospital was following any prescribed policies for the use, maintenance and replacement of the hospital's assets.
- There was only one available ambulance for the entire hospital and at the time of the audit, the ambulance was in the garage for maintenance.
- The hospital lacked motor vehicles that were roadworthy to carry out its operations. There were currently no functioning official vehicles assigned to the hospital.

It was recommended that the MS should ensure the following:

- There is an updated asset register prepared and the responsibility is given to an assigned individual. All assets owned by and donated to the hospital should be included.
- There are prescribed policies in place for the maintenance and replacement of hospital assets.
- The need for the mobilisation of additional ambulances should be taken into account and the current ambulance be maintained for active usage.
- Mobilisation with the Ministry of Health and Sanitation on the need for official and utility vehicles to be assigned to the Bo Government Hospital.

Official's Response

The MS stated that in adherence to the findings and recommendations with regards asset management, the medical superintendent had instructed both the F&M and the M&E to have an updated asset register by the end of the 3rd quarter of 2018.

Auditor's Comment

- The Hospital's Fixed Assets Register was submitted during verification; therefore, the assets were not verified.
- There was no evidence to indicate that the hospital was following any prescribed policies for the use, maintenance and replacement of the hospital's assets.
- There is still only one available ambulance for the entire hospital.
- The hospital lacked motor vehicles that were roadworthy to carry out its operations. There are currently no functioning official and utility vehicles assigned to the hospital.

The issues therefore remain unresolved.

6.11.5. Ineffective Management of Personnel and Related Matters

The Stores Division was understaffed. There was only one storekeeper that was responsible for recording, receiving, issuing and movement of store items. Discussions with the storekeeper revealed that there was one volunteer in the store who was neither on government payroll nor receiving stipends.

Staff appraisal was not conducted for the year under review. It was therefore difficult for the hospital management to know committed and dedicated staff in the delivery of proper health services in the hospital.

Despite repeated request and notice of verification exercise, 11 staff on the hospital payroll were not available for physical verification conducted during the audit exercise.

The names of two deceased staff were on the payroll still receiving salaries from the consolidated funds amounting to Le 7.5 million. However, no letter had been sent to the Ministry's headquarters to inform the PS about their deaths so that appropriate actions could be taken for the deletion of their names from the payroll.

It was therefore recommended that the MS should collaborate with headquarters and other stakeholders to ensure the following:

- That additional permanent staff is attached to the hospital store.
- Staff members are appraised on an annual basis which should serve as the basis for promotion and training.
- Unverified staff members are stationed in their various locations; otherwise they would be considered ghost workers.
- Proper written communication is made to the Ministry about the death of the two staff for appropriate action to be taken to stop their salaries and their names removed from the Ministry's payroll. This is to also ensure the recoverability of salaries paid to them since they died.

Official's Response

The MS said: "We have informed the Directorate on several occasions about our staff deficiencies in its entirety but nothing significant has been done. We will continue to act as recommended until our requests are met. The staff in question will report to the Audit Service for verification".

Auditor's Comment

The recommendations were not implemented. The issues therefore remain unresolved.

6.11.6. Inadequate Infrastructure to Support Clinical Activities

The following were observed:

Kitchen

There were damages to both sides of the kitchen gate which had led to metal wire being used to bind both sides/doors of the gate.

Dental Unit

The building occupied by the Dental Division needs to be painted to ensure good working and conducive environment for staff and patients.

Hospital Quarters

The following conditions were observed at the hospital quarters occupied by the medical staff:

- The ceilings were damaged.
- The electrical cables were also damaged and exposed.
- The toilets were not in good and decent conditions.

Lactating Ward

The following conditions were observed at the lactating ward during physical verification:

- Windows in the ward were broken.
- There was no changing room available for staff.

- The electrical wiring in the ward was damaged and prevented the proper supply of electricity to the ward.

Male Medical-Ward 2

- The electrical wiring in the ward was damaged and prevented the proper supply of electricity to the ward.
- The staff toilets were not in good and decent conditions.

Male Surgical- Ward 3

- The ceiling was damaged.
- Staff toilet was not in good and decent condition.
- The electrical wiring in the ward was damaged and prevented the proper supply of electricity to the ward.

Major Theatre

- The waste pipe at the back of the major theatre was damaged and it caused water to flow in front of the theatre entrance.
- There was no changing room available for staff at the major theatre.

It was recommended that the MS should collaborate with other stakeholders to ensure the following:

- That repairs, refurbishment and painting were done to the damaged and dilapidated buildings within the hospital.
- Appropriate changing rooms were available for staff within the hospital for proper safety of their valuable and other key items.
- The ceilings should be rehabilitated.
- Appropriate electrical wiring to the various units should be done to enhance proper supply of electricity to facilitate quality healthcare delivery.
- Repairs were done to the toilets and kept in a decent condition.
- The broken glass should be replaced on the windows.
- Repairs are done to replace the damaged ceiling.
- The damaged pipe should be replaced without further delay.

Auditor's Comment

Management did not respond to these issues; therefore, these issues remain unresolved.

6.11.7. Inadequate Equipment at the Hospital

The following were observed:

- The hospital lacked essential equipment such as B.P machines, solar freezers, dental chairs, suction machines, bed screen, caesarean sets, X-ray machines, processing tank, drip stand, oxygen machines, thermometer etc. to carry out major and basic health functions that would enhance the effectiveness of healthcare delivery in the Bo Government Hospital. Interviews conducted in various hospital units and physical verification revealed that some of the equipment were either damaged, not in use or unavailable.
- Equipment such as fire extinguishers used to respond to an emergency fire outbreak in the hospital was not available.
- Though the hospital had a 250 KVA generator to supply electricity to the whole hospital, it was observed that the hospital mostly depended on the 55 KVA generator. However, this generator lacked the capacity to supply the required electricity for the entire hospital. It was also observed that electricity supply catered for only key units, while certain units were isolated with no

electricity supply. Physical verification revealed that a 20KVA standby generator was not yet in use as it had not been installed for the supply of electricity.

- There was no evidence of maintenance schedules for equipment in order to facilitate their operations.

It was recommended that the MS in collaboration with the Director of Medical Supplies should ensure the following:

- The necessary equipment are provided to enhance the work of the medical staff of the various hospital units.
- The non-functioning equipment in hospital should be repaired or replaced where needed.
- That there is a fire extinguisher available for the whole hospital to respond to any possible fire outbreak.
- The generators are effectively utilised to ensure adequate flow of electricity to facilitate health delivery by ensuring adequate allocation of fuel for hospital generator.

The MS should ensure that equipment are serviced on a routine basis to avoid malfunction and poor service delivery.

Auditor's Comment

There was no official response and recommendations were not implemented; therefore, the issues remain unresolved.

6.11.8. Ineffective Environmental Management

The following were observed and no official response was issued and recommendations were not implemented. Therefore the issues remain unresolved.

Lining Management

The necessary lining materials such as bed sheets, pillows, towels, blankets, buckets, soaps, boats, bins and bin liners were insufficient for the lining management.

Waste Management

- The necessary general and medical waste management materials such as wheels, bins for liquid and bin liners were insufficient for waste management.
- There was no separation of medical waste from general waste before they are burned. It was observed that an open burning was done for both the general and medical waste and this was done on a weekly basis instead of daily, which is a best practice.
- The installation and construction of incinerator used to carry out the burning and processing of medical waste had not yet been completed for its intended purpose and handed over to the hospital administration to enhance effective waste management.
- The dumping site was located close to wards 7 and 8, and as a result, it generated harmful odour that disturbed staff, patients and visitors.
- There was lack of appropriate containers for the disposal of sharp objects.
- There was inadequate provision of correct coloured bags for the storage and disposal of waste.

Water and Sanitation

- There was poor supply of water throughout the hospital. There was only one small water pumping machine used to supply water for the whole hospital with 23 water tanks.

- Physical verification revealed that only one of the two solar submersible water pumping machines was in good condition to pump water from the reservoir to the eight reserve water tanks at the hospital.

Cleaning Services

- The cleaning service was contracted to a private cleaning company called Bentus. The contract stated that the cleaning should be done on a daily basis. However, there was no designated officer in the contract to monitor and report on the contractor's performance.
- One of the public toilets in the hospital was out of use and had been abandoned without proper cleaning for public use.

Other Observations

- Fire drills, disaster and emergency simulations were not available.
- The hospital did not have any environmental policy in place to control the management of environmental issues.
- There was no environmental officer assigned to the hospital. At the time of the audit inspection, the Infection, Prevention and Control Officer was delegated to oversee environmental issues.

No official response was issued and recommendations were not implemented. Therefore the issues remain unresolved.

6.11.9. Quality of Service

The following were observed:

Facility Unit

The general medical consumable materials such as gloves, aprons, medical ultra sound gel, plasters, face mask and protective gown were in short supply and sometimes not available.

Hospital Quarter

There were inadequate quarters to accommodate all the medical doctors. One out of six doctors assigned to the hospital was residing in the hospital quarters.

Maternity Ward

From 3,885 patients admitted at the Maternity Ward during the year under review, it was observed that 2670 (68%) of the patients had live birth and the remaining 32% had stillbirth and other forms of infant mortality such as macerated still birth, fresh still birth, ectopic, sepsis etc.

Monitoring and Evaluation

A review of the monitoring and evaluation report revealed that 6,821 patients under five years and 8,516 patients above five years given a total of 15,337 patients under five years visited the hospital for the year under review. There were five medical doctors available to provide medical services to these patients. This indicated a doctor/patient ratio of 1: 3067 instead of 1:1500 which is the WHO standard for Sub-Saharan Africa.

The following specialist doctors that would enhance adequate quality health delivery to patients were not available in the hospital; gynaecologist, bone specialist, dentist, radiologist, virologist, psychiatrist, orthopaedic surgery and ophthalmology.

It was further observed from the monitoring and evaluation report that the total number of death cases in the hospital for 2017 was 390 patients due to various diseases.

Mortuary

Discussions with mortuary staff revealed that formalin (formaldehyde) was inadequate at the mortuary to properly preserve corpses until they are ready for burial.

Emergency Unit

There was one ambulance available at the hospital to convey patients during emergency cases. Most patients outside the urban centre of Bo city could not access this facility because of the distance they live and the inadequacy of the ambulance.

It was recommended that the MS in collaboration with other stakeholders should ensure the following:

- That the consumable materials needed by various units are available to enhance effective health care services.
- Make provision for additional quarters for the doctors assigned to the hospital.
- Put measures in place to minimise the number of fresh still birth and other forms of infant mortality.

The government should ensure the following:

- Recruit and assign more doctors to the hospital to meet the growing and demanding population for medical services and to be in compliance with international standards.
- Train more specialists and assign them to the hospital to meet the growing and demanding population for specialised medical services.
- Effectively implement the national ambulance service to cater for all districts and hospitals.

The Ministry of Health and Sanitation should critically look into the causes of these death cases and make the necessary provisions to the hospital to drastically reduce this figure.

The MS should request from the Ministry of Health and Sanitation to provide adequate quantity of formalin for the mortuary and provide additional ambulance to the hospital to extend the services to patients living in the rural settings who need emergency medical services.

6.11.10. Follow-up on Previous Year's Recommendations

During the audit exercise, we followed up on all recommendations made in previous years. A summary of the status of these recommendations is given below:

- *There was no internal audit report to establish that internal audits or reviews were carried out by the Ministry's internal auditors during 2016.*
- *There was no evidence in the form of minutes or other documentation to indicate that the hospital board was operational for the effective monitoring, supervision and control of the hospital activities and operations, contrary to the Hospital Boards Act 2003.*

6.12. GOVERNMENT HOSPITAL, MOYAMBA-2017

6.12.1. Inadequate Control over the Management of Drugs

Expired drugs were still kept at the hospital store. These drugs had not been collected or destroyed by the authorised officials thereby affecting the storage facility of the current and useful drugs. Discussions with the pharmacist revealed that some of those drugs were supplied close to their expiry date and some were not used frequently up to the time they expired. It was also observed that the pharmaceutical division was no longer using the invoice channel management system for the management and control of drugs received from the Central Medical Stores.

It was recommended that the Medical Superintendent (MS) should ensure that a list of the expired drugs is compiled and sent to the Central Medical Stores for immediate destruction of these drugs to avoid circulation to patients. He should also collaborate with the Director of Drugs and Medical Supplies to ensure that only essential drugs needed in the hospital are supplied and drugs close to their expiry dates should not be distributed to the hospital. The invoice channel management system or any other drugs management system should be in operation for the proper management of drugs received from the central medical stores.

Official's Response

The MS in his response said: "Requests for the supply of drugs from central medical stores to the hospital are usually made by the hospital pharmacist before drugs are supplied. Withdrawal and destruction of expired drugs are done by central medical stores following reports of expired drugs by the hospital pharmacist. Withdrawal of expired drugs from the hospital has been a very big challenge faced by central medical stores due to logistical constraints. We will continue to do follow up with the Directorate of Drugs and Medical Supplies on withdrawal of expired items."

RRIVs are used for the recording of drugs and are available in the store. All drugs received from the Central Medical Stores go through an invoice channel management system and drugs supplied to various units are captured through the same channel and supply of drugs from central medical stores to the hospital is not under our control. We always request for supplies in time".

Auditor's Comment

There was no evidence that the hospital pharmacist reported to the Central Medical Stores for immediate withdrawal and destruction of expired drugs and no evidence that the drugs supplied to the hospital were recorded through the invoice channel management system as the system was made available for verification. The issues therefore remain unresolved.

6.12.2. Insufficient Staff at the Hospital and Related Matters

The Store Division was understaffed as no employed storekeeper was assigned for receiving, recording and distribution of drugs and other medical items. The person acting as storekeeper was a volunteer. It was further noted that he did not have formal qualification in stores management though he had basic practical knowledge and experience in carrying out store activities. It was also observed that the female Ward was understaffed. There were only three employed nurses assigned to work at the Female Ward.

It was further observed that other trained nurses were assisting at the Ward on a voluntary basis. The dumping site was also understaffed with only one volunteer staff operating the incinerator at the hospital. It was therefore recommended that the MS should ensure the following:

- Communicate with the Ministry's head office for the recruitment of a trained and qualified storekeeper for proper management of the store.
- Communicate with the MoHS's head office the need for additional permanent staff attached to the hospital wards.
- That there is the need for additional staff attached to the dumping site and recommendation for the volunteers to have pin codes.

Official's Response

The MS in his response said: "Human resource is a huge challenge faced by the hospital management. The MoHS is responsible for the recruitment and posting of staff. Several reports have been made to the Ministry with regards the shortage of staff in the hospital. However, we are still awaiting further recruitment and postings of staff by the Ministry. Internal mechanisms have been put in place to ensure that the hospital is fully covered for 24hours".

Auditor's Comment

The recommendations were not implemented. The issues therefore remain unresolved.

6.12.3. Inadequate Equipment at the Hospital

There was insufficient essential equipment such as kitchen utensils, beds, tables, caesarean set; delivery sets, etc. to carry out major and basic health functions that would enhance the effective health service delivery in the hospital. Interviews conducted in various units of the hospital and physical verification revealed that some of the equipment were insufficient and faulty.

Even though the hospital had a 13 KVA generator to supply electricity to the whole hospital, it was observed that the hospital mostly depended on the solar power and a 10 KVA generator. However, these sources did not have the capacity to provide electricity for the entire hospital and electricity was only provided for maximum of two hours per day. Investigation revealed that the hospital was not using the 13 KVA generator as its fuel consumption rate was very high and the hospital could not afford to run it most of the time. Therefore, most areas of the hospital were going without electricity supply. Furthermore, two other generators with brand names Perkins and F.G Wilson were faulty and needed major repairs. There was no evidence of maintenance schedules for the equipment in order to ensure the optimality of their operations. It was recommended that the MS in collaboration with the Council and Director of Medical Supplies should ensure the following:

- The necessary equipment are provided to enhance the work of the medical staff of the various hospital units.
- Non-functioning equipment in hospital should be repaired or replaced where needed.
- Collaborate with the Council and other stakeholders to provide adequate and reliable electricity supply to the hospital to enhance quality health service delivery in the District.
- Ensure that these two faulty generators are repaired or disposed of using appropriate procedures.
- The MS should ensure that equipment are serviced on a routine basis to avoid malfunction and poor service delivery.

Official's Response

The MS in his response said: "The hospital relies on allocations from central government through the Local Council to enhance its smooth running thereby ensuring effective and quality service delivery. However, because of late and inadequate disbursement of funds, the hospital is challenged in ensuring adequate service delivery. We are still awaiting first quarter allocations for 2018. We hope to address these challenges of kitchen utensils, bed tables and other basic equipment when funds are available through the local council.

We have 4 generators in the hospital: 10.5 KVA, 13 KVA, 16 KVA and 30 KVA. Both the 10. KVA and 16 KVA are fully functional. The 13KVA have been repaired recently and is also functional. The 30KVA is old and consumes a lot of fuel and requires maintenance. However, we have a challenge in getting fuel and maintenance of these generators since funds are not available from the Local Council.

Auditor's Comment

No evidence was submitted during the verification to indicate that the non-functioning equipment in the hospital were repaired or replaced. During physical verification of the generators, it was observed that the 13KVA generator had been repaired and the hospital had the required generators in place to ensure good electricity supply. However, the 30KVA generator was neither repaired nor recommended for disposal. There was no indication that routine services to equipment were done as recommended. Some of the issues therefore remained unresolved.

6.12.4. Ineffective Environmental Management

Lining Management

The necessary lining materials such as bed sheets, pillows, towels, blankets, buckets, soaps, boats, bins and bin liners were insufficient for the lining management to distribute to the patients.

Waste Management

The incinerator used by the hospital is in good condition, but there were limited burning pits for medical waste due to lack of space at the hospital.

Fire drills, disaster and emergency simulations were not done to prepare staff and patients in case of eventuality.

The hospital did not have any environmental policies in place to control the management of environmental issues.

It was recommended that the MS should ensure the following:

- Collaborate with the Council to look out for a possible location to dig more burning pits for medical waste management.
- A simulation exercise is carried out to prepare staff and patients mind and knowledge on how to react to these types of eventualities, should they occur.

Official's Response

The MS in his response said: "Minutes are available. Soap and guideline for IPC are also available in the IPC Unit. Several trainings on IPC have been conducted in the hospital".

Auditor's Comment

The recommendations were not implemented. The issues therefore remain unresolved.

6.12.5. Quality of Service

Emergency Unit

Interviews conducted with the M & E Officer revealed that the ambulance service was not extended to patients living outside the Moyamba town because the road networks were very deplorable and the ambulances could not effectively travel through these roads.

Others

There is no surgical ward. The hospital admitted surgical patients with other patients in the general male and female wards.

During the audit, food was not distributed to patients that were supposed to benefit from daily food supplies and this had occurred for several days. It had caused relatives of patients to take food for their patients to eat. The Nutritionist revealed that the contract for supply of diets to the hospital had expired and not yet renewed between the Contractor and the Council since December 2017 adding that they were working on the process to continue the food supply.

It was recommended that the MS in collaboration with the Council and other stakeholders should ensure the following:

- Mobilise with central office for ambulance that are roadworthy for emergency health care cases in extreme areas of the town.
- A single surgical ward should be established that will accommodate only surgical patients. The hospital should avoid mix of surgical patients with other medical patients.

- The MS should liaise with the Council and other stakeholders to ensure that diets are supplied to the hospital for the provision of daily meal for the patients.
- A written justification should be submitted to the ASSL why the contract was not renewed and the hospital was without food supply up to the first half of 2018.

Official's Response

The MS in his response said: "Food is supplied to the hospital through funds allocated to the Council. We hope to continue the patient feeding programme with support from the Council when funds are available".

Auditor's Comment

There was no evidence to indicate that the ambulance catered for emergency healthcare cases in extreme areas of the District. There was also no evidence of the establishment of a surgical ward to admit patients that undergo surgeries. There was no evidence of diets supplied to the hospital for the provision of daily meal for patients. Furthermore, no written justification was submitted to the ASSL as to why the contract was not renewed and the hospital was without food supply up to the time of verification.

6.13. GOVERNMENT HOSPITAL KONO – 2016

6.13.1. Ineffective Internal Controls

A review of the hospital's internal control and operating environment revealed that there was no risk assessment process in the hospital for the identification of business risk, fraud and inadequate controls in the generation of revenue and disbursement of funds. This resulted in revenue collected not banked regularly and disbursement not properly retired. It was recommended that the MS should ensure that an appropriate risk assessment process for the identification of fraud and financial deficiencies is designed and communicated to all staff.

Official's Response

The Medical Superintendent said that management had put effective control in place and all revenue collected and banked on a daily bases and disbursement were made with payment vouchers together with relevant supporting documents.

Auditor's Comment

The recommendation was not implemented as an appropriate risk assessment process for the identification of fraud and financial deficiencies was not designed and communicated to all staff.

6.13.2. Inadequate Control of the Management and Distribution of Drugs

Physical stock verification to identify slow moving and expired drugs was not carried out during the period under review. This resulted in the identification of large quantity of expired assorted cost-recovery drugs in the store. It was recommended that the MS should ensure that physical verification to identify expired drugs is carried out on a regular basis and a report filed for reference purpose.

Official's Response

The MS said that large quantity of expired assorted cost-recovery drugs resulted to the slow movement of drugs. He added that management had decided to report to the Director of Medical Store for immediate action.

Auditor's Comment

The recommendation was not implemented as there was no evidence of action taken by the hospital management to get rid of the expired drugs from store.

6.13.3. Inadequate Control of the Collection, Recording and Banking of Revenue

The collection, recording and banking of own source revenue was ineffective, resulting in the following weaknesses:

- Authorisation for the printing of receipt books and charts were not submitted for audit inspection.
- Revenue reconciliation between receipt books and bank pay-in slips was not carried out by the Finance Officer.

It was recommended that the MS should ensure that:

- The printing of receipt books is done by the Government Printer, authorised by the Medical Superintendent, and application letters maintained for reference purposes.
- Reconciliation between receipt books and bank pay-in slips should be done regularly.

Official's Response

The Medical Superintendent in his reply said:

- *"The application letter(s) which authorised the printing of the receipt books and charts was placed in the cabinet of my assistant who was on leave at the time of the audit. This letter has been retrieved for your verification.*
- *The situation has been corrected and evidence of revenue reconciliation between receipt books and bank pay-in slips are now available for your verification".*

Auditor's Comment

The recommendations were not implemented. The issues therefore remain unresolved.

6.14. GOVERNMENT HOSPITAL KONO – 2015

6.14.1. Internal Control and Operating Environment

A review of the Hospital's internal control and operating environment revealed that a risk assessment policy was not maintained for the identification of business risks, fraud and inadequate controls over the generation of revenue and disbursement of funds. As a consequence of the foregoing, revenue was not banked regularly and disbursements not properly retired. It was recommended that the Medical Superintendent (MS) should ensure that an appropriate risk assessment policy for the identification of fraud and financial deficiencies was designed and communicated to all staff.

Official's Response

The MS said that management had put effective control in place to ensure that all revenue collected are banked on a daily basis, and disbursements were made with payment vouchers together with relevant supporting documents.

Auditor's Comment

There was no evidence of implementation of the audit recommendations. Therefore the issue remains unresolved.

6.14.2. Inadequate Control over the Management of Drugs

During a physical verification of stores, it was observed that there were quantities of expired assorted cost-recovery drugs in the store that were yet to be disposed off. In addition, there was no evidence that physical stock verification of slow moving and expired drugs was carried out during the period.

Official's Response

The MS stated that the huge pile of expired assorted cost-recovery drugs resulted in the slow movement of drugs. He noted that management had decided to report to the director of medical store for immediate actions.

Auditor's Comment

There was no evidence of action taken to address the existence of expired drugs in store, the periodic inspection and physical stock verification of slow moving and expired drugs. Therefore the issue remains unresolved.

6.14.3. Collection, Recording and Banking of Revenue

There was inadequate control over the collection, recording and banking of revenue. Requests and authority for the printing of general receipt books and charts were not submitted for audit inspection. In addition, the reconciliation of revenue between receipt books and bank statements was not carried out by the Finance Officer.

Official's Response

The MS said that the application letter which authorised the printing of the receipt books and charts was with his assistant who was on leave at the time of the audit. He added that the letter had been retrieved for verification. He further noted that the issue of reconciliation had been corrected and evidence of reconciliation of revenue between receipt books and bank pay-in slips were available for verification.

Auditor's Comment

Evidence of authorised requests for the printing of general receipts books was not submitted for verification. There was also no evidence of reconciliations between the revenue records maintained by the hospital. The issues therefore remain unresolved.

6.14.4. Infrastructure to Support Clinical Activities

The following were observed:

- Spaces in the paediatric and surgical wards were insufficient. This resulted in overcrowding and the hazardous practice of bed sharing.
- The kitchen environment was not conducive as it was situated close to the mortuary and the dumpsite.

It was recommended that the MS should ensure that the needs of the various hospital units and the hospital in general were met to facilitate the smooth and efficient delivery of medical services to the general public.

Official's Response

The MS in his reply said the following:

- *"It's true that the paediatric ward is overcrowded as a result of the high patient space ratio. However, management has decided to inform the Ministry/partners for prompt intervention.*
- *Management will also request assistance from the Ministry and its partners for the extension of the surgical ward and the construction of additional buildings in future.*
- *Management will lobby partners for assistance in relocating the kitchen far from the mortuary and the dumpsite".*

Auditor's Comment

There was no evidence that audit recommendations were implemented. Therefore the issue remains unresolved.

6.14.5. Lack of Specialist Medical Personnel

The following specialists were not available at the hospital:

1. Paediatrician	4. Gynaecologist
2. Orthopaedic Surgeon	5. Dentist
3. Radiologist	6. Virologist

It was recommended that the MS in collaboration with the Chief Medical Officer (CMO) and the Human Resources Management Office (HRMO) should ensure that the required specialist medical personnel were made available to the hospital.

Official's Response

The MS in his reply said: "It's true that the enlisted medical personnel - paediatrician, gynaecologist, orthopaedic surgeon, dentist and virologist are not available in the hospital. Management will discuss with the Ministry to ensure the timely postings of those essential personnel".

Auditor's Comment

There was no evidence that audit recommendations were implemented. Therefore the issue remains unresolved.

6.15. GOVERNMENT HOSPITAL TONKOLILI – 2016

6.15.1. Fixed Assets Register not Properly Maintained

The Magburaka Government Hospital's fixed assets register (FAR) was not properly maintained in consonance with Section 231 of the Financial Management Regulations of 2007 (FMR, 2007). Details such as date of acquisition, cost, type and serial number of assets were not recorded in the register. Likewise, verification of the hospital's assets revealed that fixed assets worth millions of Leones were not recorded in its FAR. It was recommended that the MS in collaboration with key hospital staff should ensure that the FAR is properly maintained in line with Section 231 of the FMR, 2007.

6.15.2. Fixed Assets not Coded and Removed from Assets Register

A number of fixed assets were not coded by the hospital management. Furthermore, the coding of assets was poorly done as a number of assets were marked with the same identification code. It was recommended that the MS should ensure that all assets owned and controlled by the hospital are coded and incorporated into the updated FAR.

6.15.3. Inadequate Lab Equipment and Reagents

A review of the hospital's laboratory revealed a number of inadequacies that need urgent action. The following were observed:

- Inspection of the laboratory facilities and equipment revealed that the laboratory was short-staffed.
- At the time of the audit, there was only one of five functional microscopes. To compound the problem, the four non-functional ones were in the four critical departments of Haematology, Microbiology, Serology and Chemical Pathology. Furthermore, there was only one functional centrifuge.
- Other critical equipment lacking in the Hospital were haematology and biochemical analysers, capillary tubes and plastertine.
- The laboratory could not conduct liver and kidney function tests, as the required equipment and reagents in respect of those tests were not available.
- The kitchen lacked basic utensils like sieve, grinding machine, bowls and dishes, pots, trays, cutleries and equipment like electric oven and stove.

- The x-ray department did not have an erect stand for upper limbs x-ray, stand-by x-ray machine, lead glass, x-ray film drier, film cutter and films drying lines; lead apron to protect both staff and patients, as well as caregivers against radiation. Processing tanks and a static machine were also not available.
- The operating theatre was short of trained and qualified theatre nurses. The hospital also did not have a diathermy machine that controls bleeding.

It was recommended that the MS in collaboration with the Ministry of Health and Sanitation in Freetown should ensure that basic hospital equipment are made available at the hospital.

6.15.4. Blank Duplicate Receipt Numbers

Examinations of general receipt books revealed that duplicate receipts were left blank. Vital information like type of revenue and amount collected were not available. It was recommended that the MS in collaboration with the FO should explain the reason behind the receipt anomaly and produce evidence of the relevant information missing on the blank duplicate receipts.

With immediate effect, the MS should put measures in place to adequately safeguard all accountable documents.

6.15.5. Accountable Document Register & Price List not Maintained

We observed the following:

- An accountable document register in which receipts and other documents such as cheque books, general receipt books, payment vouchers etc. are recorded was not maintained by the hospital management. It was recommended that with immediate effect, the MS should ensure that an accountable document register is maintained.
- The hospital did not have a service charter that provides beneficiaries with information on the nature of the service provided by an institution and its associated cost.

The MS should ensure that a service charter is displayed in a conspicuous manner that would enable the public gain easy access to the information provided therein.

6.15.6. Theatre Fees not Accounted for

An examination of the hospital's theatre books for the period under review revealed that the theatre staff including the MS received 70% (Le15,382,500) of the total surgical fees. However, there was no documentary evidence of approval by the MOHS, for the retention of such fees by the personnel in question.

Furthermore, a review of other units' (laboratory, x-ray, wards, etc.) records for the period under review revealed that Le15,513,600 (which represents 30% of the total fees generated by those units) was paid to staff. There was however no evidence of approval by the MOHS for such payment.

It was recommended that the MS should provide documentary evidence in support of the aforementioned payments in question or refund the amounts of Le15,382,500 and Le15,513,600 into the Hospital's bank account and submit the pay-in-slips to the Audit Service for verification.

6.15.7. Staff not Available for Physical Verification

During the physical verification of staff, 44 staff members did not make themselves available for verification. It was recommended that the MS in collaboration with the Hospital Secretary should ensure that the personnel in question are made available for physical verification; otherwise, the MOHS would be informed accordingly of such defaulting staff.

6.15.8. Withdrawals without Relevant Supporting Documents

Relevant supporting documents for the utilisation of Le 151,679,500 withdrawn from the hospital's accounts were not submitted for audit verification. It was recommended that the Finance Officer should ensure that the relevant supporting documents in respect of the said amount are made available for verification.

6.15.9. Poor Fuel Management

The fuel register was not properly maintained. With the exception of information on fuel issued, the fuel register did not show the opening balance, the actual fuel receipt and closing stock balance of fuel allocated for the period under review. Furthermore, no fuel reconciliation was done by the hospital. It was recommended that the MS should ensure that a comprehensive fuel register is developed. This should show the fuel opening balance, receipt, issue and closing stock balance of all fuel transactions. Furthermore, he should also conduct regular monthly fuel reconciliations which should be thoroughly reviewed.

6.15.10. Contract Documents for Diet not Made Available for Audit Inspection

Contract document in respect of diet supplied to the Hospital was not submitted to the audit team. As a result, the team could not ascertain whether food items worth Le 353,994,000 supplied by the contractor were as per quantities specified in the contract. It was recommended that the MS should submit the contract for verification.

6.15.11. Inadequate Control over the Recording and Management of Drugs

Despite several requests by the audit team, stores documents such as store receipt vouchers (SRVs), store issue voucher (SIVs), distribution lists complete with recipients' signatures and allocated store ledger in respect of Free Health Care Drugs and other medical supplies worth millions of Leones allocated by the Central Medical Stores (CMS) in Freetown were not made available for audit inspection.

It was recommended that the MS in collaboration with the storekeeper should ensure that records in the form of SRVs, SIVs, bin cards etc. are made available for verification. Otherwise, the amount involved should be refunded into the CRFA.

6.15.12. Essential Drugs from DSDP not Accounted for

The Magburaka Government Hospital with funds provided through the Tonkolili District Council by the Decentralised Services Delivery Programme procured essential drugs worth Le30million for its use. However, there were no records of the receipt and utilisation of the said drugs. It was recommended that the MS in collaboration with Council should submit the necessary documentary evidence in support of the procurement of Le30 million worth of essential drugs; otherwise, the said amount should be refunded into the CRFA.

6.15.13. Bank Reconciliations not Performed

The following were observed:

- The hospital's Finance Officer did not conduct bank reconciliations for the entire period under review.
- The expenditure cashbook for the period 1st January to 31st December 2016 was not made available for audit inspection.

It was recommended that the Finance Officer should ensure that a comprehensive cashbook detailing both income and expenditure for each account operated by the hospital is maintained. In addition, monthly bank reconciliations of the cashbook and bank statement should be reviewed by a senior officer.

6.15.14. Lack of a Substantive Hospital Secretary

The Matron also doubled as the Hospital Secretary; as the hospital did not have substantive personnel for that position. It was therefore recommended that the MS should make a request to the MOHS for the employment of a Hospital Secretary.

6.15.15. Follow-Up on Previous Year's Recommendations

During the audit exercise, we followed up on all recommendations made in previous years. A summary of the status of these recommendations is given below:

- *Only two doctors were posted to the hospital by the Ministry of Health and Sanitation (MOHS), against an average patient intake and bed occupancy of 350 per month. From the lean budget, 0.4% of the Hospital's total budget was allocated to in-house training for the financial year 2015. It was clear that in-house training was not prioritised.*
- *The hospital's main store was inaccessible as it had been closed and abandoned since 2012 by Ryme-Engineering and General Services, which was contracted to rehabilitate the store. Consequently, other rooms such as the Maternity, Recovery, Labour, Theatre and Intensive Care units that were meant for admission cases are now being used for custody of Free HealthCare and Cost Recovery drugs. Upon inspection, the rooms were found to be inadequate and poorly ventilated, thereby not conducive for proper custody of drugs. The auditors tried to reach the contractor who had been contracted for the rehabilitation of the whole hospital including this store for an explanation in respect of the aforementioned anomalies, but to no avail. Furthermore, no penalties have been meted out to the contractor for non-performance of his contractual obligations.*
- *Most of the surgical equipment in the theatre were found to be obsolete and inadequate. In addition, there was no pipe borne water in any of the hospital wards.*
- *Revenues estimated at Le115 million and Le19 million, generated from surgical operations and cost-recovery drugs respectively, were neither banked, nor were supporting documents for the utilisation of these funds provided for audit inspection. Furthermore, the total amount accrued from surgical operations could not be directly ascertained as the relevant records such as receipt books and revenue cashbook in support of the exact amount generated were not provided for audit examination.*

6.16. GOVERNMENT HOSPITAL, MAKENI-2017

6.16.1. Inadequate Control over Revenue and Receipt

Revenue not Accounted for

- A comparison between total revenue collected as per revenue listing and total expenditure as per expenditure listing revealed that revenue to the tune of Le160,038,000 was not accounted for as total revenue collected exceeded total expenditure.
- It was also noted that out of a total revenue of Le241,330,000 collected as per the revenue listing, only Le22,000,000 was deposited into the bank leaving a balance of Le 219,330,000 not banked.
- Furthermore, cashbooks to record all revenue collected and expenditures made by the hospital were not maintained by the hospital. As a result, the auditors were unable to ascertain the total revenue and expenditure of the hospital during the period under review.

It was recommended that the MS and the Accountant should provide the relevant documentation to justify the utilisation of the amounts involved; otherwise the amounts should be refunded into the hospital's revenue account and the bank statement and deposit slips submitted for audit inspection. The Hospital must maintain cashbooks which must be reconciled with the bank accounts on a monthly basis.

Official's Response

The MS in his response said that the revenue not accounted for was due to internal arrangement between hospital management and heads of units for incentive disbursement. He added that the policy document was now available for inspection.

Auditor's Comment

- Management was still unable to provide adequate explanation and supporting documents for the utilisation and accountability of Le160,038,000 as at the time of the audit verification exercise.
- Amount totalling Le 219,330,000 remains outstanding as no response was proffered.

Receipt Books not Submitted for Audit Inspection

The following were observed:

- A review of receipt books submitted for audit and records or register of receipt books received and issued revealed that 51 receipt books recorded as issued for revenue collection were not submitted for audit.
- A comparison of receipt books submitted against records of receipt books received and issued revealed that 39 receipt books submitted for audit were not traceable in the store ledger as received or issued.
- An accountable document register was not made available for audit by the hospital. As a result, the auditors could not ascertain the number of accountable documents such as receipts, cheques, admission charts, etc. received and issued for the period under review.
- Examination of interview notes, store ledger, requests made by the outpatient clerk and other documents, revealed that the clerk did not sign for all the receipt books issued to him.

It was recommended that the Hospital Secretary in collaboration with the revenue collection clerk produce the 51 receipt books in question for audit and also provide explanation backed by evidence as to the source of the 39 receipt books not traceable for verification. The Storekeeper should provide justifiable explanation as to why the accountable register was not maintained and why the clerk was not signing for documents received.

Official's Response

The MS stated that most of the receipt books not submitted for audit were assault books and were now available for inspection.

Auditor's Comment

- From the 51 receipt books queried, 15 receipt books were submitted and verified, leaving 36 receipt books still outstanding.
- The 39 receipt books were still not traceable to the store ledger, hence the issue still stands. The accountable document register was also not submitted for verification.

Detached and Blank Duplicate Receipts

Some receipts were detached from their respective receipt books leaving no trace of the type and amount of revenue collected. A review of the receipt books submitted for audit revealed that some of the duplicate receipts were left blank with no indication of the type of revenue and amount collected. It was recommended that the revenue collection clerk should produce the detached receipts in question to the ASSL and provide justifiable explanation or representation as to why the receipts were left blank. Management should institute strong control measures around the receipt and issuance of receipt books and provide to the ASSL evidence of measures put in place.

Official's Response

The MS said: "With respect to nine leaflets that were detached from various receipt books: adequate monitoring mechanism has now been put in place to avoid this practice. Adequate mechanism has also been put in place to carry out physical examination of all receipt books to avoid the removal of the original leaflets".

Auditor's Comment

There was no evidence to show that adequate monitoring mechanism was in place as indicated in management response. The issues raised in respect of detached receipt books and blank duplicates were still not resolved.

Lack of Segregation of Duty

Interviews with key personnel and examination of receipt books, pay-in slips, bank statements and other supporting documents revealed that there was no segregation of duties in the collection, recording and banking of revenue at the hospital. It was observed that the outpatient clerk was responsible for the registration of patients of all illnesses for a registration fee of Le10,000. He also collected varying amounts for other medical services rendered to patients in respect of all units in the hospital with the exception of the eye clinic which maintains a separate account. It was also noted that he did the banking of revenues collected as indicated by the bank statements. It was recommended that the MS institutes control mechanism to ensure segregation of responsibilities at all levels, i.e., there should be segregation of duties between the collection of cash, handling and accounting for all monies collected, bank and reconciliation should be done on a monthly basis and records of reconciliation maintained for audit inspection.

Official's Response

The MS in his reply said: "...it was agreed by management that all revenue should be paid in one central pool; that is why the clerk collected all the revenue. The management had put mechanisms in place to see that segregation is done".

Auditor's Comment

There was no evidence to show segregation of duties in the internal revenue collection. The issue remains unresolved.

6.16.2. Incomplete Records of the Theatre

Review of the theatre ledger used to record surgeries carried out noted that the recording of information relating to patients was incomplete as it did not indicate the amount paid by the patients. As a result, the audit team could not determine the actual revenue collected at the theatre for the period under review. It was recommended that the MS should provide justifiable explanation as to why the recording of information in the theatre ledger was incomplete. It is further recommended that in subsequent years, the missing information is completed in order to enable easy determination of amounts paid by patients. Schedule of all monies collected from the theatre during the period under review must be presented for audit verification.

Auditor's Comment

No response was submitted. The issue therefore remains unresolved.

6.16.3. Payments without Adequate Supporting Documents

The following were observed:

- Payments amounting to Le1,390,659,097 were without adequate supporting documents, such as delivery notes, receipts, certificates of work done or goods received, etc.
- A review of approved expenditure request form in respect of internally generated funds revealed that payments to the tune of Le54, 150,000 were made without adequate supporting documents.

It was recommended that the Finance Officer should submit the relevant documents otherwise the amount involved should be refunded into the hospital's account, and evidence of refund must be submitted for audit verification.

Official's Response

The MS stated that government grants were now available for inspection.

Auditor's Comment

From the total amount of Le1,390,659,097, supporting documents amounting to Le1,200,659,097 were submitted and verified leaving a balance of Le190,000,000 that were without adequate supporting documents. In addition, out of Le54,150,000 queried in respect of internal revenue, supporting documents totalling Le8,833,000 were submitted and verified leaving Le45,317,000 without adequate supporting documents. The issues therefore remain partially resolved.

6.16.4. Poor Management of Fixed assets

Vehicles not Included in the Assets Register

The following were observed:

- Examination of drivers register at the security post against the updated vehicle list submitted for audit revealed that 14 vehicles on the drivers register were not included in the updated vehicles list for the year under review.
- Two ambulances which were in the custody of the hospital were not licensed and insured.
- The drivers register at the security gate was not properly taken care of as some pages were torn apart.
- A page dated from the 3rd to the 6th October 2017 was detached. In addition, two ambulances which were in the custody of the hospital were not licensed and insured.

It was recommended that the MS should ensure that the assets in question including the vehicles are produced and the assets register updated. The un-licensed vehicles should also be licensed and evidence of licence such as life cards retained for audit inspection.

Official's Response

The MS stated that some of the vehicles like AGX 182, AEN 536 had been declared unserviceable and others were private owned vehicles. He added that with regard to the unserviceable vehicles, documents were available for inspection.

Auditor's Comment

The list showing vehicles declared unserviceable and those that are privately owned were not made available for verification as stated above. The two ambulances were still not licensed and insured as at the time of the verification. The issues remain unresolved.

Fixed Assets not Recorded in the Assets Register

The following were observed:

- Physical verification of assets in various locations revealed a large number of assets which were not recorded in the updated assets register submitted for audit.
- The assets register was not properly maintained. This was evidenced by the fact that there was no column indicating the date of purchase or receipt, identification codes of the assets, etc.
- Most of the assets were not marked with unique identification codes while several were with the same codes.
- Some of the assets/equipment like oxygen machines, televisions in the wards, etc., were not in good working condition.

It was recommended that the MS should ensure that a comprehensive stock-take of the entire hospital's assets including serviceable and unserviceable assets is carried out and the assets register immediately updated.

Official's Response

The MS noted that assets not recorded in assets register are now included in the assets register.

Auditor's Comment

The updated assets register was not made available for verification. As a result, the auditors could not conclude whether these vehicles have been included in the fixed assets register or not. The issue therefore remains unresolved.

6.16.5. Inadequate Supply of Essential Equipment and Facilities

Physical verification and observation of facilities in the hospital revealed that some of the infrastructural facilities like bed switches, ceiling fans, security lights, etc., were not in good working condition. In addition, bed linens, window curtains, etc., were not adequate in the wards. Similarly, discussions with senior personnel together with physical verification revealed that there were inadequate supply of key equipment and certain drugs needed to deliver timely and quality healthcare services at various units in the hospital. For instance, the theatre lacked potent drugs such as cefotaxime injection, buscopan injection, suxamethonium injection, pancuronium injection, vecuronium injection, atracurium injection, Neostigmine injection, thiopental injection, etc. There was also no theatre lamp and functioning air conditioner in the theatre.

The X-ray unit also had shortage of reagents which sometimes resulted to shut down for a week or more during the year. The unit also had no film drier, no film cutter, etc.

It was recommended that the Director of Training, Hospitals and Laboratory Services should ensure that basic medical equipment and other facilities are provided in order to enhance the sustainability of quality healthcare service delivery to the populace.

Auditor's Comment

No response was proffered. The issue therefore remains unresolved.

6.16.6. Staff not Available for Physical Verification

Eighty Seven (87) staff failed to turn up for physical verification. Of utmost concern was the fact that the hospital is being staffed with a large number of volunteers (86 personnel) while those on government payroll (57 staff) were allowed to go on study leave without HRMO's and the Ministry of Health and Sanitation's approval. Furthermore, we noted that 19 personnel turned up for physical verification but their names were not found on the updated staff list submitted for audit. It was recommended that the MS should ensure that those staff avail themselves for physical verification; otherwise, their names and pin codes should be forwarded to the HRMO for deletion from the payroll of the hospital.

Official's Response

The MS in his reply said: "...amongst the staff that were not verified by the auditors, 87 personnel were not present for physical verification. This is still relating to the staff list that has not been updated. However some of the staff have completed their courses and have been posted to other institutions. This issue will also be laid to rest after the current biometric verification exercise of all the civil and public servants in the country".

Auditor's Comment

The 87 staff in question were not available for verification. The auditors could not confirm the accuracy and existence of the total staff employed by the hospital management. The issue therefore, remains unresolved. Furthermore, the issue relating to staff who went on study leave without any approval from the HRMO still stands.

6.16.7. Staff without NASSIT Numbers

Examination of the updated staff list revealed that 12 staff were without NASSIT numbers. It was recommended that the MS in collaboration with the hospital's HR should ensure that the said staff have their NASSIT numbers as soon as possible.

Auditor's Comment

No response was submitted to the audit query. The issue therefore remains unresolved.

6.16.8. Staff Who Had Exceeded the Statutory Retirement Age

A staff with pin code 123202 born on 2nd May, 1956 who should have retired since 2nd May, 2016 was still working and receiving salaries up to the time of writing this report. Total salaries received by her amounted to Le13,794,650. It was recommended that the MS should, with immediate effect, inform the Director General, HRMO for appropriate action to be taken otherwise, the said amount should be paid back into the CRFA.

Official's Response

The MS said that the staff concerned with pin code 123202 has retired.

Auditor's Comment

The retirement letter was not made available for verification, and could therefore not confirm the above claim by management. The issue therefore remains unresolved.

6.16.9. Follow-up on Previous Year's Recommendations

During the audit exercise, we followed up on all recommendations made in previous years. A summary of the status of these recommendations is given below:

- *Imprest totalling Le42,690,000 said to have been spent did not have retirement details.*
- *From receipt books, cash book and bank statements presented, it was noted that the facility collected total revenue of Le75,690,000 and deposited Le36,310,000. Furthermore, it was observed that Le112,000,000 was disbursed, meaning total revenue was not fully disclosed.*
- *The financial and non-financial records such as cash book, admissions, surgeries etc. did not have any back-ups.*
- *Considering emergencies in hospitals, the management of the hospital made an internal arrangement for the sale of cost recovery drugs by a registered pharmacy. However, the selection was not done through an approved procurement procedures thereby flouting the NPPA Act.*
- *Sanksey Cleaning & Co., the cleaning contractor was over-paid by Le200million when the legal contract and cash book out flows were compared.*

6.17. GOVERNMENT HOSPITAL MAKENI -2016

6.17.1. Procurement Irregularities

Considering emergencies in hospital, the management of the hospital made an internal arrangement for the sale of cost-recovery drugs by a registered pharmacy. However, the selection was not done by procurement procedures thereby flouting the NPPA Act. In addition, Sanksey Cleaning Co. the cleaning contractor, was overpaid by Le202,827,000 when the legal contract and cashbook outflows were compared. It was recommended that the MS should ensure the following:

- The sale of cost-recovery drugs at the hospital is awarded to a firm according to the NPPA Act.
- The excess payment of Le202,827,000 be recovered and paid to the Hospital's Account.
- The adverts and bids are made available for verification.

Official's Response

The MS said that compliance will be referred to the Procurement Unit of the Ministry in order to regularise the situation.

Auditor's Comment

The over-payment to Sanksey Cleaning Co. is still uncleared

6.18. GOVERNMENT HOSPITAL PUJEHUN- 2017

6.18.1. Inadequate Control over the Management of Drugs

Drugs supplied to the hospital were not properly accounted for as the audit uncovered certain anomalies which include tally cards not made available for the year under review and drug requisition forms in respect of the supply of drugs from stores to different units of the hospital not serially numbered. In some cases, requests were made using A4 paper that were not authorised by an appropriate officer. Furthermore, the team was unable to conduct a physical count of actual stock and compare those actual stock figures with those recorded on the tally cards. Moreover, a certificate of stock count was not provided during the exercise to enable the auditors confirm that physical stock taking was performed for the period under review.

It was recommended that the MS should ensure that tally cards used to monitor movements of store items are maintained and regularly updated. In addition, a written request should be raised and signed by the heads of units/wards and approved by an appropriate officer. Furthermore, physical stock taking should be conducted on a quarterly or annual basis and this should be witnessed by a third party and stock count sheets and certificates filed for audit purposes.

Official's Response

The MS in his reply said:

- *"Tally cards are supplied based on requests from the Central Medical Stores to the Pujehun Government Hospital. Management had made numerous requests to the Medical Stores for the supply of tally cards. During 2017, tally cards were supplied at the latter part of the year which made the recording and updating of store items difficult. This matter has been discussed at headquarters and tally cards are now available for your inspection. Measures have also been put in place to prevent the shortage of tally cards in future.*
- *Your recommendation have been adhered to. Customised requisitions for each facility are prepared and approved by senior officials before drugs are issued to all health facilities.*
- *This observation is noted and management will henceforth engage third parties, i.e., the Internal Audit, MOHS and Council whenever it embarks on the conduct of annual physical stock counts".*

Auditor's Comment

Tally cards were not provided to the auditors to help them confirm that items supplied were recorded. Similarly, customised requisitions were not made available for audit. Therefore, this issue is unresolved.

6.18.2. Inadequate Store Equipment and Facilities

Storage facility for the safe keeping of drugs and other consumables was inadequate. In addition, electricity power was not enough to ensure the conducive storage of drugs in refrigerators and air conditioned stores. Furthermore, the computer used for the storage of data and to interface with the Channel System was faulty. It was recommended that the MS should engage other stakeholders in a bid to ensure that:

- Adequate storage space is provided for the safe and conducive storage of drugs and other items.
- Adequate electricity power be made available to power both the refrigerators and air conditioners to ensure the conducive custody of drugs.
- The computer is repaired or a new one is acquired as the case may be to enable the Storekeeper effectively record store transactions and link them to the Channel System.

Official's Response

The MS said that the issues have been communicated to the MOHS' headquarters for necessary action.

Auditor's Comment

The hospital is still challenged with inadequate storage space, ineffective electricity supply and a faulty computer. These issues remain unresolved.

6.18.3. Poor Records Keeping in the Catering Department

The Catering Department did not maintain stores receipts and issue vouchers for all food items received and issued out during the year under review. In addition, the Kitchen Ledger in which all condiments used for the preparation of food on a daily basis are recorded, was not made available for audit.

Physical verification of the Pujehun Government Hospital's kitchen and its environs revealed that the hospital's kitchen space, dishing room and storage facilities were inadequate. We further observed that the majority of cooking utensils such as pots, rubber buckets, flasks, dish baskets, serving spoons, etc. were worn out and badly in need of replacement.

It was recommended that the MS should ensure that all documents such as receipts and store issue vouchers in respect of the kitchen should be made available for verification. It was further recommended that the MS should also engage other stakeholders in a bid to ensure that adequate utensils and equipment necessary for the effective operations of the kitchen are provided for verification.

Official's Response

The MS in his reply said:

"Management has engaged the Ministry's headquarters in respect of the supply of store receipt vouchers and store issue vouchers for the facilitation of proper kitchen records. In addition, kitchen ledger in which all condiments are recorded was maintained and is now available for verification.

The Medical Superintendent will continue to engage the appropriate authorities at the Ministry's headquarters for the provision of resources for the expansion of the kitchen and its facilities to facilitate the proper preparation of food for patients.

The dearth of kitchen utensils is due to the late/non-remittance of funds for the running of the hospital. However, these have been factored into the hospital's AWP and will be forwarded to Council for implementation".

Auditor's Comment

Evidence in the form of documents to enable the auditors assess and determine whether the audit recommendations were adhered to were not provided for audit. Therefore, these issues remain unresolved.

6.18.4. Poor Controls over Own Source Revenue Mobilisation

A review of the revenue mobilisation mechanism revealed that the revenue collection system within the hospital was not centralised and the revenue collection units did not have revenue clerks in post. As a result, revenues collected in the various departments were not fully accounted for to the Finance Department for onward payment into the Hospital's bank account.

It was recommended that without any further delay, the MS should ensure that revenue collection within the hospital is centralised and exclusively handled by the Finance Department so as to ensure proper documentation and accountability in the revenue collection process.

Official's Response

The MS said "There was no substantive Finance Officer attached to the Hospital that was responsible for the monitoring and supervision of own source revenue mobilisation. However, the MS will engage the Ministry's headquarters for the recruitment of a Finance Officer. Mechanisms will also be put in place to ensure that own source revenue is properly collected and accounted for".

Auditor's Comment

A Finance Officer is yet to be recruited, and as a result, the hospital is still challenged with controls over own source revenue mobilisation. Therefore, this issue is unresolved.

6.18.5. Inadequate Controls over the Printing, Storage and Use of General Receipt Books

A contract was created in respect of the printing of receipt books and delivery notes. In addition, receipt books procured and delivered to the Hospital were not provided for audit verification. Furthermore, requisition and distribution lists for receipt books supplied to the various units within the Hospital were also not made available for audit. Moreover, receipt books delivered to the Hospital were not recorded in an accountable document register. It was recommended that the MS should ensure that:

- There is proper control over the printing and storage of general receipt books.
- Receipt books are printed by the Government Printing Department and all receipts printed are recorded in the accountable document register.
- All requisition and distribution lists of receipt books are provided for audit.

Official's Response

The MS in his reply said "The MS will collaborate with the Ministry's headquarters and the Local Council to ensure that a printing house is engaged for the printing of receipt books for the Hospital. In addition, the management of the hospital will develop an accountable document register to take stock of all accountable documents in the Hospital in order to enhance effective internal control".

Auditor's Comment

Requisition forms, distribution lists in respect of receipt books and an accountable document register were not provided during the verification exercise. Therefore, this issue remains unresolved.

6.18.6. Poor Controls over the Recording of Own Source Revenue

The revenue generated from the laboratory was not supported by laboratory request forms prepared by the clinician, and was also not recorded in a ledger. It was recommended that the MS should ensure the following:

- All public funds are recorded in an appropriate accounting register and properly accounted for in accordance with Section 44(1) of the FMR 2007.
- Documents in support of the collection of revenue from laboratory services are provided for audit verification.

Official's Response

The MS said that the observation was noted and management will start attaching laboratory request forms to all revenues generated from the Unit. He also mentioned that management will develop a revenue ledger to record all revenues generated from this Unit.

Auditor's Comment

Laboratory request forms and revenue ledgers were not made available during the verification exercise. Therefore, this issue remains unresolved.

6.18.7. Non- Submission of Documents

Documents were not submitted in respect of the operating theatre, the mortuary and the eye clinic to account for revenues collected. It was recommended that the MS should ensure that all documents in respect of revenue generated from the theatre, mortuary and eye clinic fees are submitted for audit inspection.

Official's Response

The MS said that the observations were noted and the documents were now available for verification.

Auditor's Comment

Documents relating to transactions and revenue in respect of the mortuary and operating theatre were not provided for audit, therefore this issue remains unresolved.

6.18.8. Revenue Collected but not Deposited into Bank

A review of receipt books revealed that out of a total of Le14,989,000 collected, bank pay-in slips were only provided for the sum of Le1,475,000 deposited into the account held at the Rokel Commercial Bank. The difference of Le13,514,000 was not deposited and there was also no credible account given for its utilisation. It was recommended that the MS and the Finance Officer should account for the Le13,514,000 that was neither deposited into the bank nor accounted for.

Official's Response

The MS said that the revenue collected for the period was utilised as follows:

Consultation to doctors-----Le3,464,000

Disbursement----- Le10,050,000

Deposited to bank----- Le1,475,000

He further mentioned that the consultation fees paid to doctors was approved by the community, the council and hospital management. It was agreed by these bodies that doctors should be paid consultation fees for the services they render.

Auditor's Comment

The agreement (in the form of writing) between the community, council and hospital management in respect of the payment of consultation fees to doctors was not made available to the auditors to justify the sum of Le3,646,000 reportedly paid as consultation fees to doctors. Supporting documents to substantiate the utilisation of the sum of Le10,050,000 was also not made available for audit verification. Therefore, the sum of Le13,514,000 still remains unaccounted for and therefore, the issue remains unresolved.

6.18.9. Inadequate Control over the Distribution and use of Fuel

A fuel register and fuel chits were not submitted to account for fuel Le59,700,000 supplied to the Hospital by the Pujehun District Council. In addition, vehicle and generator log books were not maintained. Furthermore, the Hospital did not have a fuel policy to guide the allocation and distribution of fuel.

It was recommended that the MS should ensure the following:

- Submit the fuel register that shows the quantity of fuel issued, received and outstanding.
- Submit fuel chits in respect of the fuel consumed worth Le59,700,000.

- The existence of a fuel policy to guide the usage and allocation of fuel.
- The existence of vehicle log book(s) and generator log book(s).

Official's Response

The MS mentioned that the observations were noted and management will develop a fuel register, fuel chits, vehicle log books and generator log books to account for fuel supplied to the Hospital in future. He added that the MS will continue to collaborate with the Ministry's headquarters and the Local Council to ensure that a fuel policy is developed for the Hospital.

Auditor's Comment

Fuel chits, fuel register and vehicle log books were not provided to account for the sum of Le59,700,000 incurred in respect of fuel. Therefore, this issue remains unresolved.

6.18.10. Other Observations

- Bed sheets, pillows, towels, blankets, buckets, soap, bins etc. were not sufficient for distribution to patients.
- Fire drills disaster and emergency simulations and many more were not done to prepare staff and patients for any eventuality.
- The hospital did not maintain an environment policy and did not have an Environment Officer assigned to the Hospital. As at the time of the audit, the Infection, Prevention and Control (IPC) Officer oversaw environment issues.

It was recommended that the MS should ensure that a simulation exercise was carried out to prepare staff and patients for fire and other emergencies. In addition, an Environment Officer should be assigned to the Hospital, and an environment policy developed for the proper management of environmental and other related issues. Furthermore, management should also institute proper coordination between the IPC Unit and the proposed Environment Officer. Staff should also be trained in disaster response especially fire drills and disaster and emergency simulations.

Official's Response

The MS in his reply said "We hope to get adequate supplies of lining materials bed sheets, pillows, towels, blankets, buckets, soap, bins and bin liners when funds are available.

The procurement of IPC materials is factored in the annual work plan. We hope to procure these items when funds are available. However, we have been supplied liquid soap by Central Medical Stores that is used for hand washing. We also have bins with liners in all units with colour coding to enhance adequate waste segregation at points of collection. The IPC Unit is functional. We hold monthly meetings on IPC issues where challenges with regards IPC are addressed the Environment Health Officer usually attends the IPC meetings and helps the IPC focal point with supervision of hospital staff to ensure IPC compliance. Minutes of those meetings are available. Soap and IPC guidelines are also available in the IPC Unit. Several trainings on IPC have also been conducted in the Hospital".

Auditor's Comment

Minutes of IPC meetings, guidelines and reports on trainings conducted by IPC were not provided during the exercise. Therefore, these issues remain unresolved

6.18.11. Lack of Specialist Medical Officers

Specialist doctors such as gynaecologists, dentists, radiologists, virologists, psychiatrist, orthopedists, surgeons and ophthalmologists were not available in the Hospital. It was recommended that the MS should notify the Ministry about the urgent need for the aforementioned specialist doctors.

Official's Response

The MS stated that the Hospital has some specialist medical doctors including doctors of CUAM in post who conduct surgical operations. He also mentioned that most of the nurses attached to the Maternity Unit had been trained in EMONC services and their services had greatly improved the quality of care as evidenced by the decrease in maternal deaths and still births in 2018.

Auditor's Comment

The list of specialist doctors in post at the Hospital was not provided during the audit. Therefore, this issue remains unresolved.

6.19. GOVERNMENT HOSPITAL PORT LOKO - 2015-2016

6.19.1. Receipt Books not Made Available for Audit Inspection

A review of the accountable documents register and the receipt books submitted for audit inspection revealed that a number of receipt books with an estimated revenue collected of Le14,705,000 in 2015 were not submitted to the team for audit inspection. It was recommended that the MS should work with the Finance Officer to ensure that the Le14,705,000 is paid into the hospital's bank account.

Official's Response

The MS in his reply said "We agree with your findings that some receipt books were not submitted to you for inspection during the audit. This happened as a result of relocation of the finance office to a more spacious location. Some of those receipt books probably got misplaced while transferring the documents to the new office. However, management has been engaged in searching for them and we have also contacted the out gone Finance Officer who was in possession of those documents. As soon as they are retrieved, we will make them available for inspection".

Auditor's Comment

No paying-in slip was submitted for verification as recommended and the missing receipts books referred to in the response were not made available for verification. The issue is therefore unresolved.

6.19.2. Revenue not Banked

A close examination of the receipt books, cashbooks and bank statements of the Port Loko Government Hospital for the period under review revealed that revenue collected but not banked amounted to Le21,013,458 and Le30,937,680 in 2015 and 2016 respectively. Furthermore, no documents were submitted to show the disbursement of the said revenue. It was recommended that the Finance Officer should provide the supporting documents to show the use of the amounts in question or otherwise refund the total amount of Le51,951,138 into the hospital's bank account.

Official's Response

The MS in his response said "The said revenue in 2015 was used for Ebola Virus Disease (EVD) activities and the necessary documents are now available for verification. Similarly, the revenue referred to in 2016 as not banked was used to procure stationary and pay incentives to staff. The receipts for stationary and signature list of staff for incentives are now available for verification".

Auditor's Comment

The supporting documents were not made available and no evidence of refund into the hospital's account was submitted for verification. The issue remains unresolved.

6.19.3. Revenue not Accounted For

An examination of the hospital theatre books for the period under review revealed that revenue generated from the theatre amounting to Le165,692,800 and Le43,440,000 in 2015 and 2016 respectively was not

accounted for. Moreover, interview with the MS and other key staff of the hospital revealed that 50% of the said amount was meant for the doctors, 30% for the other theatre staff and 20% sent to revenue account. However, there was no policy statement with regard to the above percentages. It was recommended that the MS and the Finance Officer should provide an explanation backed by documentary evidence for the use of the funds or pay the amounts of Le165,692,800 and Le43,440,000 into the hospital's bank account. It was also recommended that the hospital management in collaboration with MOHS should device a policy with regard to the utilisation of the surgical funds.

Official's Response

The MS in his reply said "I took over just two weeks before the audit and all the transactions occurred before I was transferred here. However, I am liaising with the out gone Medical Superintendent for explanation on policy statement for the use of the 80% proportion of the theatre charges. We will forward the detailed explanation or document to your office for verification to support the appropriations as soon as we receive it from the said Medical Superintendent".

Auditor's Comment

Neither the documentary evidence to support the appropriation of the theatre fees and charges nor evidence of refund into the hospitals bank account was made available for verification. The issue is therefore unresolved.

6.19.4. Expenditure without Supporting/Adequate Supporting Documents

A review of the disbursement records revealed that expenditure without supporting documents for the period under review amounted to Le6,659,000 and Le5,315,000 for 2015 and 2016 respectively. Similarly, analysis of the disbursement records for the periods under review revealed that claimed expenditure without adequate supporting documents amounted to Le16,312,000 and Le11,334,750 for 2015 and 2016 respectively. It was recommended that the Finance Officer should ensure that all necessary documents in respect of the disbursements are submitted for audit inspection.

Official's Response

The MS in his reply said "I want to humbly assert that all transactions were fully documented, but the retirement of the Finance Officer who was in charge of documentation has been a stumbling block for the response. We have retrieve most of the supporting documents and we will make them available for verification".

Auditor's Comment

Out of the total amount of Le11,325,000 queried for transactions without supporting documents, records relating to Le3,638,750 were submitted leaving a balance of Le7,686,250 unverified. In addition, out of a total amount of Le27,414,750 queried for 2015 and 2016 relating to adequate supporting documents, records relating to Le8,982,750 were verified leaving a balance of Le18,432,000. The issues therefore remain partly unresolved.

6.19.5. Management of Fuel

Analysis of the fuel chits and fuel registers in comparison with the amounts paid for fuel during the periods under review indicated that a total of 13,788 litres and 4,994 litres amounting to Le51,706,250 and Le17,883,750 could not be accounted for in 2015 and 2016 respectively. It was recommended that the Finance Officer should ensure that the fuel chits and registers are submitted for audit inspection or otherwise refund the amount in question into the hospital's bank account. All records relating to fuel usage should be submitted for audit inspection when requested and regular reconciliations should be done with the fuel supplier to correct discrepancies if any.

Official's Response

The MS in his response said "In 2015 a lot of EVD activities were undertaken in a bid to end the epidemic. Those activities involved too many vehicular movements that consumed most of the said fuel. The fuel chit could have been misplaced during the course of the relocation of the finance office".

Auditor's Comment

The fuel chits and register were not submitted for verification. Therefore, the issue remains unresolved.

6.19.6. Contract Documents for Waste Management not Submitted

The contract documents for "Bailans Construction & General Supplies" and "Association for Community Development" cleaning agencies for the cleaning of the hospital were not made available for audit inspection. The auditors could therefore not assess the value for money for the Le32,532,500 and Le17,000,000 spent on waste management in 2015 and 2016 respectively as the hospital had grass growing all over the compound, except the entrance. It was recommended that the hospital management should ensure that the contract documents for the two contractors (Bailans Construction & General Supplies and Association for Community Development) for the cleaning of the hospital compound are submitted for audit inspection.

Official's Response

The MS in his reply said "The Port Loko District Council is responsible for the hiring of service providers and the said document is in their possession. However, we have requested a copy of the contract document for waste management from the Council's administration and we will make them available for verification".

Auditor's Comment

The contract documents were not made available for verification. The issue remains unresolved.

6.19.7. Management of Fixed Assets

Most of the assets owned by the Port Loko Government Hospital including furniture and equipment were not coded. All the assets in the Hospital Secretary's office, the Finance Officer's office, the Medical Superintendent's office and many other offices in the hospital were not coded. The asset register was last updated in 2014, and all the assets acquired in 2015 and 2016 especially from Partners In Health (PIH) have not been included in the Asset Register. It was recommended that the Finance Officer should ensure that all the assets owned by the hospital are coded accordingly.

Auditor's Comment

There was no response from the Client. However, the updated asset register was submitted, reviewed and verified during the verification exercise, although most of the assets were still not coded. The issue therefore remains partly unresolved.

6.20. PRIMARY HEALTH CARE, BOMBALI - 2017

6.20.1. Payments without Supporting Documents

A review of financial records submitted to the team in relation to the UNICEF account maintained by the PHC for the period under review revealed that, payments totaling Le1,275,777,000 were made without supporting documents. It was recommended that the District Medical Officer (DMO) should provide explanations why relevant documents such as requests, invoices, receipts delivery notes, etc. were not maintained for the said amount. He should also ensure that all necessary documents in respect of the disbursements are submitted for verification.

Official's Response

The DMO said they were constrained at the time of the audit because most of the reports were sent to the donors (UNICEF) for review and re-funding of other activities. He however noted that the documents had been retrieved and were now available for verification.

Auditor's Comment

From Le1,275,777,000 queried, supporting documents were reviewed and verified for Le1,180,010,000 leaving a balance of Le95,767,000 unaccounted for. Therefore, the issue remains partly resolved.

6.20.2. Expenditure Overstated

Expenditure incurred during the period under review was overstated by Le10,240,000. It was recommended that the DMO should ensure that the supporting documents for the excess expenditure are submitted for review or the amount paid back into the PHC's account.

Official's Response

The DMO said: "We agree with your findings on expenditure. This was a mistake by the staff responsible for NIDs round 4. He did not attach two of the other receipts for those activities. The said receipts are now available for verification".

Auditor's Comment

The said receipts referred to in the management's response above were not made available for verification. This issue still stands.

6.20.3. Assets not Coded

Most of the assets in the Primary Health Care (PHC) were not coded and had no tags to indicate ownership. It was recommended that the DMO should ensure that all the assets were coded and the asset register updated to capture such codes. In addition, all assets purchased or donated to the PHC should be coded immediately and the asset register updated and maintained for reference and/or audit purposes.

Official's Response

The DMO said that some of the assets were not coded but had already planned to code them when funds were available.

Auditor's Comment

The said assets were still not coded at the time of the verification. The issue is still unresolved.

6.20.4. Assets not Made Available for Verification

Physical verification of assets revealed that, 10 vehicles and 68 motorbikes were not made available for physical verification. It was recommended that the DMO should ensure that the said vehicles and motorbikes are made available to ASSL for verification.

Official's Response

The DMO in his reply said: "Those vehicles and motorbikes were on official duties outside Makeni at the time of the audit. Some of them are stationed at PHUs, your team can visit those PHUs should they want to verify them".

Auditor's Comment

During the verification exercise, six vehicles and five motorbikes were verified. The remaining vehicles and motorbikes were not made available for verification. The issue therefore remains unresolved.

6.20.5. Life-Cards for Vehicle and Motorbikes not Submitted for Inspection

A review of the assets records also revealed that life-cards for 21 vehicles were not submitted for audit inspection. Confirmation of ownership of those vehicles was therefore impossible. It was recommended that the DMO should ensure that life-cards of the said vehicles were submitted to ASSL for verification.

Official's Response

The DMO said that during the audit, the life-cards were at the district council for audit purpose and are now ready for verification.

Auditor's Comment

No life-card was provided during the audit verification to support management's response. The issue therefore remains unresolved.

6.20.6. Distribution Lists for Drugs

Several visits were made to the district medical store to access and review the stores ledger and stores issue voucher(s) in respect of the medical equipment and drugs procured during the period under review, but the District Logistics Officer (Stores Manager) was never available to submit those documents. The auditors could therefore not confirm the receipt and distribution of drugs and medical equipment to the tune of Le110,000,000 procured during the period. It was recommended that the DMO should provide explanation for not allowing the audit team to verify the delivery of those drugs. He should also ensure that the stores ledger and distribution lists for the drugs and equipment were submitted to ASSL for verification or otherwise refund the amount into the PHC's bank account and submit the original pay-in slip to ASSL for verification. The Stores Manager should also ensure that the delivery notes, stores ledger and stores issue voucher (distribution list) for drugs and equipment procured during a particular period are maintained for reference and/or audit purposes.

Official's Response

The DMO in his reply said: "The Stores Manager lost his mother at the time of the audit. He travelled to Bo for the funeral and when he returned, he again lost his eldest son in London. However, there is a store's manager now and your team can verify the drugs".

Auditor's Comment

The substantive District Logistic Officer and some other staff working at the medical stores were being investigated by the police at the time of the verification. We could therefore not access the stores and the drugs were therefore not verified. This issue remains unresolved.

6.20.7. Follow-up on Previous Year's Recommendations

During the audit exercise, we followed up on all recommendations made in previous years. A summary of the status of these recommendations is given below:

- *The PHC, Bombali District, headed by the District Medical Officer (DMO) prepared a budget for various activities including decommissioning, decontamination, training, monitoring of EPI activities, etc. and remitted it to UNICEF. After approving the budget, UNICEF remitted the requested funds to the PHC's account. However, examination of liquidations revealed that liquidations were still not seen for Le187,353,500 of the funds received for decommissioning, decontamination, training and EPI activities.*

6.21. PRIMARY HEALTHCARE KAMBIA – 2015

6.21.1. Records not Made Available for Inspection

In spite of repeated requests and contrary to the provision in Section 119(2) of the 1991 Constitution of Sierra Leone and Section 36(1) of the Audit Service Act 2014, records for Free Healthcare drugs such as delivery notes, store ledger and prescription forms were not made available for audit.

6.22. PERIPHERAL HEALTH CENTER, PORT LOKO - 2015-2016

6.22.1. Delivery Note For Cost Recovery Drugs

A review of the financial records revealed that delivery note and stores issue voucher for cost recovery drugs procured in 2015 amounting to Le52,582,500 were not submitted to the team for audit inspection. The auditors could therefore not determine how the drugs were distributed among the PHUs. Revenue generated from the sale of those drugs could also not be ascertained as there were no pay-in slips in respect of cost recovery drugs. It was recommended that the DMO should make the relevant delivery notes, store issue vouchers (distribution list), and pay-in slips available to ASSL for verification or the amount involved be paid back into the PHC's Account with evidence of refund made available to ASSL.

Official's Response

The DMO in his reply said "During the Ebola outbreak, the then District Medical Officer had instructed the various PHU's to utilise the revenue collected from the sale of the cost recovery drugs as everyone was striving to end the Epidemic. The delivery notes and stores issue vouchers were in the possession of the Stores Manager who was out of office at the time of the audit field work. However, the said documents are now attached for verification".

Auditor's Comment

The delivery note and stores issue vouchers were reviewed and verified. We were however not provided with evidence of approval from the Permanent Secretary, Ministry of Health and Sanitation for the utilisation of the amount in question. Moreover, the supporting documents to justify the utilisation of the said sum were not submitted for verification. The issue is therefore unresolved.

6.22.2. Payments Without Adequate Supporting Documents

Some payments amounting to Le337,988,000 and Le399,700,000 in 2015 and 2016 respectively, in respect of house to house sensitization, WHO implementation and training of PHU staff did not have such liquidations as invoices, receipts, reports, signatures of recipients and training manuals. It was recommended that the DMO should make the relevant, reliable and sufficient supporting documents available to ASSL for verification or the amounts involved be paid back into the PHC's Account and original Pay-in slip brought to ASSL for confirmation of refund.

Official's Response

The DMO in his reply said "We agree with your query on payment without adequate supporting documents. Those documents were in the possession of the M & E Officer who was busy with other assignments at the time of the audit, so we could not make them available for inspection. However, the queried documents are hereby attached for verification with the exception of Le70,300,000 relating to "House to house Ebola campaign". This activity (house to house Ebola campaign), was implemented during the Ebola Virus Disease (EVD) outbreak under the leadership of the then District Medical Officer, Dr. Adikali Kamara. Apparently the documents were taken to Freetown during the EVD audit process and were never returned".

Auditor's Comment

Out of the total queried amount of Le737,688,000 for 2015 and 2016, supporting documents were reviewed and verified for Le667,388,000 leaving a balance of Le70,300,000 relating to "house to house Ebola campaign" unresolved.

6.23. PERIPHERAL HEALTH CENTRE, TONKOLILI - 2016

6.23.1. Malaria Case Management Data Not Submitted for Inspection

No data was submitted to the team on malaria case management and disease surveillance for the period under review. We could therefore not assess how many cases were treated and how many died as a result

of malaria or other diseases. It was recommended that the DMO should ensure that all statistics relating to malaria case management and disease surveillance within the district for 2016 are submitted to ASSL for comparative analysis.

Auditor's Comment

The response was issued. The issue therefore remains unresolved.

6.24. DISTRICT HEALTH MANAGEMENT TEAM, BO -2017

6.24.1. Credit Transfers not Supported with Adequate Supporting Documents

A review of the Hospital's bank statements and cashbook revealed that a total of Le6,161,570,852 was credited to the DHMT bank account. Out of this amount, bank transfer letters for the sum of Le1,035,298,299 donated by UNICEF was submitted for audit. However, no bank transfer letters or credit advice were provided for the remaining Le5,092,281,553. Consequently, the source(s) from which this amount emanated and the purposes for which it was used remain unknown as at the time of the audit. Similarly, the DHMT did not provide copies of letters of acknowledgement of receipt of the total amount donated. It was recommended that the DMO should provide the letters of transfer in respect of the amount of Le5,092,281,553 and these letters should indicate the donor(s) and the purposes for which the funds were utilised for verification.

Official's Response

The DMO in his response said "This issue is of great concern to management. Funds received from our partners are communicated via e-mail, transfer letters from partners or through the Ministry of Health and Sanitation which informs the DHMT by phone calls that our account had been credited. These funds are deposited in the DHMT account with the exception of funds remitted by Global Fund which has a separate account. However, funds received are utilised in accordance with activities in the annual work plan developed by our partners. Retirements are submitted to partners by DHMT in the face form which is approved by partners before additional funds are remitted. Management has decided to engage its partners and bankers to ensure that transfer letters and credit advice are prepared and filed whenever funds are remitted".

Auditor's Comment

Evidence of DHMT's engagement with partners (i.e., the MoHS headquarters and bankers) to ensure that letters of transfer and credit notifications and advice provided were not submitted for audit. Therefore, this issue remains unresolved.

6.24.2. Inadequate Control over the Processing of Birth and Death Certificates

Blank birth certificates were signed and distributed to PHUs prior to their processing and issuance. It was recommended that the District Medical Officer (DMO) in collaboration with the Senior Registrar should ensure that birth certificates are filled with the applicant's correct information before they are signed. The DMO may delegate the signing of birth certificates to other senior officers at the PHUs in remote areas but this should be closely monitored and regular returns made to the DMO.

Auditor's Comment

This issue was not addressed by the management of the DHMT. Therefore, this issues remains unresolved.

6.24.3. Cashbook and Supporting Documents not Produced for Inspection

The sum of Le214,861,253 was allocated to the DHMT through the Bo District and Bo City Councils. It was however observed that the DHMT did not maintain records such as cashbooks, expenditure ledgers and copies of supporting documents to account for the utilisation of this amount. It was recommended that the DMO should ensure that the Finance Officer maintains a cashbook and expenditure ledger to

record all allocations received from the councils and retain copies of those supporting documents for audit and reference purposes.

Official's Response

The DMO in his reply said "A cashbook/expenditure ledger has now been maintained by the Finance Officer to record all allocations received from the councils and copies of supporting documents for the sum Le214,861,253 allocated to the DHMT through the Bo District and Bo City Councils have been retrieved from these councils and are now available for your verification".

Auditor's Comment

Photo copies of supporting documents for the sum of Le214,861,253 in respect of transactions incurred by DHMT through the Bo District and City Councils were not provided for audit. Therefore this issue remains unresolved.

6.24.4. Inadequate Control Over The Use Of Fuel

Out of a total of Le139,152,000 worth of fuel purchased by the DHMT, fuel chits were provided for audit for the sum of Le108,816,000 (18,136 litres) leaving a difference of Le30,336,000 worth of fuel (5,056 litres) unaccounted for. There was also no evidence that the DHMT reconciled its fuel records with the records maintained by the fuel dealers and suppliers in the interest of transparency. It was recommended that monthly reconciliations between the DHMT fuel records and the records maintained by the fuel dealers or suppliers should be conducted and evidence of such filed for audit purpose.

Official's Response

The DMO in his reply said "Mr Sheku Williams took appointment as fuel clerk of DHMT in February, 2017 from Ms. Christiana B. Koroma because of pressure of work. The fuel clerk made entries of all daily fuel supplied to DHMT fleets in the daily fuel distribution sheet indicating the date of supply, quantity supplied, vehicle registration number, name and signature of recipient to substantiate evidence of supply for the period under review. The failure to use fuel chits by the fuel clerk was not intentional but due to inexperience. He has been admonished that henceforth, the daily fuel distribution sheet should be prepared side by side the fuel chits as this is good for accountability and transparency. The fuel clerk has been advised to ensure that the fuel dealer's record and that of the DHMT's fuel register should be reconciled regularly to avoid differences in the use of fuel".

Auditor's Comment

Fuel chits for Le24,000,000 worth of fuel were provided during the exercise. This left a difference of Le6,336,000 worth of fuel unaccounted for. There was also no evidence that management took action to address this issue. The issue therefore remains partly unresolved.

6.24.5. Drugs not Brought to Account

Physical count of actual drugs in stock revealed a discrepancy of Le49,531,425 worth of drugs between the physical balances and the balances recorded in the tally cards maintained by the Storekeeper. It was recommended that the DMO and the Storekeeper should account for this difference of Le49,531,425; otherwise, the whole amount should be recovered and paid into the CRFA.

Official's Response

The DMO said "These variances are as a result of the late supply of tally cards and other supporting tools by the Ministry of Health and Sanitation to the DHMT store. Therefore, the store keeper was unable to update its records to show the movement of store items. Management has however made provision for the recording of receipts and issues of store items when tally cards are not available".

Auditor's Comment

Even though tally cards had been supplied to the DHMT, tally cards of drugs listed in the appendix are yet to be updated to reflect the movement of drugs issued. Therefore, the issue remains unresolved.

6.24.6. Expired Drugs not yet Disposed of

Expired drugs were not destroyed or disposed of and were left to continue occupying the shelves in the hospital stores which should have been better utilised by usable essential drugs. Discussions with the Pharmacist revealed that some of these drugs were supplied close to their expiry dates and some that were not in frequent demand expired even before they were used. It was recommended that the DMO should ensure that a list of the expired drugs was compiled and sent to the Central Medical Stores for their immediate collection and destruction to avoid them being inadvertently administered to patients or sold to the public.

Official's Response

The DMO stated that management had written a letter to the Ministry of health and Sanitation asking them to ask the Central Medical Stores in Freetown to facilitate the immediate and safely disposal of those drugs and immediately make available all relevant documents in respect of such activity for audit verification.

Auditor's Comment

A copy of a letter written by the Hospital Management to the MoHS in April, 2018 requesting its support for the collection and immediate disposal of expired drugs was provided for our inspection. However, no further reminder was sent to the MoHS and the expired drugs were still in the Hospital stores at the time of our audit. Therefore, the issue remains unresolved.

6.24.7. Drugs and other Items Supplied not Recorded on Tally Cards

A review of delivery notes revealed that tally cards were not maintained for some drugs and other items delivered to the DHMT store. It was therefore impossible for the auditors to verify the accuracy of the quantities utilised and the remaining balances in stock. It was recommended that the Storekeeper should ensure that all drugs and other items received are recorded on tally cards to facilitate easier accountability for drugs utilised and the remaining balances.

Official's Response

The DMO in his reply said "Tally cards are supplied based on requests from the DHMT to the Central Medical Stores (CMS) . Management had made numerous requests to the CMS for the supply of tally cards. During 2017, tally cards were supplied at the later part of the year. This made it difficult for store items to be recorded and updated. This matter has been discussed at headquarters and tally cards are now available, and measures have been put in place to prevent a shortage of tally cards in future".

Auditor's Comment

The issue of drugs listed and not recorded on tally cards was resolved. However, requisitions from the CHC were not provided to confirm whether these drugs supplied were actually received by CHCs. Therefore, the issue remains partly implemented.

6.24.8. Fixed Assets not Made Available for Verification

A list of 23 motorbikes owned by the DHMT was submitted although none of these bikes were actually made available for physical verification. It was therefore recommended that the DMO should ensure that the motorbikes are made available for verification.

Official's Response

The DMO said that the DHMT had ensured that the 23 motorbikes in outstation PHUs were now available for verification.

Auditor's Comment

The 23 motorbikes assigned to the DHMT were not made available for physical verification. Therefore this issue remains unresolved.

6.24.9. No Action Taken on Grounded and Unserviceable Vehicles

Physical inspection of motor vehicles assigned to the DHMT revealed that eight of the vehicles including two ambulances were not roadworthy. It was recommended that the DMO should liaise with other stakeholders to ensure that proper repairs are done to those vehicles especially the two ambulances so as to enhance effective service delivery.

Official's Response

The DMO in his reply said "I will liaise with Ministry and other donor partners to ensure that funds are provided for us to undertake the proper repair of these vehicles especially the two ambulances".

Auditor's Comment

No evidence in the form of minutes of meetings or correspondences were provided to the auditors to suggest that management had taken action to address this issue. Therefore, this issue remains unresolved.

6.24.10. Staff Records not Properly Maintained

Staff records were not properly maintained by the DHMT. In addition, a review of a sample of the staff personal files revealed that 18 files did not contain vital information such as copies of academic and professional certificates, birth certificates, appointment and transfer letters, etc. Furthermore, physical verification of staff revealed that the community health workers (CHW) did not have licenses and the majority of the nurses licenses had expired. It was therefore recommended that the DMO and the Human Resources Officer should collaborate with other stakeholders to ensure that:

- All staff files are updated with copies of the relevant documents as listed in the findings.
- ID cards are printed for community health workers.
- Nurses licenses are renewed.

The ASSL should be notified of those actions for verification.

Official's Response

The DMO in his reply said "The sample of staff files that were not updated are now updated with copies of the relevant documents as listed in the appendix. Government does not normally issue ID cards to CHWs. However a letter will be written to the Ministry requesting that ID cards are issued to CHW. I will ensure that nurses whose ID cards had expired are renewed".

Auditor's Comment

The recommendations were not implemented. Therefore the issues remain unresolved.

6.24.11. Accountable Document Register Not Maintained

Receipt books supplied to the DHMTs were not recorded in the accountable document register, and as a result, it was difficult to ascertain the number of receipt books and certificates used. It was therefore recommended that the DMO in collaboration with the Senior Registrar and the Finance Officer should ensure that an accountable register is maintained in which all accounting documents should be recorded upon receipt.

Auditor's Comment

No response was submitted and the recommendations were not implemented. The issue therefore remains unresolved.

6.25. DISTRICT HEALTH MANAGEMENT TEAM, MOYAMBA – 2017

6.25.1. Documents not Submitted

It was observed that staff personal files were not submitted for review. In addition, staff attendance register was not produced to ascertain that employees were going for work regularly and on time. It was recommended that the Human Resource Officer (HRO) should ensure that staff personal files are properly maintained. The HRO should also ensure that staff daily attendance register is maintained and a senior officer is appointed to supervise the register to ensure that all staff are regular at work, sign-in and sign-out the register on a daily basis to indicate their presence, the time they arrive and leave work.

Official's Response

The DMO stated that although the human resource office was a newly created unit in DHMT. The personal files of staff within the DHMT were regularly updated and are now available for verification. He added that an attendance register for staff was maintained and supervised by the Human Resource Officer of the unit.

Auditor's Comment

The recommendations were not addressed. The issues therefore remain unresolved.

6.25.2. Volunteers Maintained in the District Health Management Office

The Ministry maintained 18 volunteers that were yet to be included into the Government of Sierra Leone payment voucher. It was recommended that the DMO should ensure that these volunteers were approved by the Ministry for them to be included into the Ministry's payment voucher.

Official's Response

The DMO stated that the issue of volunteers attached to the DHMT had been a very serious one for quite some time now although frantic efforts have been made for them to be approved by the Ministry.

Auditor's Comment

There was no evidence to indicate that volunteers were approved by the Ministry and included in the Ministry's payment voucher. The issue therefore remains unresolved.

6.25.3. Payment without Adequate Supporting Documents

Expenditure incurred totalling Le43,620,000 were without adequate supporting documents such as receipts, requests, M&E report, etc. to account for the use of public money. The DMO should therefore ensure that the documentary evidence in support of the expenditure is submitted audit inspection; otherwise the whole amount will be disallowed and should be refunded to the DHMT account.

Official's Response

The DMO in his reply said, "According to the Financial Management Regulation (FMR) 2007, all disbursements of public monies should be supported by an appropriate payment voucher and other relevant documents". "I write to inform you that efforts have been made to provide all supporting documents i.e. receipts, M&E reports and other documents with regards financial transaction for 2017 have been put in place. However, I will ensure that all supporting documents are made available for audit and reference purposes".

Auditor's Comment

There was no documentary evidence in the form of receipts and M&E reports to support the transactions. The issue therefore remains unresolved.

6.25.4. Poor Management in the Distribution of Drugs and Other Medical Items

A review of delivery notes revealed that stores records such as store ledger, stock cards, etc. were not submitted to account for drugs and other items received by the DHMT. It was recommended that the DMO and the storekeeper should ensure that stores records such as store ledgers and stock cards are made available for audit verification

Official's Response

The DMO in his reply said, "Request for the supply of drugs from central medical stores to the district medical store are usually made by the district pharmacist before drugs are supplied. Withdrawal and destruction of expired drugs are done by central medical stores following reports of expired drugs by the district pharmacist. Withdrawal of expired drugs from the DMS has been a very big challenge faced by central medical stores due to logistical constraints. We will continue to do follow up with the directorate of drugs and medical supplies on withdrawal of expired items."

All the tools (store ledger and store cards) used for recording of drugs and are available in the store. All drugs received from central medical stores go through an invoice channel management system and drugs supplied to various units are captured through the same channel. This also happens for the supply of drugs from district medical store to the PHUs. These tools will be made available for reference and audit purposes.

Auditor's Comment

Store records such as store ledger, stock cards, etc. were not submitted for verification. The issue remains unresolved.

6.25.5. Inadequate Medical Equipment

The following were observed:

- There was only one ambulance assigned to the DHMT.
- There was inadequate medical equipment such as delivery kits, BP machines etc. in the PHUs.
- There was no water supply or facility provided at the DHMT compound. The office had to fetch water from distant places.
- Even though the DHMT had a generator to supply electricity to the whole office, it was observed that the office was most time without electricity supply. This was due to the inadequate finances allocated to the DHMT to buy fuel for the generator.

It was recommended that the DMO should ensure the following:

- Necessary modalities are put in place to seek funds from government and other donor organisations for the smooth running of the office in the district.
- Collaborate with the District Council and other stakeholders to provide adequate and reliable water and electricity supply to the DHMT office and the PHUs to enhance quality health service delivery in the district.

6.26. DISTRICT MEDICAL HEALTH TEAM, KONO – 2015

6.26.1. Ineffective Internal Controls

A review of the hospital's internal control and operating environment revealed that there was no risk assessment process in the DHMT for the identification of business risk, fraud and inadequate controls on the disbursement of funds. This resulted in disbursements not properly retired. It was recommended that

the District Medical Officer (DMO) should ensure that an appropriate risk assessment process for the identification of fraud and financial deficiencies is designed and communicated to all staff.

Official's Response

The DMO noted that management has put effective control in place so that allocations received were disbursed with all relevant supporting documents.

Auditor's Comment

There was no evidence that the recommendation was implemented. An appropriate risk assessment process for the identification of fraud and financial deficiencies was not designed and communicated to all staff. The issue remains unresolved.

6.26.2. Management and Distribution of Drugs

There was inadequate control of the management and distribution of drugs. Physical stock verification to identify expired drugs was not carried out during the period under review. This resulted in the identification of huge piles of expired assorted cost-recovery drugs in the store. It was recommended that the DMO should ensure that the physical verification to identify expired drugs is carried out on a regular basis and a report filed for reference purpose.

Official's Response

The DMO stated that physical verification to identify expired drugs had been carried out and a huge pile of expired drugs was identified for disposal.

Auditor's Comment

There was no evidence that the recommendation was implemented. Physical verification to identify expired drugs was not carried out on a regular basis. The issue remains unresolved.

6.26.3. Infrastructure to Support Clinical Activities

The infrastructure to support clinical activities were inadequate. During a verification exercise carried out in seven PHUs: (Motema CHC, Koquima CHC, Kimbada CHC, Yengema CHC, Hangha CHC, Bumpeh CHC and Boroma CHC) the following issues were identified:

- There were poor toilet facility.
- Inadequate floor space and storage facility.
- No incinerator for the disposal of medical waste.

The DMO should ensure that the infrastructural needs of the various units and the DHMT in general are met to facilitate the smooth and efficient delivery of medical services to the general public.

Official's Response

The DMO in his reply said: "Management has informed headquarters about the deplorable condition of toilet facilities. However, action will be taken as soon as funds are available.

Enough space and storage facility will be done when allocation from devolved is available.

Incinerator is provided but due to insufficient power supply to put on the machine is indisposed at the moment. However, management will factor generator on the annual work plan for the use of the incinerator".

Auditor's Comment

There was no evidence that the recommendation was implemented. Infrastructural needs of the various units and the DHMT in general are not met to facilitate the smooth and efficient delivery of medical services to the general public. The issue is therefore unresolved.

6.26.4. Inadequate Medical Personnel

During a verification exercise carried out in seven PHUs, (Motema CHC, Koquima CHC, Kimbada CHC, Yengema CHC, Hangha CHC, Bumpeh CHC and Boroma CHC), it was observed that one MCH Aide was providing medical services to an average of 35 patients per day. In addition, some PHUs were without trained midwives. It was recommended that the Chief Medical Officer in collaboration with the Ministry of Health and Sanitation must ensure that the required medical personnel are made available to the District Health Management Team.

Official's Response

The DMO in his response said: "It is fact that some places have one MCH Aids. Management has decided to recruit more personnel and also train midwives. In fact, large numbers of midwives have been engaged".

Auditor's Comment

Our recommendation was partially implemented. Some PHUs were now with trained and qualified midwives.

6.26.5. Inadequate Equipment

During a verification exercise carried out in six PHUs, (Motema CHC, Koquima CHC, Kimbada CHC, Yengema CHC, Hangha CHC, Bumpeh CHC and Boroma CHC), the following issues were identified:

- No standby generator or solar panels.
- No oxygen machine.
- No thermostat and stethoscope.
- No air-conditioning system.
- No communication equipment (VHF Radio).
- No ambulance.
- Insufficient bed for delivery

It was recommended that the Chief Medical Officer must ensure that the required medical equipment are made available to the DHMT.

Auditor's Comment

Required medical equipment were not made available to the DMHT. The issue remains unresolved.

6.27. DISTRICT MEDICAL HEALTH TEAM, PUJEHUN- 2017

6.27.1. Insufficient Information to Support Credit Transfers

We reviewed bank statements and cashbooks submitted and observed that a total of Le3,432,400,358 credit transfers were made to the DHMT account at the Sierra Leone Commercial Bank. From this amount, transfer letters were only submitted for audit of Le80,700,000 donated by UNICEF. No transfer letters or credit advice were provided for the remaining Le3,351,700,358 to identify the sources and the purposes of the amount. Similarly, the DHMT did not provide copies of letters acknowledging receipt of the total amount donated. It was therefore difficult to determine the sources of the remaining amount and the actual purposes for which these monies were donated. It was recommended that the DMO should provide the transfer letters to support the remaining Le3,432,400,358 indicating the donor or partner and the purposes for the funds.

6.27.2. Bank Reconciliation not Properly Done

The DHMT bank account at the Sierra Leone Commercial Bank had an overdraft balance of Le7,906,579 as at 29th December, 2017. There was no authority provided to justify the reasons for

obtaining an overdraft from the Bank. It was recommended that the DMO and the Finance Officer should refund the overdraft with all interests charged. The Finance Officer should also ensure that bank reconciliations are properly prepared and reviewed by a responsible officer.

6.27.3. Supporting Documents for Global Fund not Submitted

The auditors noted that Le1,713,175,405 was received from the Global Fund by the DHMT. From this amount, disbursements totalling Le1,406,003,007 were made but no supporting document was submitted for audit to account for the use of the funds. It was therefore recommended that the DMO and FO should provide the relevant supporting documents for verification; otherwise, the total expenditure would be disallowed and refunded into the DHMT account.

6.27.4. Cheque Books not Submitted

Amounts totalling Le385,042,185 were withdrawn from the DHMT bank account at the Rokel Commercial Bank with cheques from various cheque books which were not made available to the auditors. It was recommended that the DMO should ensure that all documents requested by the auditors are provided for inspection.

6.27.5. Payments without Supporting Documents

Disbursements totalling Le3,536,222,297 in respect of activities relating to UNICEF, MCH and NAS were without supporting documents to account for their utilisation. Payment vouchers were also not prepared and authorised by the DMO before payments were made. It was recommended that the documentary evidence in support of the expended amount of Le3, 536,222,297 including schedules of withholding tax must be submitted to the ASSL for verification.

6.27.6. Fuel Register not Maintained

The DHMT- Pujehun District did not maintain a fuel register for the year under review. Fuel chits submitted to the auditors totalling Le60,036,500 were not supported by relevant documents such as requisitions and receipts of fuel utilised by the DHMT. It was recommended that the DMO should ensure that a fuel register is maintained with immediate effect. The DMO should also ensure that the dates, quantities of fuel litres issued, vehicle number and the names of the beneficiaries and fuel balances are recorded. Supporting documents such as requisitions, receipts and payments vouchers should also be made available for verification; otherwise, the Le60,036,500 should be refunded into the DHMT account.

6.27.7. Fuel Policy not Maintained

A policy for the usage of fuel was not maintained. Therefore, the auditors were unable to determine whether the allocated fuel was used wholly and exclusively for its intended purpose. It was recommended that the DMO should ensure that a fuel policy for DHMT-Pujehun District is developed and should clearly state how fuel should be utilised and the beneficiaries to receive fuel allocation.

6.27.8. Poor Records Keeping at the Main Store

Tally cards were not maintained for most of the items delivered to the hospital store. Therefore, the auditors were unable to conduct physical count of actual stock and compare with stock recorded on the tally cards. It was recommended that the DMO and Storekeeper should ensure that tally cards are maintained for store items delivered and proper records such as movement of store items kept.

6.27.9. Poor Controls over the Distribution of Drugs

The requisitions prepared by the community health centres and the maternal and child health posts were not serially numbered and authorised by the DMO or an officer delegated to do so before drugs and other items were issued from stores. It was recommended that the DMO and Storekeeper should ensure

that all requisitions are authorised by the DMO or a senior officer delegated with that function before the storekeeper should dispatch or issue items from the stores. The storekeeper should also provide written explanations to account for drugs and other items issued out of stores without the required approval by the DMO.

6.27.10. Storekeeper Report not Submitted

The Storekeeper was not preparing monthly reports to update the DMO about the movement, level of drugs and other items in the stores, so that drugs will be always available when needed. It was recommended that the Storekeeper should prepare monthly written report for the attention of the DMO to update him on the movement of store items and the current stock balances to avoid shortage of essential drug or items. Copies of these reports should be submitted to the ASSL for verification.

6.27.11. Inadequate Store Equipment and Facilities

The computers at the store which should be used to process data and link them with the channel system were not functional. There was inadequate electricity supply to the store and there was no standby generator to provide alternative power supply especially to preserved drugs and other items that need low temperature. It was recommended that the DMO should ensure these equipment are supplied to the store to enable effective service delivery.

Auditor's Comment

No management response was issued and the recommendations were not implemented. The issues therefore remain unresolved.

6.28. MINISTRY OF AGRICULTURE, FORESTRY AND FOOD SECURITY, 2017

6.28.1. Management of Fuel

The following were observed:

- The Ministry failed to submit fuel returns or chits for Le85,106,750 out of a total fuel allocation of Le479,600,000. As a result, the auditors could not ascertain whether the correct procedures were followed for the utilisation of this fuel, and whether it was in fact used for the sole purposes of the operations of the Ministry.
- Each eligible staff (grade seven and above) received 540 litres of fuel per annum even though the requests and allocation were for 621 litres of fuel per annum for each eligible staff. This anomaly resulted in an excess allocation of 7,695 litres of fuel worth Le46,170,000.
- The Ministry duplicated the names of 12 staff on the list of fuel beneficiaries when it submitted its fuel request to the Ministry of Finance and Economic Development. This resulted in an excess allocation of fuel to MAFFS of 8,073 litres valued at Le48,438,000 .

It was recommended that the Deputy Secretary 1 should ensure the following:

- Provide supporting documents for the difference of Le85,106,750; otherwise, the whole amount should be paid back into the Consolidated Fund, and evidence of the payment forwarded to Audit Service for verification.
- The Financial Secretary is provided with information on the excess fuel allocated to the Ministry during the period under review and evidence of such communication submitted for audit verification.

By copy of this report, the Financial Secretary should ensure that the excess fuel of 15,768 litres (7,695 litres + 8,073 litres) amounting to Le94,608,000 allocated to the MAFFS during the period under audit is deducted from future fuel allocations and evidence of such deduction submitted for audit verification.

Official's Response

The Permanent Secretary (PS) said the following:

Fuel unaccounted for

The fuel distribution report submitted to the auditors took on board an anticipated second tranche deposit in the sum of Le65,000,000. While payment details such as cost (Le65,000,000) and cheque no. (276023) were communicated to the Stock Verifier and Fuel Distribution Officer on 14th September, 2017 the deposit was in actual fact not credited to the Ministry's fuel account with NP due to a mistake at the Bank of Sierra Leone hence the mismatch in fuel balance reported by the Ministry and National Petroleum (NP).

Following enquires, it has been discovered that the said Le65,000,000 was mistakenly paid into the wrong account by the Bank of Sierra Leone. Efforts are now being made for the said sum to be redirected into the Ministry's fuel account with NP to enable NP transfer the said deposited to the Ministry.

Excess fuel allocation

For the period under review (2017), the first and only actual fuel deposit in respect of the Ministry valued at Le306,600,000 translating into a quantity of 51,100 litres was made on 14th June, 2017. Distribution spanning between the period 18th July, 2017 and April, 2018 was done in strict accordance with the fuel distribution policy agreed upon by management. Kindly find attached a copy of cheque stub as well as distribution reports for the said period for ease of reference.

Please also note that in addition to fuel distributed to staff on a monthly basis as prescribed by the fuel distribution policy, on a case by case basis, fuel is also issued for specific activities undertaken by officers as well as to pool vehicles to which tasks relating to the day to day running of the Ministry are assigned.

In circumstances where fuel is issued to pool vehicles for specific functions, approval is sought from either the Permanent Secretary or his designated officer in charge of fuel distribution. Such request and approval are available and can be presented on demand.

Staff whose names were included under two or more divisions in the fuel analysis request attached to the payment vouchers

Fuel distribution has been in strict compliance with the guidelines or policy frame work and approved list agreed upon by management. (Kindly find copy attached).

According to the said list, 90 litres are provided to every staff entitled on the list per month. Part of this list includes 8 staff who apart from been staff members are members of the Executive Management Committee and who preferred to receive their 90 litres quota in a different fashion (45 litres every two weeks). Please find below a breakdown of the 8 staff mentioned above.

- As earlier mentioned, apart from the monthly distribution, fuel can in certain circumstances be issued for specific assignments. Such issuances are done in the name of the responsible officer.*
- This probably explains the issue of some names appearing twice for a certain distribution period and report. Be it as it may, the figure cited in the draft report appears huge and does not reflect the actual situation.*
- This report seeks to provide responses to some issues raised by the auditors in respect of 2017 fuel audit and any other issues from the audit content must be referred to the Former Deputy Secretary 1 and the presently Chief Accountant in MAFFS".*

Auditor's Comment

- Management's response on the Le85,106,750 worth of fuel for which fuel chits or returns were not made available was not supported by documentary evidence, and fuel returns were still not submitted for audit review. The issue is therefore unresolved.

- Furthermore, based on a review of payment vouchers and the expense analysis obtained from the Accountant General relating to the Ministry, total fuel allocation to the Ministry during the period under audit was Le371,600,000 and not Le306,600,000 as stated in the management's response. Moreover, there was no evidence that a deduction in respect of the excess fuel allocated in 2017 has been made by the Financial Secretary on current allocations of fuel to the Ministry.
- Management's responses on allegedly inflated requests and duplication of names of 12 staff which culminated in Le48,438,000 and Le46,170,000 worth of fuel being supplied to the Ministry contained no evidence to justify the Ministry's duplication of the names of 12 staff and requests for 621 litres of fuel instead of 540 litres of fuel per annum for each eligible staff. The issue is therefore unresolved.

6.28.2. Provisions in the Cash Transfer Framework not Followed

Even though the Cash Transfer Operational Framework stipulates that Le25million is the maximum cash transferable to an FBO per annum, we observed that the Ministry transferred Le40million each to five (5) FBOs. This resulted in an excess of Le75million being transferred to those FBOs.

It was recommended that the Cash Transfer Committee (Director of Crops, Director of Livestock, and Head of the Strategic Adversary Unit of the Ministry) should explain with supporting evidence reasons as to why the provisions in the Cash Transfer Operational Framework were not fully complied, with failing which, the amount of Le75million paid to the FBOs concerned is recovered and paid back into the CRF.

Official's Response

The PS in his response said "Part of the objectives of the Ministry is to increase production and productivity across the value chains. One of the ways by which this is achieved is by promoting and encouraging second and third cropping. These four (4) FBOs that received twice the amount, did very well in the first cropping season of 2016/2017 and also participated in the second cropping of the planting season of 2016/2017. It was for this reason that the Ministry approved and gave direct cash transfers to them as requested by these FBOs in order to support some of their second cropping activities. The 5th FBO(Mafu – Tamba Commercial Farmers Cooperative) was inadvertently recorded twice on the beneficiary list."

Auditor's Comment

The issue of the Le75million excess cash transferred to the five FBOs remains unresolved as evidence that these five FBOs were involved in second season planting was not made available to the auditors. Additionally, the claim by the Ministry that one of the five FBOs that received cash above the maximum threshold of Le25million was inadvertently recorded twice in the beneficiary list' could not be substantiated as evidence of this claim was not submitted to the auditors.

6.28.3. Excess Cash Transfer without Authority

Under the Presidential Initiative Programme, the sum of Le1.5billion was allocated to MAFFS for the cash transfer programme. It was however observed during review of documents that the Ministry transferred a total cash of Le3,255,000,000 to farmer based organisations (FBOs) around the country during the period under review. In spite of several requests, the audit team was unable to ascertain the sources of the additional funding of Le1,755,000,000 (Le3,255,000,000 - Le1,500,000,000) disbursed to FBOs and there was no evidence submitted from the Ministry of Finance that authorised those excess payments. It was recommended that the PS and the Director of Crops should provide an explanation with the relevant authority, the reasons for the excess payments; failing which, the total excess payments should be refunded and paid back into the CRF and evidence of the payment forwarded to ASSL for verification.

Official's Response

The PS in his response said "The objectives of the Cash Transfer Programme as stated in the cash transfer operational framework are to support interventions that would promote :

- (i) Increased agricultural production and productivity of targeted crops and livestock.*
- (ii) Enhance commercialised agricultural development*

In line with the Cash Transfer Programme, the amount provided for the 2017 approved budget was Le 3 billion as follows:

- a. Cash for field work to increase agricultural production and productivity of targeted crops and livestock – Le2billion.*
- b. Support to marketing of agriculture products for the enhancement of commercialised agricultural development – Le1billion.*

However, the amount disbursed from MoFED was Le1.5billion under the Presidential Recovery Priorities Initiatives. The balance of Le1.5billion was still outstanding.

Giving that agricultural activities are time bound and the funds were not forthcoming; it was decided by the Ministry should use the Forestry Development Account with the hope that when the balance is made available from MoFED, it will be refunded into the Forestry Development Account".

Auditor's Comment

Minutes of a meeting held by the Executive Management Committee (EMC) of the Ministry to arrive at the decision to use the Forestry Development Funds in the Forestry Development Account to finance the cash transfer programme was submitted and reviewed. However, there was no evidence of the approval of MoFED in respect of those funds. The issue is therefore unresolved.

6.28.4. Use of Inappropriate Procurement Methods

The Ministry used the RFQ method of procurement to procure 'tins' and onion seeds at a total contract price of Le279,660,000 instead of the NCB method of procurement. This is in contravention of the First Schedule of the Public Procurement Act, 2016. It was further observed that the contract was split into five (5) lots and all of the lots were awarded to a sole supplier. It was recommended that the Senior Procurement Officer should ensure compliance with relevant provisions in the laws governing procurement of goods. He should also explain with supporting documentation the authority on which the Ministry used the RFQ method other than the required NCB method; otherwise, the whole amount should be refunded into the CRF.

Official's Response

The PS in his response said

- *"The choice of the procurement method employed was dictated by the Ministry's intention to ensure that the supply and delivery of onions was evenly and timely done to the 16 District Agricultural Offices, for onward and direct distribution to the farmers, owing to the fact that the GoSL bi-quarterly disbursement of funds was done far too late into the procurement lead-time, such that the use of the NCB procurement method circumstantially proved inappropriate and if applied, would not have yielded the desired outcome.*
- *Onion bulbs are another of the varieties of agricultural inputs in the agricultural value chain of the Ministry. Because planting is time bound, failure to sow at the required time of the season would have poor yield and hence, the national objective of food self-sufficiency would not have been achieved.*
- *In the case of onions it happened that April 2017 was the start of the first cropping season. This triggered the use of the RFQ method with the rationale being to shorten the procurement lead-time to 2-3 months, in order to achieve our commitment of ensuring increased onion production.*

- *By provision of the Public Procurement Act, 2016 (as amended) the use of the National Competitive Bidding (NCB) procurement method for the activity in question, would have meant protracting the process to an extent that timely delivery would have been impossible as getting the necessary approvals from the NPPA, Law Officers' Department and consequently MoFED, would have been a major handicap in respect of timely approval.*
- *Notwithstanding the use of the RFQ method, due diligence was ensured in that quotations were floated to at least 3 competitors, were returned and evaluated on the basis of least cost selection (LCS), as mandated by the RFQ 2016— On the basis of RFQ Festkam who was contracted was the most compliant, responsive and lowest cost bidder, hence the award of contract to it (ref: evaluation reports submitted to the Audit Team).*
- *In conclusion, though, the Ministry promises to take note and assures the Audit Service that proactive steps will be taken to prevent the flouting of procurement procedures.”*

Auditor's Comment

Management's comments are noted but evidence in the form of a letter from the National Public Procurement Authority (NPPA) authorising the Ministry to use the request for quotation method and split a single procurement of Le279,660,000 into five(5) lots was not submitted for audit verification. This issue therefore remains unresolved.

6.28.5. Vehicles and Bikes not Made Available for Physical Verification

During the physical verification of vehicles and motorbikes, 11 vehicles and 9 motorbikes were not made available for physical verification. No explanation was given about the locations of those assets. Furthermore, the auditors identified four (4) vehicles and 11 motorbikes that were not included in the inventory list of vehicles and motorbikes submitted by the Ministry for audit verification. It was recommended that the PS should ensure that the unverified vehicles are made available to the Auditor for physical verification; otherwise, the matter will be reported to the relevant authorities for appropriate action.

Official's Response

The PS said the following:

List of Vehicles not Made Available to the Auditors for Physical Verification

The vehicle with registration number AIR 559 was assigned to the Ministry of Finance as requested by the NPCU-IFAD as at the time of the verification exercise. The vehicle with registration number AKA 789 was also assigned to the Parliamentary Oversight Committee on Agriculture for a monitoring exercise of agricultural facilities in the provinces and has now been retrieved by the Ministry now and is available for verification. However, all other vehicles listed in Appendix E are available for verification as the officers to whom these vehicles were assigned were either not in the office during the conduct of the verification exercise or they were out of their duty stations. It is worthy to note that six (6) out of the total number of vehicles were procured in 2017 and by no means can these vehicles go missing within such a short period of time. They are all available for physical verification.

The motorbikes listed are assets of SABI and not those of the mainstream ministry except for one (AJN 045). As these motorbikes belong to a sub-vented programme under the Ministry which has its own asset management system different from ours, the list of vehicles and motorbikes submitted by the Ministry did not include them as we expect them to submit theirs as an independent entity. It is also worthy to note that these motorbikes are neither licensed nor insured by the Ministry and no data was submitted to us in respect of same. Please note that the motorbike with registration number AJN 045 is available for verification.

List of Vehicles physically verified by the Auditors but not on the Inventory List of the Ministry

The Vehicle with registration number AEZ 249 was mistakenly omitted from the list as a result of typographical error which has now been corrected (See attached the updated list of vehicles). The vehicle AIR 541, is the property of the

NPCU-IFAD and was assigned to Mr. Ajuba Sherriff on a temporary basis to support his activities and the assignment was done not officially but on a private and personal basis thereby making it impossible for it to be included in our list of vehicles.

The vehicles AEH 102 and AMU 941 were vehicles assigned to SABI and SLEWoFF respectively and these are independent entities which the Ministry has been supporting.

However, based on this query, a category has now been created for MAF vehicles given as support to independent entities and the inventory is available for verification.

List of motorcycles on same has been incorporated into the Ministry's list of motorbikes as these identified bikes have been part of our data for years now, and may have been omitted during printing. See attached list of motorcycles is available for ease of reference".

Auditor's Comment

The 11 vehicles and nine motorbikes were still not available for physical verification. The issue is therefore unresolved. Furthermore, there was no evidence that the four vehicles and 11 motorbikes had been incorporated into the Ministry's master assets inventory. The issue therefore remains unresolved.

6.28.6. Payment of National Social Security and Insurance Trust (NASSIT) Contributions: Sierra Leone Agricultural Business Initiative (SABI)

According to Section 25 (1&2) of the National Social Security and Insurance Trust (NASSIT) Act, 2001, 5% deductions should be made from employees' earnings and employers should also make a 10% social security contribution on behalf of employees to NASSIT. During a review of the payroll of the Sierra Leone Agricultural Business Initiative (SABI), it was observed that the employer's 10% and the employees' 5% NASSIT contributions which totalled Le27,300,000 were not paid on behalf of the employees to NASSIT. It was recommended that the Project Coordinator should ensure that the NASSIT contributions of Le27,300,000 is immediately paid to NASSIT and evidence of such payment submitted for verification; otherwise, the issue will be reported to the appropriate authorities for appropriate action.

Official's Response

The PS stated that the SABI Management Team had been working with NASSIT since 4th April, 2018 to register its workers and to pay the accrued NASSIT amount of Le27,300,000 for its workers upon completion of their registrations. He further noted that the registration of their staff with NASSIT was still in progress.

Auditor's Comment

The SABI management team is yet to pay its employees contributions of Le27,300,000 to NASSIT.

6.28.7. Stores Records not Produced for Audit Purpose

Physical verification conducted on stock balances (spare parts of farm machineries, agricultural tools and other equipment worth billions of Leones) at the Kissy Central Stores revealed the following:

- There was no handing over note from the outgone Storekeeper and at the same time, the current Chief Storekeeper who had been attached to the Ministry since 2016 did not prepare a taking over note.
- The substantive Chief Storekeeper did not submit to the auditors any stores ledger for spare parts of farm machineries, agricultural tools and other equipment.

It was recommended that the Chief Storekeeper should explain why he failed to submit handing over notes and the stores ledger for audit verification; otherwise, the matter will be reported to the appropriate authorities for investigation.

Auditor's Comment

There was neither a management response nor any evidence that the audit recommendation was implemented by the Ministry. The issues therefore remain unresolved.

6.28.8. Poor Management of Interns and Volunteer Staff

A review of the MAFFS personnel files, staff lists and other HR related documents revealed that there was no policy governing the recruitment and management of volunteers, interns or young graduates serving in the Ministry. The following were observed during the period under review:

- Between 2011 and 2016, the Ministry engaged 42 individuals as 'interns'. During a review of records maintained regarding these 'interns', it was observed that some of them were students from various learning institutions within the country, while others were not from any recognised learning institution(s). The letters presented by some of these individuals from their institutions indicated that their internship was for a period of at most three months. It was however observed that the 'interns' in question were still working in the Ministry as "interns" as at 31st December 2017; a period which exceeds far beyond the expected time they were to spend as "interns" in the Ministry.
- It was also observed that as at 31st December 2017, the names of over 100 volunteers (some of them were labelled as 'Young Graduates') were on the staff list of the Ministry. These volunteers formed a substantial number of the auxiliary staff in the Ministry; and there was no evidence that the Government through the Human Resource Management Office (HRMO) or the Public Service Commission (PSC) was aware of the existence of these volunteers in the Ministry.

It was recommended that the Senior Human Resource Officer (SHRO) should upon receipt of the report;

- ensure that a policy is in place for the engagement of 'interns' from approved and recognised educational institutions and
- provide explanation with supporting evidence in writing for the reasons why the interns were engaged by the Ministry for as long as 2 years, and also state the basis on which it (the Ministry) engaged the volunteers without the approval of both the HRMO and the PSC.

By copy of this report, the PS should immediately regularise the anomalies inherent in the management of interns and volunteers in the Ministry and evidence of such action be submitted for audit verification. Furthermore, the PS should immediately engage the HRMO and the PSC before embarking on any recruitment arrangement.

Official's Response

The PS responded in the following:

- *"From January, 2017, interns from recognised institutions served for a specific period in the Ministry although the Ministry does not have a policy on internships. The Ministry recruited these young people on the authority of the internship policy of the civil service. Interns and young graduate scheme personnel were attached to the SCP/GAFSP as Ministry volunteers.*
- *The present head of the Human Resource Unit was transferred to the Ministry in July, 2016. In the handing over note of her predecessor, nothing was mentioned about both the internship and Young Graduate Scheme programmes*

and therefore he couldn't comment to questions on interns/young graduate engagement at that time with the Ministry.

- The Ministry is seriously challenged in terms of personnel placement due to the failure of the Ministry to replace the large number of staff who leave the Ministry every year.. The issue of volunteers and the Young Graduate Scheme is an inherited problem for which the former Minister had to engage SCP/GAFSP. A temporary remedy was found at the time by enrolling the youth in question into the SCP/GAFSP programme for a period of 11 months while waiting for the lifting of the moratorium on recruitment.
- There has been a moratorium on recruitment for the past one year. The scheme ceased to be active since 2016 and since the youth were already attached to various units in the Ministry, the Ministry requested SCP/GAFSP to incorporate these personnel into their programmes. Recruitment of both junior and middle level staff is one of the Permanent Secretary's priorities in his 2018 PTT”.

Auditor's Comment

Management's responses to the issues highlighted were noted. However, the issues of the management of the Ministry's volunteers and interns are still unresolved.

6.28.9. Follow-up on Previous Year's Recommendations

During the audit exercise, we followed up on all recommendations made in previous years. A summary of the status of these recommendations is given below:

- Supporting documents were still not submitted for an outstanding balance of Le100,848,500 out of payments totalling Le249,481,480.
- Evidence of project liabilities and correspondences from MoFED to confirm government's commitment to finance the project was not submitted for verification.
- There was no evidence that the Project Coordinator refunded the total amount of Le238,463,218 into the Consolidated Revenue Fund. However, supporting documents on how the said amount was used were submitted and verified.
- In 2016, the Ministry paid to the Sierra Leone Agricultural Business Initiative (SABI) subventions totalling Le1,500,000,000. From discussions, it was discovered that this entity had not been audited by an external auditor since its establishment. Despite several requests, financial statements were not submitted for audit purposes.
- A review of the payroll of the Seed Multiplication Project revealed that the employer's 10% NASSIT contribution on behalf of its employees which amounted to Le19,154,400 was not paid over to NASSIT. The only amount that was deducted and paid over was the employees' 5% contributions.

6.29. MINISTRY OF AGRICULTURE, FORESTRY AND FOOD SECURITY-BO, 2017

6.29.1. Inadequate Controls of the Stores

A total of 7,622 bags of fertiliser were delivered to the Ministry for distribution to farmer groups as loan. The Ministry distributed the fertiliser to the groups and the agreement stated that the farmers should refund two bushels of seed rice for every one bag of fertiliser received. Therefore, it was expected that the farmers should refund 15,244 bushels of seed rice to the Ministry for the 7,622 bags of fertiliser distributed among them. It was observed that there were inadequate controls over the distribution of fertiliser and recovery of the seed rice. For instance, the Ministry did not submit for audit, the list of farmer groups to whom the fertiliser were distributed and the distribution lists where the farmers acknowledged receipt of the quantity of fertiliser they received.

A review of documents and enquiries revealed that, the fertiliser was supplied directly to the Block Extension Officers (BEs) without going through the District Store. In addition, there were no store receipt vouchers and store issue vouchers for those supplies.

It was recommended that the DAO should ensure that:

- The beneficiary lists for the total quantity of fertiliser distributed are submitted for audit inspection.
- Explanatory notes backed by documentary evidence are provided for not supplying the fertiliser through the District Store.
- The Storekeeper should ensure that all stores records are properly maintained; these include store ledgers, store receipt and issue vouchers, delivery notes, etc.

Official's Response

The DAO said he had ensured that all documents concerning the stores records in the area of fertiliser received and issued with beneficiaries' lists were now with the Store Department for inspection.

Auditor's Comment

The store issue vouchers were provided during the verification and it was observed that a total quantity of 5,405 bags of fertiliser was distributed to farmers out of the 7,622 bags received. This left a difference of 2,217 bags of fertiliser not distributed. Further enquiries revealed that the fertilisers were stored in the A.B.C. stores within the different blocks. However, there were no reports from the M&E Unit or the Extension Officer on the current status of these undistributed bags of fertilisers. The issue was therefore partly resolved.

6.29.2. Fertiliser Distributed on Loan without Recovery

There was no evidence submitted to confirm that the Ministry recovered 15,244 bushels of seed rice. In addition, the Ministry did not submit a debtors' list to determine the defaulters and there was no recovery plan for the outstanding bushels of seed rice. Furthermore, the Ministry did not provide evidence of actions taken against defaulters.

It was recommended that the DAO should ensure that:

- Explanatory notes backed by documentary evidence are provided for the non-recovery of the loan.
- Efforts should be made for the recovery of the fertiliser.
- A documentary evidence of the actions already taken against defaulters should be submitted for review.

Official's Response

The DAO said he had ensured that the Extension Officer issues a payment demand notice to all Block Extension Officers in the six (6) blocks. He added that he had attached the following documents: demand notice; letter to NaFFSL; and letter to paramount chiefs. He further noted that a letter had been written to the M&E Officer instructing him to monitor the recovery status in the District and also a defaulters list has been developed and submitted by the Extension Officer.

Auditor's Comment

The payment demand notice letter was submitted and verified. However, there was no evidence provided to indicate that the Ministry had started recovering fertilisers distributed on loan to farmers. A debtors' list was not submitted and verified. The issues therefore remain unresolved.

6.29.3. Inadequate Control on Cash Transfer to Farmers

There was no evidence submitted to confirm that the beneficiaries of the cash distributed were registered with the Ministry. A sample of three (3) Farmer Based Organisations (FBOs) chosen out of a total of ten, revealed that the District Agriculture Officer in Bo recommended all of them for the direct cash transfer, even though they did not meet one of the criteria, which is, to register with the Ministry, and Councils/National Farmer Federation as set out in the Term of Reference for cash transfer.

It was recommended that the DAO should ensure the following:

- A comprehensive list of all registration carried out in 2017 is submitted for audit.
- Reasons backed by documentary evidence are provided for the recommendation of these unregistered FBOs.
- Cash distributed to unregistered farmers are refunded to the CRF and evidence submitted for audit verification.

Official's Response

The DAO said that a comprehensive list of registered farmers for 2017 was available for inspection and that it had been discussed that one of the groups was registered in Freetown, i.e., Chandaken Poultry Farmer, while Kaleo Evergreen Progressive Farmers Association and Nyaniageb Women's Farmers Furrom was registered with MAF, NaFFSL Council in Bo. He further noted that their documents were not submitted at the time of auditing but were now available for inspection.

Auditor's Comment

A comprehensive list of registered farmers for 2017 was submitted and verified. However, only one farmer group, i.e., Women's Multi-purpose Cooperative was traced in the list leaving seven (7) farmer groups that benefitted from the cash transfer but were not registered with the Ministry. Registration documents and retirement details were submitted and verified in respect of Chandaken Poultry. However, no documents were received in respect of other beneficiaries of the cash transfer. The issues therefore remain partly resolved.

6.29.4. Variance in the Cash Transfer Documents

A review of the cash transfer to farmers revealed that the amount recorded in the cash transfer list from the Ministry's headquarters was Le205,000,000 and the total amount recorded in the M&E report was Le345,000,000. As a result, a difference of Le140,000,000 was noted between the two records. However, reconciliation of these two records did not identify the reasons for the discrepancy in the totals. It was recommended that the DAO should ensure that explanatory notes backed by documentary evidence are submitted for the variance in the two records.

Official's Response

The DAO in his response said "The total cash transfer for Bo which is Le265,000,000 is for nine farmer groups instead of thirteen. The variance claimed by M&E MAF Bo District was in consideration of three farmers from Kenema, Bonthe and Moyamba that received at Bo MAFF, conference hall".

Auditor's Comment

No evidence was submitted during the verification to indicate that those farmer groups were from Kenema, Bonthe and Moyamba Districts. This issue remains unresolved.

6.29.5. Inadequate Monitoring of Cash Transfer to Farmers

Cash transfer totalling Le205,000,000 was made from the Ministry of Agriculture, Forestry and Food Security headquarters in Freetown to nine farmer groups in the Bo District. It was observed that those farmers were not monitored by the District Agriculture Office to verify whether cash transferred to various groups were utilised for their intended purposes. It was therefore recommended that the DAO should carry out monitoring of the farmer groups to determine the status of their implementation and report to the Ministry's headquarters.

Official's Response

The DAO said he had written to beneficiaries of the cash transfer programme for the submission of their retirement documents and status of their farms within one week for inspection.

Auditor's Comment

Updated report on the performance of the farmer groups that benefitted from the cash transfer was not submitted for verification. This issue remains unresolved.

6.29.6. Staff not Seen and Verified

Twenty three personnel on the staff list were not available for physical verification. It was recommended that the twenty three staff in the Ministry who were not available for the physical verification should report for verification with all necessary documents; otherwise, the total salaries received by these staff for the period under review should be refunded into the CRF and their names forwarded to the Permanent Secretary of the Ministry for the attention of the Human Resource Management Office.

Official's Response

The DAO said he had ensured that the Admin Desk Officer had written a letter informing the 23 staff affected to be available for physical verification.

Auditor's Comment

Out of the 23 unverified staff, 17 staff were seen and verified leaving out six unverified staff. The issue was partly resolved.

6.29.7. Staff that Have Exceeded the Retirement Age

An employee with pin code 141066 and date of birth 12th August, 1955 had exceeded the retirement age of 60 years and her name was still on the staff list of the Ministry. It was recommended that the DAO should liaise with the Ministry's headquarters and the Human Resource Management Office for necessary actions in respect of the staff that had exceeded the retirement age of 60 years.

Official's Response

The DAO said that the staff had already retired and her retirement documents were ready for audit inspection.

Auditor's Comment

The letter of retirement was not submitted and verified. This issue remains unresolved.

6.29.8. Bank Statements not Submitted by the Forestry Division

Bank statement for Forest Development was not submitted to confirm whether the total revenue of Le14,715,000 as per pay-in slip was actually deposited into the bank account. It was recommended that the DAO should ensure that a systematic filing system is put in place for the safe custody of all relevant documents and the bank statement is submitted for verification.

Official's Response

The DAO stated that bank payment slips for forest revenue were available, but at district level. He further noted that they did not have the mandate to request for bank statements except at headquarters in Freetown.

Auditor's Comment

Bank statements were still outstanding. This issue therefore remains unresolved.

6.29.9. Follow-up on Previous Year's Recommendations

During the audit exercise, we followed up on all recommendations made in previous years. A summary of the status of these recommendations is given below:

- *There was no system in place for the identification of periodic revenue arrears and action taken by management on the collection of these arrears.*
- *Beneficiary lists had been made available for 50 bags of Urea fertiliser and 150 bags of NPK fertiliser distributed to Farmer Based Organisations (FBOs) in various chiefdoms leaving a balance of 1,786 bags (1,980-200) without beneficiary lists. There was no evidence submitted to confirm that recoveries had been made for 8,082 KG seed rice and fertiliser distributed on loan, and there was no evidence of actions taken by the Ministry against defaulters.*

6.30. MINISTRY OF AGRICULTURE, FORESTRY AND FOOD SECURITY-PUJEHUN, 2017

6.30.1. Poor Control over the Distribution of Fertiliser and Seed Rice

The distribution and beneficiary lists for the total quantity of 8,503 bags of NPK 0:20:20 and NPK 15:15:15 fertilisers were not submitted for audit review. It was therefore difficult to ascertain whether the fertilisers were actually received by the target farmers. Documents reviewed and enquiries made revealed that, the fertilisers was supplied directly to the Block Extension Officers (BEOs) for onward distribution to farmers in their various blocks and a total quantity of 1,340 bushels of seed rice and 700 bags of Urea fertiliser were distributed on loan to farmers for which recovery details were not made available for audit review.

It was recommended that the District Agriculture Officer (DAO) should ensure that the beneficiary lists for the total quantity of fertiliser and seed rice distributed are submitted for audit review, and explanatory notes backed by documentary evidence are provided for not supplying the fertiliser through the district store.

Auditor's Comment

There were no responses to the queries and the audit recommendations were not implemented. The issues therefore remained unresolved.

6.30.2. Fertiliser and Seed Rice Distributed on Loan without Recovery

There was no evidence to confirm that the farmers adhered to the agreement that they should return two bushels of seed rice to the Ministry for each bag of fertiliser received. The expected recovery was 17,006 bushels of seed rice. There was also no evidence of actions taken against defaulters. It was recommended that the DAO should ensure that explanatory notes backed by documentary evidence were provided for the non-recovery of the loan. In addition, efforts should be made for the recovery of the fertiliser/seed rice.

Official's Response

The DAO in his response said "This has been a menace the Ministry has been struggling with for years. But it has political undertone because there is no right to bring in police against farmers for defaulting in loan payment. Also, there is no policy or regulation clearly spelling out penalties for farmers that default in loan payment. I think it's time such policy is put in place so that the farmers can be informed and enforcement will commence".

Auditor's Comment

The recommendation was not implemented and the loans were not recovered. This issue therefore remains unresolved.

6.30.3. Non-Submission of Stores Documents

The stores management was not effective for the period under review as store ledger, receipt vouchers and store issue vouchers were not submitted to account for items delivered to the stores. It was recommended that the DAO should ensure that explanatory notes backed by documentary evidence are provided for the non-submission of these documents. In addition, store ledger, receipt vouchers and store issue vouchers are to be submitted for inspection or the items delivered are recovered.

Official's Response

In his reply, the DAO said "The store keeper was retired but not replaced. I, the DAO wrote for replacement but there was no replacement sent. In other that the items coming to and going out of the store be monitored and recorded, I designated the M&E Officer to take charge of the store management until we can have a substantive store keeper, though the M&E Officer also does not have the requisite knowledge in stores management and there was neither an alternative. Yet delivery notes and beneficiary lists of items were shown to the ASSL personnel that came here. The documents are ever ready for audit".

Auditor's Comment

The recommendations were not implemented. This issue therefore remains unresolved.

6.30.4. Cash Distributed to Unregistered Farmer Base Organisations (FBOs)

There was no evidence submitted to confirm that FBOs who benefitted from the cash transfer were recommended by the DAO as required in the Terms of Reference (TOR). In addition, there was no evidence provided to confirm that the beneficiaries and recipients of the cash distributed were registered with the Ministry or Council. The total amount of Le180million was disbursed for the year under review. It was recommended that the DAO should ensure the following:

- A comprehensive list of all registration carried out in 2017 is submitted for audit inspection.
- Reasons backed by documentary evidence are provided for the recommendation of these FBOs.
- Cash distributed to unregistered farmers are refunded to the CRF.

Auditor's Comment

There was no response to the queries. The issues therefore remain unresolved.

6.30.5. Variance in the Cash Transfer Documents

A variance of Le80million existed between the M&E report and the 2017 cash transfer list received from the Ministry's headquarters in respect of the amount distributed to the FBOs. It was recommended that the DAO should ensure that explanatory notes backed by documentary evidence are submitted for the variance in the two records.

Official's Response

The DAO in his response said "There are some items missing from the M&E document in this ASSL query document. This is the analysis of cash transfer in Pujehun District: nine (9) FBOs benefitted from the cash transferred by the then Hon. Minister of Agriculture, Forestry and Food Security, Prof. M Jones and one (1) FBO benefitted twice; that is, Women of Wanjama, a total sum of Le45million.

Another FBO, Sierra Leone Women's Forum Network benefitted the sum of Le25million. Five FBOs: Sakrim Agribusiness Development Project, Sowe Council Farmers Association, Agbomuma Women's Group, Mabonjei Agricultural Development Association and Help Woman Timap Development Association, all benefitted the sum of Le20million each; a total of Le100million, whilst Tegloma Agricultural Development Project FBO benefitted the sum of Le10million. The overall amount that was delivered to Pujehun District was Le205million".

Auditor's Comment

The cash transfer list from the Ministry's headquarters revealed that the total cash transferred to FBOs in Pujehun District for the 2017 financial year amounted to Le105million. Conversely, cash transfer reported by the M&E Officer for the 2017 financial year amounted to Le180million. This resulted in a significant difference of Le75million between the amounts reported in the two documents. This issue remains unresolved.

6.30.6. Unavailability of Status Report

A status report was not submitted by the DAO on the utilisation of the cash distributed to the farmers. It was recommended that the DAO should ensure that an updated report is submitted on the utilisation of cash distributed and any actions taken by the Ministry against defaulters.

Official's Response

In his reply, the DAO said "There are tangible evidences in the District with regards the use of funds distributed to FBOs to promote increase in production and productivity of different value chain including cultivation of rice, cassava and poultry production in the District.

Currently, there are three (3) poultry establishments in two locations in the District. One (1) at Fonikola and two (2) in Pujehun town that are owned by 3 FBOs namely: Women of Wanjama (WOW), Fonikob Agric. Business Enterprise, and Sakrim Agric. Development. Similarly, the other FBOs involved in rice and cassava cultivation are also doing fairly well in the food security drive.

On the whole, I am personally impressed with their production levels".

Auditor's Comment

There was no written report on the performance of farmer groups that received the cash transfer to confirm that the monies were used for the intended purposes. This issue therefore remains unresolved.

6.30.7. Human Resources Issues

Interview held with the DAO and review of documents revealed that the Ministry was seriously understaffed. The positions for, Finance Officer, Storekeeper, Mechanical Superintendent, Administrative Assistant and Security were vacant. It was also observed that the Extension Division was without the required number of personnel to cover the entire District. Moreover, the District was divided into five (5) blocks, and each block should have had eight (8) Field Extension Workers (FEWs). However, there were only three FEWs to cover the entire District. It was recommended that the DAO should liaise with the Ministry's headquarters for the employment/transfer of staff to the vacant positions.

Auditor's Comment

The Ministry was still understaffed. This issue therefore remains unresolved.

6.30.8. Ineffective Control over Personnel Management

A review of attendance register revealed that staff attendance was very poor as some of the staff did not sign the attendance register for the period under review. It was recommended that the DAO should ensure that reasons backed by documentary evidence should be provided for the poor attendance of staff.

Official's Response

The DAO in his reply said "The District Office is an extension office. The District is also divided into five agricultural blocks where some staff are deployed. The District Office is grossly understaffed, that is why the attendance register contains varying number of staff for each day".

Auditor's Comment

There was no improvement in the signing and supervision of the staff attendance register. This issue remains unresolved.

6.30.9. Poor Controls over the Generation, Recording and Banking of Revenue within the Forestry Division

The following were observed:

- Despite several requests, the Forestry Division failed to produce relevant documents such as price and charges list, relevant document register, receipt books, revenue ledger, and bank statements to confirm the accuracy of Le3,750,000,000 being revenue collected as per bank pay-in slip.
- An assessment was not carried out and forecast was not set for the revenue to be generated by the Forestry Division.
- There was no system in place in the Forestry Division for periodic identification of revenue arrears and action taken by management on the collection of these arrears.

It was recommended that the DAO and DFO should ensure that:

- A systematic filing system is in place for the safe custody of all relevant documents.
- The documents in question should be submitted for verification.
- The Forestry Division sets up a realistic estimate/target for revenues during a specific period of time (weekly, monthly or yearly). This should also be used to measure the performance of the Division.
- They identify ways and means to ensure that revenue arrears are determined, collected and actions taken against defaulters.

Official's Response

The DAO in his reply said the following:

"(i) Documents such as receipt books were not brought forward during the audit exercise. This was because the receipt book was already exhausted, and held at the headquarters with the Commercial Director in the Forestry Division for verification in order to give authorisation for an application for a new receipt book from the Accounts Department.

(ii) The revenue ledger was not accessible during the audit period because by then it was with the revenue collector. He stays at a place which is 21 miles away from the police checkpoint where the revenue generation is done. It was therefore impossible to have the ledger on the day of the audit.

(iii) Banks consider it a statement on demand based on duplicated/photocopied pay-in slips; where the original pay-in slips were held at the headquarters.

(iv) Targets are rightly set from management for assessment of revenue collected periodically (weekly, monthly and yearly).

However, the Forestry Division has some limitations in revenue generation in the District due to the activities of some multi-national companies like the Socfin Agricultural Company Limited and the Natural Habitat which have converted thousands of hectares of land with high forest cover into agricultural business ventures. Also, Pujehun District claims the highest land portion of rubber plantation in the country. This has resulted to the loss of primary forest. Finally, the Gola Rainforest National Park and the Tiwai Island Wildlife Sanctuary as conservation entities have both taken away thousands of hectares of forest areas for the protection of both fauna and flora. Pujehun is highly riverine with huge land areas that are naturally Boli for rice and vegetable production. As a result of the above reasons, the Forestry Division cannot make remarkable pull in terms of target set.

(v) Arrears are set out. The Division generates revenue based on the payee system that is on the count charge by produce. For instance, chain saws confiscated are only released to owners when payments of fines are done. Relevant documents would be presented on request”.

Auditor’s Comment

The recommendations were not implemented. The issues therefore remained unresolved.

6.30.10. Inadequate Control over the Management of Fixed Assets

Fixed Assets Register Not Maintained

The Ministry did not maintain a fixed assets register and there was no assets policy for the use and maintenance of fixed assets. It was recommended that the DAO in collaboration with the Ministry’s headquarters in Freetown should ensure that a Fixed Assets Policy is immediately prepared to make clear provisions for the procurement, usage, maintenance and disposal of fixed assets.

The DAO should ensure that a fixed asset register is prepared that clearly indicates: the type of asset, description, date of acquisition or donation, source of funding, identification code, location, cost and value and status of all fixed assets owned by the Ministry.

Official’s Response

The DAO said that an asset register was in place and updated.

Auditor’s Comment

There was no evidence that the Ministry had developed a fixed assets policy and a fixed assets register to properly safeguard and account for fixed assets owned by the Ministry. This issue therefore remains unresolved.

Verification of Fixed Assets

Some of the assets verified were not marked with unique identification codes. In addition, one motorbike verified was not registered and licensed. Furthermore, 11 motorbikes and one projector were not physically verified. It was recommended that the DAO in collaboration with the Ministry’s headquarters in Freetown and other authorities concerned such as the Local Council should ensure that all assets either acquired by or donated to the Ministry must be immediately marked with unique identification codes for audit and other reference purposes. The DAO should also ensure that all unverified fixed assets are made available for physical verification.

Official’s Response

The DAO in his reply said “All of the motorbikes mentioned are available in the District. On the day of the audit, most of the motorbikes were on extension duties out in the field. Riders/staff have been informed that they should be ready to present their motorbikes to the ASSL team at any time they are required”.

Auditor’s Comment

Some of the Ministry’s fixed assets are yet to be marked with unique identification codes. The motorbikes and projector were not made available for physical verification. The issues therefore remain unresolved.

6.30.11. Lack of Internet Facility

The Ministry did not have internet facility, and enquiries from the DAO revealed that staff had to travel to Bo to access internet facility in order to undertake some official assignments such as sending official reports to the Ministry’s headquarters in Freetown. It was recommended that the DAO, in collaboration with the Ministry’s headquarters, should ensure that the Ministry is provided with the necessary IT equipment and infrastructure to enhance their operations.

Auditor's Comment

Internet facility is yet to be installed in the District Office. This issue remains unresolved.

6.31. MINISTRY OF AGRICULTURE, FORESTRY & FOOD SECURITY, KENEMA – 2017

6.31.1. Payments Without Adequate Supporting Documents

A quarterly allocation of Le139,037,000 paid by the Kenema district and city councils was not adequately retired by the Ministry. It was also revealed that a sum of Le220,000,000 given to rice farmers was not supported with the relevant documents such as receipts. Furthermore, payment vouchers for expenditure undertaken from guesthouse revenue of Le15,046,000 were not submitted for audit inspection. It was recommended that the District Agriculture Officer (DAO) should ensure that the relevant evidence in support of the above total expenditure are forwarded for audit inspection; or the entire amount of Le374,083,000 refunded immediately.

6.31.2. Management and Control of Stores

Evidence of distribution and recovery of a total quantity of 10,246 bags of fertilisers supplied to farmers were not produced for inspection. It was recommended that the DAO should submit the distribution and recovery lists for the fertilisers issued to farmers, otherwise the monetary value of the 10,426 bags of fertilisers be refunded immediately.

6.32. MINISTRY OF AGRICULTURE, FORESTRY AND FOOD SECURITY- KENEMA 2016

6.32.1. Ineffective Personnel Management

Staff files were not presented for audit. In addition, staff members were not appraised for the period under review. It was recommended that the District Agriculture Officer (DAO) should ensure that staff personal files including all relevant documents are maintained and updated and staff appraisal done on an annual basis.

Official's Response

The DAO stated that regrettably, provincial offices do not maintain personnel files at district level. However files of all staff are with the Human Resource Office in Freetown.

Auditor's Comment

There was no evidence that the recommendation was implemented. The issue is therefore remains unresolved.

6.32.2. Fixed Assets Management

There was inadequate control of the management and security of furniture and equipment. Furniture and equipment movement reports were not prepared by the Ministry. It was also observed that the master inventory register was not updated regularly and this resulted in the non-recording of furniture and equipment worth Le72,977,000 acquired by the District Council for the Ministry. It was recommended that the DAO should ensure the following:

- Reports on the movement of assets is done for any assets transferred;
- That the fixed asset register is properly updated with information like acquired assets and their identification codes.

Official's Response

The DAO stated that furniture and equipment movement was done when the need arises and currently, no movement of asset has taken place. In addition, the master inventory register is now updated and furniture and equipment recently acquired by Council recorded in the inventory register.

Auditor's Comment

There was no evidence that the recommendation was implemented. The issue is therefore unresolved.

6.33. MINISTRY OF AGRICULTURE FORESTRY AND FOOD SECURITY, BOMBALI-2017

6.33.1. Unverified staff

Thirty- Three staff of the Ministry, 33 failed to avail themselves for physical verification. It was recommended that the Human Resource Officer (HRO) should explain why these staff failed to make themselves available for verification. In addition, the HR Officer in collaboration with the Director should ensure that the staff in question avail themselves for physical verification.

Official's Response

The DAO stated that most of the staff that were not verified stay in areas where communication was difficult to access. He however mentioned that they had been informed and were ready for the verification. He noted that the HRMO was presently engaged in the exercise and after completion the report will be sent to ASSL for verification.

Auditor's Comment

Comparison between the Payroll Voucher and the Staff List revealed that there were four staff whose names were no longer on the payroll voucher. In addition, death certificate for one staff was presented for verification and four staff were also physically verified. The remaining 24 of the total 33 are yet to be verified. The issue therefore remains unresolved.

6.33.2. Staff list not updated with NASSIT numbers

Review of the staff list submitted for audit inspection revealed that there were 10 personnel without NASSIT numbers. It was recommended that the Human Resources Officer should ensure that a comprehensive staff list that includes NASSIT numbers should be maintained and updated regularly.

Official's Response

The DAO said that the updated staff list was available for inspection.

Auditor's Comment

Verification of the revised staff list revealed that the staff in question were still without NASSIT numbers. Hence the issue remains unresolved.

6.33.3. Use of Ministry's Government Quarters& Land

Physical verification of the quarters revealed that there were occupants of the staff quarters who are not staff of the Ministry. There were also occupants of the quarters who had retired over two years ago but were still occupying these quarters whilst staff who are currently working were without quarters. Furthermore, there was no policy to determine how long a staff should occupy a quarter after retirements. It was also noted that community people had encroached on the Ministry's land without the approval of the Director of the Ministry. It was recommended that the DAO should submit written explanation together with relevant supporting documents necessary to justify the anomalies at the quarters.

Official's Response

The DAO said that management has issued eviction notices to all retired occupants and copies of the letters are ready for verification.

Auditor's Comment

The eviction letters were submitted for verification. However, the retired staff were still occupying the premises. Therefore, the issue remains unresolved.

6.34. MINISTRY OF AGRICULTURE, FORESTRY AND FOOD SECURITY, KAMBIA DISTRICT – 2016

6.34.1. Debtors for Seed Rice Distributed not Made Available

Seed rice distributed to FBOs on credit basis was supposed to have been recovered on a one-for-one basis. However bushels of seed rice owed to the Ministry by the FBOs in Kambia were not disclosed to the auditors neither were there any documents by which the auditor could perform independent calculation. It was recommended that the District Agriculture Official (DAO) should ensure that the distribution list, containing the signatures of the beneficiary organisations and the recoveries were submitted for audit review; otherwise, the amount involved must be refunded into the CRF.

Official's Response

The DAO stated that the debtors' file was not seen during the audit exercise. He however noted that it was now being traced and up-dated for verification.

Auditor's Comment

The finding had not been cleared as neither the original list nor the updated one was made available for verification. The issue therefore remains unresolved.

6.35. MINISTRY OF AGRICULTURE, FORESTRY AND FOOD SECURITY, MOYAMBA-2017

6.35.1. Inadequate Control over Cash Transfer to Farmers

Cash transfer totalling Le145,000,000 was made from Ministry of Agriculture, Forestry and Food Security, Freetown to seven farming groups in the Moyamba District. It was however observed that these farmers were not monitored by the District Agriculture Officer (DAO) to verify whether cash transferred to various groups were utilised for their intended purposes. The DAO should therefore ensure that the Monitoring and Evaluation (M&E) Officer carry out monitoring of the farmer groups to determine the status of their implementation and report to the DAO for onward report to the Ministry's headquarters.

Official's Response

The DAO said: "Please take cognisance of the fact that, it was not seven (7) farmers but seven farming groups headed by chairpersons who received the cash in the form of cheque on behalf of the groups.

The resources that the farming groups received were direct cash transfer from MAFFS headquarters by the then Minister and his team to farmers. Account on the above resources is a direct manifest of headquarters and therefore all returns and supporting documents have already been made available to MAFFS headquarters in Freetown.

Since the District Agriculture Officer was a witness to the disbursement of cash transfer cheques to farmers, he was able to monitor and supervise most of them. Attached are his technical reports on the affected FBOs".

Auditor's Comment

An M&E or technical report was not made available for verification. The issue remains unresolved.

6.35.2. Inadequate Control over the Management of Stores

It was observed that 12,506 bags of fertiliser were delivered to the Ministry for distribution to farmer groups as loan. The Ministry distributed the fertilisers to the groups upon the agreement stated that the farmers should refund two bushels of seed rice for every one bag of fertiliser received. Therefore, it was expected that the farmers should refund 25,012 bags of seed rice to the Ministry for the 12,506 bags of fertiliser. The following were observed:

- There were inadequate controls over the distribution and recovery of the fertilisers. For instance, the Ministry did not submit for audit the list of farmer groups to whom the fertilisers were distributed and the delivery notes where the farmers acknowledged receipt of the quantity of fertilisers they received.
- That the Ministry recovered only 2988 bags of seed rice from the farmer groups leaving a balance of 22,025 bags of seed rice.
- The Ministry did not submit debtors list to determine the defaulters and there was no recovery plan for the outstanding bags of seed rice.
- The Ministry did not provide evidence of actions taken against the defaulters.

DAO should ensure the following:

- The beneficiary lists for the total quantity of fertiliser distributed are submitted for audit inspection.
- Explanations backed by documentary evidence are provided for the non-recovery of the loan.

Official's Response

The DAO in his response said the following:

- *"First of all, stores did not distribute fertilisers directly to the farmers but it was done by the Block Extension Supervisors with an agreement forms signed between the farmers and the MAFFS. Although the MAFFS in Moyamba received 12,506 bags of 50kg as assorted fertilisers of N.P.K. 15:15:15 and N.P.K. 0:20:20 in equal proportion, it was not totally distributed to farmers. It was based on demand and supply that fertilisers were distributed to farmers. However, both the soft and hard copies are available for inspection, verification and validation, including the agreement forms if deemed necessary for further inspection.*
- *The agreement between farmers and MAFFS is very concrete and self-explanatory. However, the attitude of farmers in the payment of government loan has always been poor since time in memorial. The farmers are fully aware of the agreement (1:1) one is to one basis. As revealed in your above findings, it was not 12,506 bags of 50kg fertilisers distributed to farmers in 2017. 12,506 bags (50kg) were allocated to the district which was distributed at block level using comparative advantage. Allocation doesn't mean supply and supply depends upon demand. Therefore the quantity supplied might not be the quantity demanded and also the quantity demanded might not be the quantity utilised (used). In view of the above, the beneficiary list of both fertilisers demanded by farmers and supplied by Block Extension Supervisors (BESs) are the ones accounted for, while those that are not supplied by BESs are still in the ABC stores and those that were not totally utilised by the farmers are still available for inspection, verification and validation.*
- *As a devolved sector to council, a decision cannot be taken against defaulters without the approval of local council and MAFFS headquarters in Freetown. In 2016/2017 loan recovery, an official letter was submitted to council for their intervention but to no avail. Furthermore, an official complain to MAFFS at headquarters was made and we were advised not to take any police action against them".*

Auditor's Comment

The list of farmer groups to whom the fertilisers were distributed and the delivery notes were not submitted for verification. The remaining 22,025 bags of seed rice were still not recovered from the farmers and no recovery plan was submitted to the auditors. The issues therefore remain unresolved.

6.36. MINISTRY OF AGRICULTURE, FORESTRY AND FOOD SECURITY, TONKOLILI DISTRICT- 2016

6.36.1. Accountable Documents not Produced for Inspection

The delivery note and accountable document register in respect of receipt books issued to the Ministry of Agriculture, Forestry and Food Security for the review period was not made available for inspection. It was recommended that the accountable document register and the delivery note in respect of receipt books issued to the Ministry should be made available for audit inspection.

Official's Response

The District Agriculture Officer (DAO) stated that the delivery notes and accountable document register are now available in the office for verification.

Auditor's Comment

The delivery notes and accountable document register were not submitted for verification; hence, the issue remains unresolved.

6.36.2. Management of Fixed Assets

The fixed asset register was not properly maintained. Fixed assets amounting to Le28,500,000 were not recorded in the Ministry's fixed assets register during the period under review. It was recommended that the District Agriculture Officer (DAO) should ensure that the details in respect of the fixed assets are recorded in the Ministry's fixed assets register. The DAO should ensure that assets procured or received from donors are recorded in the Ministry's fixed assets register on a timely basis and such record maintained for reference or audit purposes.

Official's Response

The DAO said that those assets had been recorded in the Ministry's fixed asset register. The updated asset register was now available for verification, he added.

Auditor's Comment

The asset register was not made available for verification; hence, the issue remains unsolved.

6.37. MINISTRY OF FISHERIES AND MARINE RESOURCES, 2017

6.37.1. Cash Withdrawals without Supporting Documents

Supporting documents such as payment vouchers, invoices, receipts, etc. to justify cash withdrawals of Le564,381,796 from the Institutional Support to Fisheries, Fisheries and Marine Training Institute Bank Accounts were not submitted for audit inspection. It was recommended that the Principal Accountant should submit the supporting documents for audit inspection; failing which the full amount should be refunded and the Principal Accountant will be surcharged according to Section 93(4) of the Public Financial Management Act, 2016.

Official's Response

The PS stated that the recommendation of the Auditor-General's report had been strictly adhered to. He added that the required supporting documents requested will be submitted for verification.

Auditor's Comment

Of the Le564,381,796, supporting documents such as receipts, signed list of beneficiaries, invoices etc. were only submitted for payments totalling Le376,184,296, leaving a balance of Le188,197,500 without supporting documents. The issue is therefore partly resolved.

6.37.2. Cash Withdrawals without Adequate Supporting Documents

A review of cash withdrawals from the Institutional Support to Fisheries' bank statement revealed that payments were made to the tune of Le195,748,000 that were not backed by adequate supporting documents such as approved end users' request, delivery notes, etc. for goods and services.

It was recommended that the Principal Accountant should ensure that the required supporting documents are provided for audit inspection.

Official's Response

The PS noted that the recommendation of the Auditor-General had been taken into good faith. He however mentioned that the funds in question were received by various officers of the Ministry who implemented the programmes and that the balance retirement of each payment was to be produced by them with the approved request attached for verification.

Auditor's Comment

Of the Le195,748,000 worth of transactions, adequate supporting documents such as receipts, signed list of beneficiaries, invoices etc. were only submitted for payments totalling Le12million leaving a balance of Le183,748,000 without adequate supporting documents. The issue is therefore partly resolved.

6.37.3. Bank Statements, Cashbooks and Bank Reconciliation Statements not Submitted

Bank statements, cashbooks and bank reconciliations statements for 15 bank accounts maintained by the Ministry were not provided for audit inspection. It was recommended that the Principal Accountant should submit the requested documents for 15 bank accounts for audit inspection.

Official's Response

The PS in his response said "It was an oversight that we did not submit the bank statements, bank accounts, cashbooks and bank reconciliation statements maintained by the Ministry. However, the above statements and cashbook will be produced for audit inspection".

Auditor's Comment

The requested documents were still not submitted for verification. Therefore, the issue remains unresolved.

6.37.4. Bank Accounts Closed without Authority

Based on interviews held with the Principal Accountant, it was revealed that the Ministry closed 12 bank accounts during the period under review, but evidence such as the Minister of Finance and the Accountant-General's approvals for the closure of those bank accounts were not submitted for audit review. In addition, the auditors were not provided with the bank statements of those closed bank accounts to verify the bank balances prior to their closure. Similarly, evidence of transfers of the outstanding balances from those bank accounts into another bank account of the Ministry were not provided for audit inspection. It was therefore recommended that the approved authority to close those bank accounts, bank statements prior to the closure of those bank accounts, correspondence to the banks and evidence of transfers of the remaining bank balances in the closed bank accounts should be submitted by the Principal Accountant for audit inspection.

Official's Response

The PS in his response said "Indeed, the Ministry usually has series of bank accounts. Members of the management team at the Minister of Fisheries and Marine Resource unanimously agreed that those bank accounts concerned should be closed. To that effect, the Permanent Secretary wrote a memo to the Accountant General (letter produced) who has the responsibility for closing government accounts, to close those accounts that were not relevant to the Ministry. The accounts were closed and balances transferred into the Institutional Support to Fisheries' account at the Bank of Sierra Leone. The PS's letter and bank statements were submitted to the auditors. The letter written by the Accountant General for the closure of those accounts will be produced for verification".

Auditor's Comment

The letters of approval for the closure of the 12 bank accounts were submitted for verification. However, the letters were not signed. Similarly, bank statements to confirm evidence of transfers of the outstanding balances from the closed accounts into the Institutional Support to Fisheries' account at the Bank of Sierra Leone were also not available for verification. The issue is therefore partly unresolved.

6.37.5. Non-Deduction and Payment of Withholding Tax to the National Revenue Authority

Withholding taxes totalling Le3,520,300 in respect of payments for goods and services were not deducted and paid to the National Revenue Authority. It was recommended that the Principal Accountant should ensure that the outstanding taxes be recouped from the concerned suppliers and paid to the NRA.

Official's Response

The PS noted that the recommendation of the Auditor-General had been strictly adhered to and in effect, the Principal Accountant has contracted service providers to refund the taxes concerned immediately. Hope they will all respond accordingly..

Auditor's Comment

Evidence of payment of the withholding tax was not submitted for verification.

6.37.6. Follow-up on Previous Year's Recommendations

During the audit exercise, we followed up on all recommendations made in previous years. A summary of the status of these recommendations is given below:

- *The Ministry instituted measures to ensure the eradication of discrepancies that had been noted over the years between the Ministry and the NRA in revenue collected. However this did not reflect in the Consolidated Revenue Fund. The Ministry requested that all payments from October 2016 were made directly into the Ministry's account at the Bank of Sierra Leone, thereby removing the need of transit banks from the process; thus ensuring that all revenue assessed, paid and recorded in the Ministry's records are immediately paid directly into the Consolidated Revenue Fund by the National Revenue Authority. In another instance, the Ministry had also instituted mechanisms to ensure that all arrears were paid by fishing vessels. Despite these measures instituted by the Ministry, challenges are however still being faced in the management of revenue at the Ministry as highlighted in the following issues noted by the audit team:*
 - *Rates in the Fifth Schedule of the Fisheries Regulations of 1995 were not followed, instead, a flat rate of Le5,000,000 was charged for all semi industrial licensed vessels without appropriate approval from management or Parliament.*
 - *The categories of semi-industrial fishing vessels were not stated on the application and licences issued, thereby restricting auditors in making a reliable estimate of the actual amount to have been paid by those vessels.*
 - *Arrears in respect of fines and local discharges stood at USD 388,898 and Le638,276,188 respectively.*
- *Review of revenue records noted that the Ministry assessed and recorded revenue in respect of licences and other fees totalling Le56,774,996,318. However, bank statements from the Bank of Sierra Leone indicated that the sum of*

Le55,481,270,896 was deposited by the NRA. There was however a difference of Le1,293,725,421 not deposited by the NRA. Furthermore, the bank statements of the transit account(s) from the NRA were not submitted for audit, thereby restricting the auditors from ascertaining the actual amount deposited into the account(s), as well as the amount transferred to the CRFA at the Bank of Sierra Leone.

- *Appropriate reconciliation explanations justifying this difference was not provided for audit. In some instances, we realised that amounts deposited as per bank statement were higher than those recorded in the revenue cashbook. The reverse was observed in other instances, thereby making it difficult to reconcile individual transactions from the cashbooks, to the bank statements.*
- *Payments totalling Le451,215,750 were disbursed by the Ministry without adequate supporting documents like receipts, back-to-office reports, beneficiaries' list, etc. to substantiate the utilisation of the said funds.*
- *The Ministry did not maintain an inventory register that indicated the date of purchase, cost and status of assets owned and controlled by the Ministry. This resulted in no appropriate records made for Le181,210,000 worth of assets purchased. Those items were similarly not coded.*
- *A staff with pin code 128422 failed to report since March 2016 when she was posted to the Ministry. Total salary paid to her amounted to Le8,075,180.*
- *The Ministry had staff who were classified as observers (Fisheries Observers) and working on board fishing vessels. Letters of employment from the HRMO to justify that transparent recruitment processes were followed for these staff were not submitted for audit. In addition, it was understood that though those staff were recruited by the Ministry, they were however being paid by the fishing companies.*
- *There was no functional internal audit committee at the Ministry. There was also no list of committee members, neither was there minutes of committee meetings. There was also no evidence of working papers or an internal audit report presented for planned audits.*
- *Withholding taxes which totalled £4,250 was not deducted from contract staff's salaries.*
- *The project did not deduct 5% withholding taxes which totalled Le11,304,350 and £2,127 from payments to suppliers.*
- *Procurement undertaken for goods and services through the request for quotation method, worth Le88,497,000 was improper. Business registration certificate, NRA tax clearance certificate, NASSIT contribution clearance certificate etc. to justify the basis upon which suppliers were selected, were not seen during the review of files submitted for audit.*

6.38. MINISTRY OF SOCIAL WELFARE, GENDER & CHILDREN'S AFFAIRS, BO - 2016

6.38.1. Inadequate Control over Disbursement of Funds Allocated to the Ministry

Salaries totaling Le55,200,000 were paid to Data and M&E Officers under the EVD Recovery Programme. However, the payment voucher in respect of such salaries was not authorised by the Assistant Director (South), nor were they signed by the paying officers in Bo and Pujehun Districts. It was therefore recommended that, the Assistant Director and the District Social Services Officer should ensure that payment and payroll vouchers should be signed by the appropriate authorities.

Official's Response

The Assistant Director (AD) in his response said: "Salary voucher totalling Le55,200,000 paid to Social Workers, Data Officers, and M&E Officers for EVD recovery programme have been approved and signed by the Assistant Director (South). The Social Services Officer for Bo District was not available as he was in the USA.

Auditor's Comment

Copies of authorised salary vouchers for social workers and M&E Officers of the EVD recovery programme totaling Le 55,000,000 were not submitted for audit verification.

6.38.2. Fuel Records not Properly Maintained

Review of fuel documents revealed the following:

- Fuel chits were not serially numbered.
- The fuel register was not properly maintained. Quantity of fuel received, serial number of fuel chit and balances brought forward were not recorded in the fuel register.
- The Ministry did not maintain a fuel policy in respect of fuel allocated to eligible individual beneficiaries.
- Vehicle log-books that would help ascertain mileage and fuel consumed by each vehicle were also not maintained by the Ministry.

Official's Response

The AD said that the Ministry will develop a fuel policy at headquarters which will be made available to district and regional offices, and a vehicle log book will be made available from headquarters for the Ministry's vehicles.

Auditor's Comment

Fuel chits are yet to be serially numbered and a policy is yet to be developed. Vehicle log-books were also not submitted for verification. The issue therefore remains unresolved.

6.38.3. Human Resources Management

An interview with the Assistant Director revealed that social workers were yet to be assigned to ten chiefdoms, seven Family Support Units (FSU) and remand homes. In addition, reports on absenteeism for the period under review were not made available for audit inspection. It was therefore recommended that the Assistant Director should ensure that he collaborates with the Director of Social Welfare, PS and Ministry of Social Welfare, Gender and Children's Affairs (MSWGCA) and other key officials of the Ministry to ensure that social workers are immediately assigned to all the chiefdoms, FSUs and remand homes and reports on absenteeism are prepared on a monthly basis.

Official's Response

The AD said that plans are well underway for the recruitment of social workers for deployment to chiefdoms through the Ministry of Finance, Public Service Commission, and Human Resource Management Office in subsequent years. He added that reports on absenteeism from duty will be prepared and made available for subsequent audits.

Auditor's Comment

It was noted during the verification that social workers were yet to be assigned to ten chiefdoms and reports on absenteeism for the period under review were still not made available for verification. Therefore, the issue remains unresolved.

6.38.4. No Holding Centre for Absconded Children

There was no holding centre for absconded and lost and found children. It was recommended that the Assistant Director in collaboration with the councils and the Ministry's headquarters should ensure urgent construction of the holding centres for these children.

Official's Response

The AD in his response said: "The Ministry and councils work in collaboration with organisations that run officially registered child holding/ interim care centres for all categories of children that need protection including absconded ones. Such children that need protection services are referred to interim care centres where they await family tracing and reunification".

Auditor's Comment

Holding centres for absconded and lost children are yet to be constructed. The issue therefore remains unresolved.

6.38.5. Ineffectiveness of IT environment

No back-up (on-site and off-site) system was maintained to protect the Ministry's data against loss in the event of a systems breakdown and no fire extinguishers to protect the institution's property, plant and equipment (PPE) in the event of a fire accident. It was recommended that immediate steps should be taken by the Assistant Director to institute an IT back-up system and also install fire extinguishers for both the protection of the Ministry's electronic information, IT equipment and other PPEs from damage. Training should also be provided for selected staff in the use of fire extinguishers.

Official's Response

The AD said that the Ministry is confident that the issue of ICT materials and fire extinguishers will be addressed at national level hopefully in the following year.

Auditor's Comment

A back-up (on-site and off- site) system and fire extinguishers are yet to be provided for the Ministry.

6.38.6. Follow Up on Previous Year's Issues

During the audit exercise, we followed up on all recommendations made in previous years. A summary of the status of these recommendations is given below:

- *There was no evidence of annual appraisals of staff for the period under review was submitted.*
- *Copies of salary vouchers were not submitted for the period under review. This made it difficult to ascertain:*
 - *The total staff on the Ministry's payroll.*
 - *The Ministry's total monthly salary budget.*
 - *Grade/ scale/ category of staff.*
 - *Status of payment of NASSIT contributions for staff.*
- *The team observed that a Ford vehicle – with registration number AEJ 234 whose repair was not economically cost effective had remained grounded for a long period of time with no action taken, in consultation with the relevant authorities responsible to dispose of the said vehicle.*
- *A motorbike assigned to the Remand Home Unit of the Ministry was not licenced and insured for the period under review.*
- *Copies of documents of ownership such as life-cards, invoices, delivery notes or transfer letters for motorbikes and vehicles owned by the Ministry were not made available to the audit team for inspection.*
- *The Ministry's official vehicle fleet was grossly inadequate. Of three vehicles assigned to the entire southern region, only one was roadworthy, with one completely grounded and the other so decrepit, it was the subject of regular maintenance that was not even cost effective.*
- *The motorbikes social workers (CBSW) ratio was abysmal with only four motorbikes per 19 social workers for chieftdom based social workers*
- *Office furniture and equipment such as computers, printers, photocopiers, desks, chairs, cabinets, scanners, shelves and office table were also inadequate. This greatly undermined the operational effectiveness of the Ministry.*

The following were observed:

- *The office was dilapidated and had no lavatories.*
- *Overgrown cotton trees at the back of the office posed a serious threat to the safety and security of staff, client and visitors and office property..*
- *A waste dumpsite just at the back of the office posed a serious threat to the health of the staff, clients and visitors.*

- Accommodation for inmates was grossly inadequate in the remand home. The facility was crammed with more than 60 inmates in a space meant for accommodation 25.
- The remand home together with the perimeter fence was dilapidated.

6.39. MINISTRY OF SOCIAL WELFARE, GENDER & CHILDREN'S AFFAIRS, KENEMA- 2015 – 2016

6.39.1. Non Retirement of Allocations

Total expenditure amounting to Le219,793,000 withdrawn from the Child Affairs Account in 2015 was not supported by either retirement details, or reconciliation statements. It was recommended that the Acting Assistant Director should ensure the allocations made were properly retired and accounted for.

Official's Response

The Assistant Director (AD) in his response said: "Expenditure amounting to Le219,793,000 withdrawn from Child Affairs Account in 2015 without retirement details or reconciliation statement will be looked into by the management and reported on by the next audit. However, documents relating to allocations that were not adequately retired are now available for your verification".

Auditor's Comment

Retirement details were only provided for Le111,844,000, leaving a balance of Le 107,949,000 which was however not supported by sufficient and appropriate documentation such as activity plans, invoices, and receipts and recipients signatures. The issue remains partially unresolved.

6.39.2. Inadequate Infrastructure Facility

The building which houses the Ministry was dilapidated. It has several cracks all over. There were no toilet facilities and the compound had so many derelict vehicles. During a verification exercise on the unfinished building erected by the Ministry along Reservation Road, it was observed that building permit from the Ministry of Works, as well as land documents from the Ministry of Lands were not submitted for verification. The Acting Assistant Director should therefore ensure that the infrastructure needs of the Ministry were met to facilitate the smooth and efficient delivery of social services to the general public.

Official's Response

In his response, the AD said: "The Ministry is aware of these issues and that they have been putting things in place to address them. However, management is still working to ensure that additional facilities for staff accommodation are provided including toilet facilities. Documents requested for the unfinished building at Reservation Road will be looked into by management and it will be also discussed with the Minister to get the contractor or consultant produce a status report".

Auditor's Comment

The infrastructural requirements of the Ministry in general need to be improved on. The contract between the Ministry and the contractor on the unfinished building at Reservation Road was not submitted for verification. The issue remains partially unresolved.

6.39.3. Inadequate Human Resources Management

The sum of Le62,000,000 was paid to contract staff and social workers for which no terms of reference such as appraisal reports, job descriptions and contract letters were submitted. The daily attendance time-book showed that some staff did not sign the register before leaving the office at close of business. It was recommended that the Acting Assistant Director in collaboration with the Minister of Social Welfare Gender and Children's Affairs should ensure that the required personnel policy was implemented.

Official's Response

The AD said "Management will ensure that the required personnel policy is implemented in the region and terms of reference, appraisal reports, job descriptions and staff contracts as well as the daily attendance time-book will also be monitored".

Auditor's Comment:

Evidence of a personnel policy for contract staff of the Ministry was not provided for verification. The issue therefore remains unresolved.

6.39.4. General Observations

The following issues were observed:

- Staff personal files were maintained for all staff but these were not updated with birth certificates.
- There was no evidence in the form of training report or certificates to substantiate that in-service training programme were conducted for social workers in the district.
- There was also no evidence that staff were annually appraised.

It was recommended that the Acting Assistant Director should ensure the following:

- That staff personal files were updated and complete with the relevant documents.
- That Training reports or certifications for in-service training programmes were provided.
- That staff members were appraised annually as the basis for promotion and training.

Official's Response

The AD stated that management had noted the general observations outlined by the audit team and that they have been implemented.

Auditor's Comment

There was no evidence of implementation of the audit recommendations. The issues therefore remain unresolved.

6.40. MINISTRY OF SOCIAL WELFARE, BOMBALI DISTRICT 2015-2016

6.40.1. Fuel Management

The control over the management of fuel was not adequate. There was no evidence in the form of request forms and chits to explain how fuel valued at Le 9,472,500 was utilised. It was recommended that the Assistant Director should make the fuel documents available to the audit office and ensure that relevant records such as fuel register, request forms are maintained at all times by the Ministry.

Official's Response

The AD in his response said: "The sum of nine million four hundred and seventy-two thousand five hundred Leones (Le 9,472,500) which was provided for two thousand five hundred and twenty – six (2,526) litres of fuel at three thousand, seven hundred and fifty Leones (Le 3,750) per litre for the five districts in the northern region. Four hundred and twenty (420) each litre was sent to Tonkolili, Kambia, PortLoko and Koinadugu districts and the remaining 846 litre was utilised in Bombali District. However distribution details of the said amount of fuel could not be traced as a result of recent transfers and reversal in the Ministry. There was no proper handing over as doors were broken and locks changed illegally".

Auditor Comments

The fuel operating records were not submitted for verification; therefore, the issue remains unresolved.

6.41. MINISTRY OF SOCIAL WELFARE, TONKOLILI DISTRICT - 2016

6.41.1. Assets not Seen During Physical Verification

During the course of the audit, 20 sewing machines were not seen for audit verification exercise. It was recommended that the Assistant Director should ensure that the 20 sewing machines were presented for audit inspection.

Official's Response

The Assistant Director said: "With reference to the sewing machines, the Ministry did not award the contract to a contractor. The Tonkolili District Council did award the contract to a contractor for procurement purposes and should be in position to provide the required information about the contractor".

Auditor's Comment

Management's response noted. However, the auditors did not query the procurement process but rather the availability of the procured items i.e. the sewing machines. Since the assets in question were not produced for verification, the issue therefore remains unresolved.

6.42. PROVINCIAL SECRETARY'S OFFICE, NORTHERN REGION –2016

6.42.1. Withholding taxes not deducted and paid to the National Revenue Authority

Withholding taxes amounting to Le7,270,000 were not deducted at source from the payment made for goods, and paid to the NRA. It was recommended that the Provincial Secretary should ensure that the queried amount of Le7, 270,000 is recovered and paid to the NRA and evidence of payment forwarded for audit verification.

Official's Response

The Provincial Secretary mentioned that Withholding taxes were deducted at the transaction stage from the various suppliers payment vouchers by the Accountant General's Department.

Auditor's Comment

Management response did not address our recommendation and there is no evidence to justify the above claim. The issue is still unresolved.

6.42.2. Fuel Register and chits not submitted for audit inspection

Fuel operating records such as Fuel Register and chits were not provided to substantiate the utilisation of fuel valued at Le481, 921,540. It was recommended that the Accountant should ensure that the fuel register and chits in respect of the Le481, 921,540 fuel consumed be made available for verification; otherwise, the said amount should be paid back to the CRF and evidence of payment submitted for audit verification.

Official's Response

The Provincial Secretary noted that fuel operating records such as fuel register and chits will be collected from all District Office in various districts and will be presented for verification to testify the utilisation of Le 481,921,540.

Auditor's Comment

The documents queried were still not submitted for auditors' verification, the issue therefore remained unresolved.

6.42.3. Contract in respect of Fuel Supplied not made Available for Audit Inspection

Contract between the Provincial Secretary's Office and the National Petroleum Company Filling Station, Makeni in respect of fuel and oil for both the administration and Senior District Officers was not submitted for review. It was recommended that the Provincial Secretary should ensure that the signed fuel contract was presented for audit verification.

Official's Response

The Provincial Secretary mentioned that attached to the forwarding letter sent to the auditors was the agreement for the supply of fuel, diesel, petrol oil and lubricants.

Auditor's Comment

During the verification of documents submitted, it was noted that the fuel agreement between the Provincial secretary's Office North and the NP Wusum Filling Station Azzolilini High Way Makeni dated 5th October 2015 while the signatures on the attached list of agreement dated 01-07-2015. The issue therefore remained unresolved.

6.43. JUSTICE SECTOR COORDINATION OFFICE-2017

6.43.1. Procurement Documents were not Presented for Audit Inspection

Payment vouchers examined revealed that Le 44,658,370 was spent for the procurement of goods and services. However, procurement documents such as three proforma invoices to justify that a competitive procurement was carried out were not submitted for audit inspection. It was recommended that the Senior Accountant should present the necessary procurement documents for audit inspection.

Official's Response

The Coordinator in his response said that the three proforma invoices for Special Fork Restaurant are available for audit inspection.

Auditor's Comment

The three proforma invoices were not presented for verification. This issue remains unresolved.

6.43.2. Payments Without Adequate Supporting Documents

Examination of the payment vouchers and supporting documents revealed that Le 201,734,251 was disbursed for various projects which were without adequate supporting documents, such as, valid NASSIT clearance, business registration certificates, receipts etc. It was recommended that the Senior Accountant should present the necessary supporting documents for audit verification; otherwise the amount involved will be disallowed and surcharged.

Official's Response

The Coordinator said that the supporting documents are all available for audit review.

Auditor's Comment

During the verification exercise, supporting documents such as valid NASSIT clearance, business registration certificates, receipts, etc., were presented and verified for disbursed amount of Le120,039, 49. However, there was a balance of Le81, 694, 302 for which adequate supporting documents were not presented for inspection. Hence, the issue remains partially resolved.

6.44. LAW OFFICERS DEPARTMENT – 2017

6.44.1. Payments Without Adequate Supporting Documents

Disbursements in respect of overseas travel totalling Le456,600,695 were not backed by adequate supporting documents such as overseas training report, valid supporting business registration certificates and three requests for quotation. It was recommended that the Accountant should submit the relevant supporting documents in respect of those payments for the period under review for audit inspection.

Official's Response

The Solicitor General mentioned that the supporting documents were available for verification.

Auditor's Comment

During the verification exercise, documentary evidence in support of Le448,498,079 was submitted leaving a balance of Le.8,102,616 for which no supporting documentation was provided for audit verification. Therefore this issue remains partly resolved.

6.44.2. Human Resource Management

Poor Management of Attendance and Personnel Files

The auditors observed that some personnel files were not submitted for audit inspection. Furthermore, it was noted that personnel of the Parliamentary, Administration, Civil and Commercial/International Divisions do not sign the attendance register. It was recommended that the Administrative Officer submit files on the staff in question for audit verification.

Official's Response

The Solicitor General noted that the personnel files and attendance register were available for verification.

Auditor's Comment

The files were provided for inspection during the verification. However, the attendance register for Parliamentary, Civil and Commercial/International divisions was not provided for audit inspection. Therefore the issue remains unresolved.

Inadequate Manpower

Interviews held with the PS and the Solicitor General revealed the following manpower gaps in the institution:

- A qualified librarian.
- An upgraded library equipped with recent law journals and reports.
- Additional recruitment of most importantly drafters and more personnel in the Administrative and Parliamentary Divisions.
- Post graduate professional training for lawyers as a matter of urgency.

It was recommended that the PS should ensure that a qualified librarian is recruited and the library upgraded.

Official's Response

The Solicitor General stated that the observations were noted and promised they will be implemented as recommended.

Auditor's Comment

The audit recommendations were not implemented, therefore this issue remain unresolved.

6.44.3. Non Submission of Documents

In spite of repeated requests, and contrary to Section 119(2) of the 1991 Constitution and Section 36(1) of the Audit Service Act 2014, reports for the financial year 2017 relating to Performance Tracking Target for the Ministry were not submitted for inspection. It was recommended that the Accountant should produce the relevant documents for audit inspection.

Official's Response

The Solicitor General noted that the documents were now available for verification.

Auditor's Comment

The documents were still not produced for verification. The issue therefore remains unresolved.

6.44.4. Follow-Up on Previous Year's Recommendations

During the audit exercise, we followed up on all recommendations made in previous years. A summary of the status of these recommendations is given below:

- *The payroll voucher of the department includes staff from both the Administrator and Registrar General's Department and the Judiciary.*
- *Four vehicles and one motorbike owned and controlled by the Department were not independently verified.*

6.45. HIGH COURT SOUTHERN REGION- 2017

6.45.1. Inadequate Controls over Revenue Management

There were no evidence of reconciliation between the high court's records and NRA records to confirm the accuracy of Le90million collected in respect of court fines for the period under review. NRA receipts were not submitted to confirm payment in the case of "The State vs. Alfred John Sandy". Review of the case file in the matter between "The State vs. Alfred John Sandy" revealed the under-mentioned verdict:

The sentence which was made on the accused person on 27th July, 2017 states that: "Accused to refund the sum of Le28,280,000 within one week from the date of the order, failing which the accused shall be arrested, detained and shall serve the full penalty as provided by Section 36(1) of the Anti-Corruption Act No.12 of 2008. The accused is hereby fined Le30million to be paid within three months effective today's date failing which he (accused) shall serve imprisonment for a five-year term".

However, NRA receipt to confirm payment was not submitted for audit and returns in respect of the total number of cases discharged, sentences made and total fines imposed were not submitted for eight-month period (from January to August 2017).

It was recommended that returns are prepared for all high court matters on a monthly basis and properly filed for reference and audit purposes. It was also recommended that the Principal Assistant Registrar (PAR) should ensure the following records are submitted for audit verification:

- Reconciliation done between the High Court and the NRA records for the period under review
- NRA receipt(s) in respect of, "The State vs. Alfred John Sandy".
- The returns for the eight-month period (January to August, 2017).

Official's Response

The High Court Judge South (HCJS) in his response said: "With reference to 4Ic&II, my response are; that the total sum of Le90,000,000.00 fines were imposed and payments were made in respect of two matters:

- 1) The State Vs. Julian Carey & Others and*
- 2) The State Vs. Abdul Rahman Sesay & Others*

The amount of fine imposed in each file is stated clearly in the original Judge's note. We have limited mandate here; we prepare pay-in slips for representatives of the convicts for payment of the fines to be made in bank, and from the bank the

documents go to the NRA office. It is the NRA office that will issue receipt to them. Copies of the pay-in slips from bank and the NRA receipts will be submitted to our office and the Correctional Centre office. These copies submitted to us are then placed in the case files.

In the case of the State Vs. Alfred John Sandy (Ref. 4iii); payment of the fines and amount to be refunded in this matter were made directly to the ACC office, Bo Branch. The ACC office did not submit any receipt of payment to us. We have requested for copies of these receipts but to no avail.

With reference to 4 (iv&v), the returns for the eight months period are now ready for verification”.

Auditor’s Comment

Reconciliation were still not done between the High Court records and NRA records to confirm the accuracy of the court fines collected for the year under review. In addition, NRA receipt to confirm payment in the case of “The State Vs. Alfred John Sandy” is still outstanding. However, monthly High Court returns were submitted and verified.

6.45.2. Staff that have Exceeded the Retirement Age

A staff with pin code 175007 whose date of birth was 11th December, 1954 has exceeded the statutory retirement age of 60 years. It was recommended that the PAR should liaise with the judiciary headquarters and the HRMO for necessary action to be taken to address this anomaly.

Official’s Response

The HCJS said that appropriate action will be taken in respect of the staff in question.

Auditor’s Comment

There was no evidence of action taken by the judiciary to address the issue

6.45.3. Staff Performance Appraisal not Done

Staff performance appraisals were not done for the period under review. It was recommended that the PAR should ensure that an annual staff performance appraisal is done.

Official’s Response

The HCJS in his reply said: “Please note that staff performance appraisals can only be done by the Master and Registrar and the Human Resource Officer of the Judiciary. I have limited mandate as Principal Assistant Registrar of the High Court in Bo”.

Auditor’s Comment

Staff performance appraisals were still not done.

6.45.4. Ineffective Control over Staff Attendance

There was no evidence in the form of staff attendance register to confirm that staff were regular and punctual at work. It was recommended that the PAR should ensure that staff daily attendance register is maintained and staff sign in and out at the correct time they come for and leave work. The register should be supervised by a senior officer.

Official’s Response

The HCJS said that the audit recommendations have been forwarded to the Master and Registrar.

Auditor’s Comment

Staff daily timebook/attendance register was not maintained. The issue remains unresolved

6.45.5. Ineffective Management and Control over Fixed Assets

Section 231 (1) of the FMR 2007 states that: “Furniture and equipment issued for government quarters or offices shall be brought on charge in a master inventory”. It was however observed that there were inadequate controls over the management and security of the court’s fixed assets as fixed assets register was not maintained. It was recommended that the PAR should ensure that the fixed asset register are prepared which clearly indicate; the type of asset, description, date of acquisition/donation, source of funding, identification code, location, cost and status of all the fixed assets owned by the court in the southern region.

Official’s Response

The HCJS stated that the recommendations in respect of inventory have been submitted for the attention of the Master and Registrar.

Auditor’s Comment

There was no evidence of action taken by the judiciary to maintain a master inventory register.

6.45.6. Inadequate Office Furniture & Equipment

There was lack of adequate office equipment such as computers, printers, photocopiers etc. There were also insufficient office shelves and cabinets for proper safeguard and archiving of relevant documents. It was recommended that the PAR should liaise with the judiciary headquarters to ensure that immediate action is taken for the provision of adequate office equipment to enhance its operations.

Official’s Response

The HCJS said that the recommendations in respect of inadequate office equipment have been submitted for the attention of the Master and Registrar.

Auditor’s Comment

There has been no improvement in the court infrastructure.

6.45.7. Poor State of Current Court Infrastructure

The following were observed:

- The court infrastructure was in a deplorable condition. The ceilings in the court were damaged and no evidence of rehabilitation work was done on the high court building in Bo.
- There was lack of water supply to the court building. The tank was defective and there was no bore hole to fetch water.
- The public toilet was not functioning.

It was recommended that the PAR should liaise with the judiciary headquarters to provide the following:

- The resources for the rehabilitation and refurbishment of the court building.
- A portable water facility within the court premises.
- The resources for the rehabilitation of the public toilet.

Official’s Response

The HCJS stated that the recommendations in respect of the rehabilitation and refurbishment of the court building, provision of water facility and the rehabilitation of public toilet have also been submitted for the attention of the Master and Registrar.

Auditor’s Comment

There has been no improvement in the court infrastructure.

6.45.8. Insufficient Resources to Cover the Entire Southern Region

Enquiries revealed that there was no official vehicle attached to the Administration. In addition, there was no fuel allocation for office generator especially when the national power grid was not effective in the region. Furthermore, no allocation was received for Daily Subsistence Allowances (DSA) to visit Moyamba, Pujehun and Bonthe district for court sittings and supervision. As a result, it was reported that no supervision was done for Magistrate Courts in Pujehun and Bonthe Districts. It was therefore recommended that the PAR should liaise with the judiciary headquarters for necessary actions for the provision of:

- Vehicles for the smooth running of the courts in the region.
- Adequate fuel allocation for the operation of the generator.
- DSA to enable officials to travel to Pujehun and Bonthe Districts to supervise the courts and attend sittings.

Official's Response

The HCJS stated that the recommendations have been submitted for the attention of the Master and Registrar.

Auditor's Comment

There were no evidence to indicate that these challenges have been addressed by the Judiciary.

6.46. JUDICIARY-EASTERN REGION-2016

6.46.1. Documents not presented for Inspection

In spite of repeated requests and contrary to Section 119(2) of the 1991 Constitution and Section 36(1) of the Audit Service Act 2014, the following accountable documents were not made available for audit inspection:

- Master inventory register and database of Magistrate and High Court cases
- Handing and taking-over notes
- Staff personal files
- Payment vouchers and the relevant supporting documents
- Bank statement
- Cheque book
- Database of all liquor licenses
- Magistrate court returns

It was recommended that the Deputy Master and Registrar should ensure that a systematic filing system was established for the safe custody of all accountable documents; and that the documents are submitted for audit inspection.

Official's Response

The Magistrate in his response said that the database of the two Magistrate courts case files and their status were available for inspection. He added that all staff personal files were kept at headquarters in Freetown. He further stated that petty cash had not been allocated to him since he took over the office and therefore there were no documents in respect of such and since there was no handing over by his predecessor, all other documents requested by the auditors were not available .

Auditor's Comment

Our recommendation was not implemented as the relevant documents were not provided by the Deputy Master and Registrar. The issue therefore remains unresolved.

6.46.2. General Observation

The following were observed:

- According to the Deputy Registrar, his office did not receive any imprest allocation from headquarters for the period under review.
- The Court No. 2 building was not conducive for the holding of court proceedings.
- Support staff attached to the Judiciary in Kenema were not on the payroll.
- There was no resident Judge for all the three districts in the eastern region.
- No vehicle was assigned to the Judiciary in the eastern region. Senior personnel in that region usually use commercial motorbikes and other means of public transportation to attend official functions outside the regional headquarter town in Kenema.
- Petty traders ply their trade in front of the Law Courts Building in Kenema.

It was recommended that the Deputy Master and Registrar should ensure that:

- Imprest was provided for the Judiciary in the eastern region on a quarterly basis.
- The building which houses Court Number 2 be renovated and furnished.
- Support staff be put on a monthly salaries to motivate them to give of their best.
- Resident judges are assigned to the Eastern Region.
- An official vehicle was assigned to the Judiciary in the Eastern Region to facilitate the movement of staff to other parts of the region on official matters.
- Petty traders occupying the frontage of the court premises are relocated so as to make the premises more conducive for work.

Official's Response

The Magistrate stated that two of the support staff attached to the Kenema Law Court had not received salaries since June 2016 as at the time of the audit. He added that the Easton Region has a resident Judge who is, resident in Kenema and that the petty traders in question had been relocated to "a space at the far end of the Law Courts Building".

Auditor's Comment

Apart from the assignment of a resident Judge to the Eastern Region and the relocation of the petty traders, the other recommendations were not implemented. The issue remains partially unresolved.

6.47. MAGISTRATE COURT NO.2 BO, 2017

6.47.1. Inadequate Controls over Revenue Management

There were no evidence of reconciliation between the records of Magistrate Court No.2 and the NRA's records to confirm the accuracy and authenticity of the total sum of Le263,400,000 collected in respect of court fines for the year under review. It was recommended that the Court Clerk should ensure that monthly reconciliations should be done between the Magistrate Court No.2 records and the NRA records in respect of court fines paid into the NRA account. In addition, it was advised that the records of Magistrate Court No.2 should be reconciled with the NRA's records for the year under review, and copies of such reconciliations be submitted for verification.

Official's Response

The Court Clerk(CC) said in his response: "I have limited mandate. My duty as a Court Clerk is to prepare payment slips for accused persons when fines are imposed by the magistrate. I used to advise the relatives of the accused persons to pay their fines to either at the UTB or GT Bank, i.e., by writing their names, addresses, fines imposed and account number of the said bank. I also advised them to come with photocopies of the bank slips and the NRA receipts as well. I usually quote the serial numbers of the NRA receipts attached to bank slips in my monthly returns. However, based on your recommendation, I will forward same to the Master and Registrar through the PAR for implementation".

Auditor's Comment

The Magistrate Court No.2 records were still not reconciled with the NRA records to confirm the accuracy and authenticity of the court fines collected for the year under review. The issue therefore remains unresolved.

6.47.2. Ineffective Control over Staff Records

Personal files were not maintained for all court staff. It was recommended that the Court Clerk and Principal Assistant Registrar (PAR) in collaboration with the Master and Registrar of the Judiciary should ensure that updated personal files are maintained for all staff, and copies of all relevant records attached to those files.

Official's Response

The CC noted that the personal files of all staff were in the possession of the Master and Registrar in Freetown.

Auditor's Comment

The personal files were still not maintained. The issue therefore remains unresolved.

6.47.3. Inadequate Staff at the Court

Interview with the Court Clerk and a review of documents revealed that the Magistrate Court No.2 was seriously understaffed. In addition to this, there were no security personnel employed to protect the court building especially at night. Similarly, there was no cleaner or office assistant attached to the court to keep the office and its environs clean. It was recommended that the PAR should engage the office of the Judiciary for the recruitment or assignment of staff to fill in the vacant positions.

Official's Response

The CC stated that the recruitment or assignment of a security personnel and an office cleaner has been communicated to the Master and Registrar through the PAR and the court is awaiting their responses.

Auditor's Comment

The court was still understaffed. The issue therefore remains unresolved.

6.47.4. Ineffective Control Over Staff Attendance

There was no evidence in the form of staff attendance register to substantiate staff regularity and punctuality. It was recommended that the Court Clerk and PAR ensure that the staff daily attendance register is maintained and staff made to sign upon reporting for duty at the start of the work day and before departure at the close of business. The register should also be supervised by a senior officer.

Official's Response

The CC said that he had limited authority over the attendance register.

Auditor's Comment

The recommendation was not implemented. The issue therefore remains unresolved.

6.47.5. Poor State of Current Court Infrastructure

The court building was in a deplorable condition with the ceiling in a bad state of disrepair. Additionally, the court had no water facility. The level of disrepair evidenced a lack of maintenance on the building for a protracted period of time. It was recommended that the Court Clerk and the PAR should work with the office of the Judiciary to ensure the following:

- The rehabilitation and refurbishment of the court building.

- The provision of water within the court premises.
- The rehabilitation of the toilet facility.

Official's Response

The CC said that he had made several reports on the issue of refurbishment of the court facility but to no avail.

Auditor's Comment

The recommendation was not implemented. The issue therefore remains unresolved.

6.47.6. Follow-up on Previous Year's Recommendations

During the audit exercise, we followed up on all recommendations made in previous years. A summary of the status of these recommendations is given below:

- *The court had no photocopier, computer, printer, scanning machine and internet facility. It was observed that the photocopying, typing and printing of sensitive documents were done in the open market with all the security implications.*
- *The Court is not furnished and equipped with shelves and cabinets for the proper storage of documents.*

6.48. HUMAN RESOURCES MANAGEMENT OFFICE – 2017

6.48.1. Follow up on Previous Year's Recommendations

During the audit exercise, we followed up on all recommendations made in previous years. A summary of the status of these recommendations is given below:

- *After examining the fuel register and chits, 1,270 litres of fuel worth Le 4,762,500 were issued to utility vehicles. The recipients however did not sign the register and chits. In addition, the department did not maintain a vehicle logbook.*
- *In terms of the hall rental, accommodation and food from Settus Villa, which amounted to Le 32,344,000, the business registration certificates and NASSIT clearance certificates, were not presented for verification.*
- *The business documents were not presented for Polaris Venture amounting to Le 13,500,000.*
- *The business documents and pro-forma invoices for the procurement value of Le27,528,000 were not presented for audit verification.*

6.49. OFFICE OF THE ADMINISTRATOR AND REGISTRAR GENERAL, HQ 2017

6.49.1. Revenue Collected but not Traced to the CRFA

The sum of Le17,112,000 was transferred from the transit account operated at the Sierra Leone Commercial Bank (SLCB) for remittance into the CRFA at the Bank of Sierra Leone (BSL). The said amount was not however traced to the CRFA at the BSL. It was recommended that the Commissioner General (CG) of the NRA in collaboration with the SLCB provide evidence of payment of this amount into the CRFA; otherwise, the appropriate authorities would be advised.

Official's Response

The CG stated that the transit account was controlled and operated by the NRA and not OARG.

Auditor's Comment

No response was received from the NRA in respect of these queries. Therefore this issue remains unresolved.

6.49.2. Instrument Registered without Court Order

Instruments registered at the Department were without court orders even though they had exceeded the stipulated period stated in cap 256 Registration of Document Act; which states that an instrument that is executed in the Western Area should be registered within ten days, that which is executed in the provinces should be registered within two months and that which is executed overseas must be registered within one year, failing which, a court order must be sought. It was recommended that the Vote Controller ensures instruments were registered only when they were within the stipulated time as stated in cap 256.

Official's Response

The CG stated that it was likely that court orders were mistakenly not inserted. In addition, management shall be grateful to receive a list of the said documents.

Auditor's Comment

During the verification exercise, we submitted to the Senior Accountant a sample of the instruments that were registered without court orders even though they had exceeded the stipulated period in stated in cap 256 Registration of Document Act. However, no court order was submitted. The issue therefore remains unresolved until the court orders are provided.

6.49.3. Inadequate Supporting Documents

Payment vouchers in respect of allocations made to the Department totalling Le145,150,000 were not backed by adequate supporting documents like receipts and a distribution list. It was recommended that the Accountant provides all relevant documents; otherwise, the whole amount should be refunded into the CRFA.

Official's Response

The CG in his response said "Management has noted the auditors' report regarding documentary evidence in respect of allocations made to the Department amounting to Le145,150,000 for which receipts and distribution list have been obtained and are now available for verification with the Senior Accountant".

Auditor's Comment

Receipts totaling Le115, 000,000 were verified. However, receipts in respect of payments made to EDSA and GUMA totaling Le30,150,000 were not verified. Therefore, the issue remains partly unresolved.

6.49.4. Follow-up on Previous Year's Recommendations

During the audit exercise, we followed up on all recommendations made in previous years. A summary of the status of these recommendations is given below:

- *It was revealed that Le1,092,248,536 was deposited in the transit bank account. However, the transfers in respect of this deposit could not be traced to the Bank of Sierra Leone's (BSL's) bank statement as at the end of December.*
- *Revenue amounting to Le34,889,183 deposited in the SLCB account was not transferred within 24hrs as required in the MOU. As a result, it attracted a 21% prime ratefine which is normally levied on late payments.*
- *The ICT Unit of the OARG had no activity plan, the IT policy or licensed antivirus.*
- *Payment vouchers in respect of an allocation of Le82,285,000 to the Department were not backed by adequate supporting documentation like receipts.*

6.50. OFFICE OF THE ADMINISTRATOR AND REGISTRAR GENERAL, SOUTHERN REGION – 2017

6.50.1. Ineffective Operation of the Regional Office

The following were observed:

- The regional office did not maintain database of registrations of businesses and marriages done in Bo. Instead the information was sent to the OARG headquarters in Freetown for inputting into the centralised database. Therefore, the registration database was not accessible in the regional office.
- There was no internet facility in the regional office and this made it difficult to search the database when staff want to verify a proposed name before starting registration of new businesses.
- There were no mechanisms in place at the OARG regional office to track down unregistered businesses in the southern region.

It was recommended that the Registration Officer (RO) should liaise with headquarters to ensure that:

- Internet facility is provided at the regional office to enable them get access into the database to carry out name search for existing businesses.
- The Registration Officer should liaise with the Administrator and Registrar General to ensure that adequate resources and business monitoring personnel are provided to track unregistered businesses in the southern region.

Official's Response

The RO stated that there was a centralised database system and that the documents were sent to Freetown for inputting. According to the newly appointed Administrator and Registrar General, she promised to rectify it as soon as possible. He further noted that the gadget for internet facilities were removed and taken to Freetown. He noted that a mandate was not given to them from headquarters to track down unregistered businesses.

Auditor's Comment

The recommendations were not implemented. The issues therefore remain unresolved.

6.50.2. Non Reconciliation between OARG and NRA Records

There were no evidence of reconciliation between the OARG-South and the NRA to confirm the accuracy of Le31,630,000 collected in respect of registrations of businesses and marriages for the year under review. It was recommended that the OARG-South should perform regular reconciliations (preferably on a weekly basis) with the NRA. All differences should be fully investigated and the appropriate corrections made to the OARG records. Reconciliations should be performed by a senior officer and signed as reviewed by the Registration Officer. In addition, the reconciliation records between the OARG and NRA should be submitted for audit reviews.

Official's Response

The RO in response said: "The head office did not set procedure to reconcile with NRA. The amount collected as revenue had all NRA receipts which indicate that all the payments were done in the Consolidated Fund account on behalf of the OARG. The date on the bank slips and certificates are the same. In some cases, the NRA staff do not write the receipt on the day the bank slips were given to them".

Auditor's Comment

Reconciliation was still not done between the OARG and NRA records to confirm the accuracy of fees collected for the year under review. The issue therefore remains unresolved.

6.50.3. Lack of Accountable Records

Petty cashbook, petty cash vouchers, unallocated stores ledger and fuel register were not maintained at the regional office to account for funds and other resources received by the Registration Officer. It was recommended that the Registration Officer should ensure that petty cash book, petty cash vouchers, unallocated stores ledger and fuel register are maintained and documentary evidence submitted for audit inspection.

Official's Response

The RO stated that petty cashbook and other relevant documents for accounting purpose were now available for verification.

Auditor Comment

Petty cashbook has been submitted and verified. However, petty cash vouchers, unallocated stores ledger and fuel register were not submitted. The issue therefore remains partly unresolved.

6.50.4. Follow-up on Previous Year's Recommendations

During the audit exercise, we followed up on all recommendations made in previous years. A summary of the status of these recommendations is given below:

- *In an interview with key officials, it was revealed that marriage certificates were sent to the regional office and later sold to churches and mosques for the conduct of marriages. However, there was no evidence that this was done for the period under review.*
- *There was also no evidence that the OARG reconciled its records with that of the NRA. In addition, there was no confirmation from NRA for the sum of Le52.5million alleged to have been collected in respect of business and marriage registration fees for the period under review.*

6.51. OFFICE OF THE ADMINISTRATOR AND REGISTRAR GENERAL, EASTERN REGION – 2017

6.51.1. Ineffective Internal Controls

The internal controls in the Office of the Administrator and Registrar General in Kenema District (OARG-K) were ineffective. Daily activities were also not properly coordinated. Evidence was not submitted to support the design and implementation of an appropriate risk assessment process for the identification of fraud and errors in respect of documentation. The consequence of the failure to implement an appropriate risk assessment process resulted in the inadequate monitoring of business registration activities. As a means of remedying this situation, it was recommended that an appropriate risk assessment process for the identification of fraud and other financial deficiencies should be designed and such communicated to all staff.

6.51.2. Unaccounted Revenue

In spite of repeated requests, documents in support of the registration of 42 businesses were not submitted for audit. We however observed that revenue generated in respect of these business registrations was not recorded in the revenue cashbook. Review of business registration certificates sold by OARG-K showed that receipts were not issued, a cashbook was not maintained, and bank pay-in slips for a total of Le5,040,000 in respect of 42 certificates sold in 2017, were also not made available for audit verification. It was recommended that the Acting Registrar should ensure that the amount was paid into the CRFA, and a copy of the pay-in slip and business documents should be submitted for verification.

6.51.3. Inadequate Personnel Management

The following were observed:

- The daily attendance time-book showed that some staff did not sign the register before leaving the office at close of business.
- Staff personal files were not maintained
- There was no evidence in the form of training report or certificates to substantiate that in-service training programmes were conducted for workers in the district.

6.51.4. Operational Challenges

- A service charter that shows services provided by the Office together with their associated costs, for the consumption of the general public in the Kenema District was not presented for inspection.
- In an interview with the Acting Registrar, it was revealed that information in respect of all registered businesses and other related activities of OARG-K were maintained in a database using Microsoft Excel application. However, no evidence of the existence of the database in question was presented for inspection.
- Transportation in the form of vehicles or motorbikes was not provided for the smooth running of the institution.
- Interviews with the Acting Registrar revealed that a petty cash policy was not maintained for the smooth running of the office and its welfare.

6.52. SIERRA LEONE POLICE, HQ 2017

6.52.1. Internally Generated Revenue Utilised without Approval from the Ministry of Finance and Economic Development

Section 51 (1) of the Public Financial Management Act, 2016 states that “(1) *Every person who collects, receives, or has a custody of any public money shall promptly deposit it into a bank account in such manner and within such period as prescribed by the Accountant-General, and a person who is not authorised by a head of a budgetary agency to do so may not collect, receive, or have a custody of, any public money*”.

It was however observed that Le 3,226,624,000 generated as own-source revenue for various chargeable services offered by the SLP was retained in contradiction to the above regulation and without the written permission of the MoFED. Although there was evidence that the SLP had approached MoFED on this matter, the latter was yet to respond, and therefore, the SLP was still in breach of the above regulation for the past six years.

It was recommended that the Inspector General of Police should seek approval of MoFED and other relevant authorities for the utilisation of those funds; otherwise, the appropriate authorities would be advised accordingly.

Official's Response

The Inspector general (IG) in his reply wrote: “We have written several letters in the past to the Minister of Finance, Chairman Finance Committee and Chairman Public Account Committee in Parliament requesting for approval to allow the Sierra Leone Police to collect and utilise own source revenue generated.

Unfortunately, we are yet to receive such approval. However, we have now written to the Financial Secretary requesting for an inclusion of revenue generated by the Sierra Leone Police as part of our 2019 Financial Year budget and henceforth. Negotiations are currently ongoing between the Ministry of Finance and the Sierra Leone Police on this issue. Copies of the letters and responses from the Financial Secretary are available for audit inspection”.

Auditor's Comment

During the verification, two letters were presented for audit review: one from the Inspection General of Police dated 7th August, 2017 addressed to the Financial Secretary requesting for an inclusion of own source revenue generated by the Sierra Leone Police into their 2019 financial year budget, and the other from the Financial Secretary dated 13th August, 2018 in response to the Inspector General's letter inviting him (the IG) to a meeting for an inclusion of the own source revenue generated by the Sierra Leone Police into the 2019 financial year budget. There was however no evidence of approval from the Financial Secretary for the utilisation of the fund (own source revenue generated by the SLP), neither was there one for it to be included into the Sierra Leone Police budget for 2019. Therefore, until an evidence of written approval from the Ministry of Finance is produced, this issue remains unresolved.

6.52.2. Assets Register not Updated and Depreciation not Charged

The Fixed Assets Register was not updated and there was no evidence of depreciation deducted from the cost of assets of the SLP. This was evidenced by the fact that the SLP did not maintain a comprehensive and updated inventory register to include the additions made during the year, the date of purchase, the cost of asset, code of asset etc. It was recommended that the Director of Asset Management in consultation with the Principal Accountant and the Head of Procurement should ensure that a Fixed Assets Register should be prepared and maintained for all assets owned and controlled by the SLP, and must include the following information:

- Date of acquisition
- Description
- Cost
- Depreciation rate
- Depreciation charge
- Status

Official's Response

The IG said "A team comprising the Head of Internal Audit and Head of Assets Management have been tasked to go round the country and take inventory of all assets of the SLP including dates of acquisition, depreciation cost etc. A copy of the inventory report will be forwarded to the Audit Service at the end of the exercise".

Auditor's Comment

During the verification, an asset register was submitted for verification but the register did not capture the date of purchase of the assets, cost of assets and depreciation charged on the assets. Therefore, this issue is still unresolved.

6.52.3. No Stock Take and Handing over Note

Interviews with the Commandant at the Police Training School at Hastings revealed that there was no handing over note and stock take from the previous administration. The Commandant could therefore not submit an asset inventory to the audit team for review. It was recommended that the Accountant in collaboration with the Commandant should submit handing over notes and asset inventories for audit verification.

Official's Response

The IG stated that handing over notes and asset inventories were available for audit inspection.

Auditor's Comment

Handing over note from the outgoing Commandant to the current Commandant was submitted and verified. However, no evidence of stock take was submitted for verification. Therefore, this issue is partly unresolved.

6.52.4. Follow-up on Previous Year's Recommendations

During the audit exercise, we followed up on all recommendations made in previous years. A summary of the status of these recommendations is given below:

- *Le4,000,759,885 generated as own source revenue for various chargeable services offered by the SLP was retained without the written permission of the Minister of Finance and Economic Development.*
- *There was no reconciliation of the amount collected by the UTB from peace keeping personnel with the Peace Keeping Fund's records maintained by the SLP.*
- *Newly recruited staff files were not submitted for inspection for the period under review.*
- *Computer accessories and furniture costing Le207,050,000 were purchased during the year under review, but were not updated on the Fixed Assets Register.*
- *A police clearance certificate issued at the CID was internally generated and not pre-numbered.*
- *There was no policy on the issuance of imprests, as they are given on an adhoc or irregular basis.*
- *The SLP did not maintain an updated assets register.*
- *The Ross Road, Eastern Police and Central Police Stations lacked proper furniture like chairs, tables etc.*
- *Physical verification of the outstations (Congo Cross Police Station, OSD Headquarters and the Central Police Station) revealed that the environments were not conducive for office work.*

6.53. SIERRA LEONE POLICE, SOUTH - 2017

6.53.1. Inadequate Control of the Distribution and Usage of Fuel

The following were observed:

- Review of the Fuel Register and fuel chits disclosed that 827 litres of fuel valued at Le4,964,000 utilised by the Regional Headquarters was without duplicate fuel chits to account for its usage.
- There was no evidence that the Sierra Leone Police-Southern Region was carrying out monthly reconciliations between its fuel register maintained and the fuel dealer's records as no reconciliation statement was submitted for audit review.
- Fuel chits maintained by the regional headquarters were not serially numbered and printed in triplicate copies.
- Fuel records revealed that the total fuel allocated to the regional headquarters for 2017 was 27,898 litres costing Le167,392,800. This amount was to cover the entire operation of the regional headquarters and the local units in the four districts. A review of service delivery report, disclosed that vehicular security patrols was not efficiently done in the Southern Region due to inadequate fuel allocations.

It was recommended that the Assistant Inspector General-South should ensure that the Regional Support Officer does the following:

- The missing fuel chits are provided for inspection.
- In the future, standard fuel chits should be printed in triplicate copies, serially numbered, and maintained properly for fuel utilisations.
- Monthly reconciliation of regional fuel records and the records of the fuel dealer should be done and balances carried out. Evidence of such reconciliations should be approved by a senior personnel.

- The AIG-South should liaise with the SLP headquarters in Freetown for fuel allocations to be increased to enhance effective vehicular security patrol in the Southern Region.

Official's Response

The AIG-South in his response said the following:

"...It is absolutely true that a quantity of 827 litres of fuel valued at Le 4,964,000 utilised by the regional headquarters was without duplicate fuel chit to account for its use. Police activities are overwhelmed with operations that need immediate response to tackle situations for the restoration of sanity and peace, as our primacy is the maintenance of law and order. In certain situations such as public disorder during elections, armed robbery attacks and a host of others in Bo and within the region, the regional headquarters will urgently collect fuel from the fuel station by making entries in the fuel register at the fuel station without chit in order to address the situation. It is as a result of the emergency events that sometimes require immediate police response that always give cause to the use of fuel without fuel chits which is not premeditated but as a result of emerging issues that need immediate response for a peaceful coexistence in society.

There are seven divisions and the regional headquarters in the South, each division and the Regional Headquarters maintains fuel register so also the fuel station maintains fuel register for each Division regional headquarters. Each division records the quantum of fuel utilised in their register which the fuel station debits from the divisional register at the fuel station which clearly states the quantity of fuel utilised and stock balance at the fuel station".

Auditor's Comment

The missing duplicate fuel chits relating to the regional headquarters were not provided to confirm that the fuel was utilised for official purpose. In addition, evidence of reconciliations between the fuel dealer and regional headquarters were not made available for verification. Furthermore Management responses were not available for the rest of the issues.

6.53.2. Ineffective IT Facilities

A review of the Information Technology system revealed the following:

- Appropriate anti-virus software was not installed on all computers to protect data from virus.
- There was no ICT policy available at the regional office.
- There were no backup system in place, and we observed regular back-ups of IT data and information were not carried out especially to safeguard critical information.
- There was no internet facility at the regional headquarters-South and in the district local units to enable the personnel to access the Sierra Leone Police website and perform other necessary tasks online.
- There was lack or inadequate supply of equipment such as computers, printers, photocopiers, etc. to help in the execution of duties. It was also observed that most of the computers were privately owned by personnel and printing of documents was often done in public places or commercial printing centres.

It was recommended that the AIG should ensure the following:

- Anti-virus software is installed on all computers.
- An updated IT security policy should be maintained and communicated to the relevant personnel.
- There should be daily, weekly and monthly backups of all systems, applications and data files on appropriate storage media devices and should be stored outside the office.
- Internet facilities are installed in the regional office.

- He collaborates with the SLP headquarters to ensure that office equipment such as computers, printers and photocopiers are provided at the regional office and district divisions to enhance their work.

Official's Response

The AIG-South in his reply said:

- *The head of the IT Division in Freetown usually comes to the regions to install anti-virus to all computers to protect data from virus but that has stopped for over a long time. However, that has been noted for the information of the head of the IT Division for action.*
- *The IT officer in Bo stated that IT policy has never been available to him since he took up the office. The regional headquarters shall liaise with the head of IT to provide us with the policy, if there is any.*
- *The issue of internet facility for the regional headquarters and the divisions would be communicated to the head of IT for the attention of Management that it is an audit query.*
- *This has been noted. It would be communicated with headquarters for immediate action.*

Auditor Comment

The recommendations were not implemented. The issues therefore remain unresolved.

6.53.3. Inadequate Infrastructural facilities

During physical verification in the police offices and barracks, the following were observed:

- Some civilians had erected structures on the police land at the East-End Police Barracks in Bo.
- No written agreement was provided between the Sierra Leone Police-Southern Region and the owners of the Saint Theresa's Police Primary School and the Muslim Brotherhood Primary School that were constructed within the barracks.
- The toilet facilities at the Old Police Barracks were poor. It was observed that there were make-shift latrines constructed by the residents and these latrines were not properly maintained.

The following were recommended:

- The AIG-South should collaborate with the SLP headquarters, the Ministry of Lands and other relevant stakeholders to investigate the issue and identify the cause of the wide range of police land encroachments; demarcate the barracks land and take appropriate actions to evict all illegal occupants.
- The AIG-South should ensure that there is a formal agreement between the owners of the schools and the Regional Police Division in respect of the schools constructed within the barracks.
- The AIG-South should collaborate with the SLP headquarters and other stakeholders to ensure that proper toilet facilities are constructed in the barracks to improve on the hygiene and environmental conditions.

Official's Response

The AIG-South in his reply said the following:

"It is true that some structures had been erected on the police land at East-End Police Barracks. The Barracks Sergeant Major has been advised to give all those people who have erected structures a time line towards the end of 2018 to vacate the land as their continued stay will be considered illegal and will be evicted without further consideration.

There was no written agreement between the SLP and the two schools. Saint Theresa' Primary School was built by the Government of Sierra Leone together with the Police Barracks in the 80s. The School was meant for the Police children, but the Sierra Leone Police did not take responsibility for the running of the school. Furthermore, some Muslim police personnel who were residing in the barracks in the 90s initiated the idea of erecting a mosque in the barracks to be used as a place of

divine worship. They advocated to the then Chief Police Officer Mr. Fobbie (late) to erect a Muslim school closer to the mosque for their children to be attending. However, the police leadership at headquarters is planning to take over and manage all schools that are erected on police lands come next school year”.

Auditor’s Comment

Copies of eviction notices served to illegal occupants of police land were not made available for audit. In addition, there was no documentary evidence to show that the SLP and the school authorities have reached an agreement on the ownership/management of the school. Furthermore, the team did not receive response from the management of the regional headquarters in Bo to address the issue of toilet facilities. The issues therefore remain unresolved.

6.53.4. Inadequate Equipment

There were only two operational vehicles within the Bo District. One was assigned to Bo East and the other for Bo West. In addition, there were no standby generators at the Bo East and Bo West police divisions to provide alternative electricity supply to various units especially at night, whenever the EDSA power supply was not available. It was recommended that the AIG-South in collaboration with head office should ensure that additional operational vehicles be provided for the SLP-South to facilitate adequate operational activities. The AIG- South should also collaborate with the SLP headquarters to ensure that standby generators are acquired for the divisions and addition fuel allocations provided to run those generators.

Official’s Response

The AIG-South in his reply said “Currently, resources are not enough especially in the area of vehicles. However, Management is aware of the constraints in the area of lack of sufficient vehicles for police operations. It is not only in Bo, but the entire country which the Government needs to address. There is a 30 KVA standby Kama generator that supplies power to both Bo West and the regional headquarters when EDSA supply is not available. However, the SLP headquarters will be informed for necessary administrative actions for Bo East Division to be provided with one standby generator. The entire audit exercise was good. It was not a witch hunt but to guide and give advice on how to comply with processes and procedures in the execution of one’s duty for effective and efficient management of resources entrusted to you. All findings by the audit team have been noted for action, though some of them were not deliberate or premeditated with any intention to violate the provision in the Public Financial Management Act”.

Auditor’s Comment

A 30KVA standby Kama generator that supplied both headquarters and Bo West was physically verified. However, there was no standby generator for Bo East. Therefore, the issue remained partly unresolved.

6.54. SIERRA LEONE POLICE– EASTERN REGION- 2017

6.54.1. Lack Of Resources, monitoring and supervision

We identified that as a result of lack of monitoring and supervision by the authorities and inadequate allocation of resources to the SLP, the following were observed:

Office Environment

The following were observed:

- The environment within and around the offices was untidy.
- The back of the Family Support Unit (FSU) building plays host to a huge dump site.
- There were inadequate toilet facilities in the entire police environment.
- The packing lot of illegal or unlicensed bikes was in a deplorable condition. It is clustered with all types of damage bikes from accidents and unlicensed bikes.

- The regional headquarters and the Kenema Police Division were not protected by a perimeter fence.

Police Cells

The male and female cells were unhygienic, and there were no toilet facilities in the cells.

Anti-Robbery Unit

The unit that was responsible for robbery and cliques had no proper office space. The office was made up of two make-shift structures that were not conducive for the police personnel attached to the Unit. Furthermore, the Unit is without a police patrol vehicle and motorbikes for its operations.

Interpol Unit

This Unit was responsible for crimes such as drugs and illegal border activities. However, the Unit lacked important equipment such as communication sets, computers, scanners and printers. In addition, the Unit was without patrol vehicle and motorbikes for its operations.

Police Armoury

The arms and ammunitions store was in a deplorable condition. The store needed immediate renovation as the walls had some cracks. In addition, the ammunitions were kept in an office instead of an armoury which could be easily broken into by unauthorised persons. The ammunition store was not situated at a secured location.

Police Barracks

The following issues were identified:

- There was no officer in charge to supervise the activities in the barracks.
- Illegal occupants were in the police barracks such as families of police officers who were above 18 years.
- Illegal structures for dwelling were built by police officers without authorisation.
- Civilians were living in those illegal structures.
- Illegal business structures were in the police barracks without authorisation.
- Encroachment was observed as the police barracks was without a perimeter fence.
- Inadequate toilet facility, water and electricity supply was observed in the entire police barracks.

Police Hospital

The following were identified in the hospital:

- Insufficient beds for patients in the hospital
- Insufficient chairs and benches for nurses, patients and visitors.
- Lack of incinerator to dispose of medical waste.
- Lack of proper toilet facility, water and electricity supply.
- Insufficient drugs/medical allocations to the police hospital.
- The head of the hospital who is a Community Health Officer (CHO) and ranked Assistant Superintendent of Police (ASP), was without a quarter in the police barracks.
- There were no cleaners in the hospital.

It was therefore recommended that the Assistant Inspector General (AIG) should ensure that the offices and the general environment are in good working conditions that meet health & safety standards. He should also appoint a committee to look into these issues at the police barracks and find ways to resolve them.

Official's Response

The AIG in his reply said: "It is recommended that there should be a speedy completion of the Anti-robbery Unit in Kenema that is presently under construction with enough investigation gadgets, including computers, one operational vehicle ,three motorbikes, ten(10) handcuffs, and additional personnel.

The recommendations made by the auditors are true and correct, but in addition to that, the Unit also needs more training programmes for the personnel and viable internet facility which is the most important".

Auditor's Comment

The audit recommendations were not implemented. The issues therefore remain unresolved.

6.54.2. Inadequate Control over Revenue Collected from Armed Guards Services

The following issues were identified:

- A total amount of Le417,600,000 was collected as revenue for the services of armed guards to commercial/residential houses in Kenema. These services were provided without a formal contract, bank statements, receipts and cashbook for the period under review.
- Database for all clearances given out by the Criminal Investigation Department to ascertain the actual amount of revenue to be paid to the NRA was not submitted to the auditors.

It was recommended that the AIG should ensure the following:

- The contract, bank statements and cashbook in respect of the armed guards collected are submitted for audit, or the said amount be refunded.
- Database should be maintained for all revenue collected.

Official's Response

The AIG in his response said: "The regional OSD Coordinator, eastern region has no control over the documents in recommendation one(1) above. The under mentioned account number is known to the bank themselves and could not be available from me expect PHQ in Freetown.

The contract agreement, bank statement and cashbook in your findings as well as recommendation one(1) above are with PHQ in Freetown. All banks in the Kenema Division, as mentioned in recommendation one (1) above were contracted by myself. Their responses were all agreements in respect of security matters (payment of armed guards) are done the headquarters in Freetown.

The head of CID department in the Kenema Police station has no control over the above mentioned account number and as such bank statement for the said account could not be available from me.

Receipt for payment of the years 2017 and 2018 in respect of payment of reports of missing documents are available in the office for ease of reference".

Auditor's Comment

The audit recommendations were not implemented. The issues therefore remain unresolved.

6.55. SIERRA LEONE POLICE, NORTH-EAST – 2017

6.55.1. Motor Vehicles and Motorbikes not registered with SLRSA

The audit team was unable to verify the registration of all motor vehicles and motorbikes owned and controlled by the Sierra Leone Police, North-East (SLPNE) with the Sierra Leone Roads Safety Authority (SLRSA) as no life-card was made available for audit inspection. It was recommended that the AIG

should provide reasonable explanation why the vehicles and motorbikes of the SLP had not been registered with SLRSA. The life-cards should also be made available to the auditors for inspection.

Official's Response

The AIG in his reply said: "All procurement and subsequent delivery of Police vehicles and motorbikes from vendors takes place in Freetown through the Head of Transport. No life-cards issued for vehicles or motorbikes distributed to the region".

Auditor's Comment

Management's response is noted. However, the issue has not been resolved and therefore remains outstanding.

6.56. SIERRA LEONE CORRECTIONAL SERVICES, HQ- 2017

6.56.1. Proceeds from the Sale of Bid Documents not Accounted for

Procurement documents were examined for 47 procurement undertaken using the national competitive bidding method for the Financial Year 2017. From the procurement documents examined, the bid documents were sold to bidders at a bid price of Le500,000. Eighty-three bidders purchased the bid documents for this procurement at a total cost of Le41,500,000. However, related documents such as receipts, bid register, cashbook and bank statements in respect of these bids were not presented for audit inspection. As a result, the auditors could not confirm whether the proceeds from the sale of these bid documents were accounted for. It was recommended that the Senior Procurement Officer should ensure that the following related documents such as receipts, bid register, cashbook, and bank statements were presented for audit verification.

Official's Response

The Director General (DG) stated that evidence of retirement of the proceeds from the sale of these bids for 2017 procurement activities were available for audit inspection.

Auditor's Comment

The bid register as well as retirement details for Le18,100,000 were presented and verified. However, receipts, cashbook, bank statements and retirement details were not presented for the remaining Le23,400,000. This issue therefore remains partly unresolved.

6.56.2. Procurement Documents not Presented for Audit Inspection

Contracts were awarded for the procurement of drugs and fumigants for provincial and PT Kits at a total value of Le1,700,380,499. However, procurement documents for these contracts were not presented for audit inspection. We could therefore not confirm whether the procurement yielded value for money. It was recommended that the relevant procurement documents be presented for audit inspection.

Official's Response

The DG said that procurement documents such as purchase requisition from the user's department that identified the need for the procurement, minutes of the procurement committee meeting that approved the procurement and invitation for bids were presented for audit inspection.

Auditor's Comment

Procurement documents in respect of the procurement of drugs and fumigants which amounted to Le1,346,860,499 were presented and verified. However, procurement documents were not presented for the supply of PT Kits valued at Le353,520,000. This issue therefore remains unresolved.

6.56.3. Vehicle Life Card and Insurance Certificates not Presented

Spare parts valued at Le100,095,000 were delivered for the repair and maintenance of vehicles for which vehicle life cards and insurance policies were not submitted for audit inspection. The auditors could also not confirm whether the spare parts were delivered for the repair and maintenance of vehicles owned by the SLCS. It was recommended that the officer-in-charge of the garage should ensure that the vehicles' life card and insurance policies are presented for audit inspection.

Official's Response

The DG said that vehicle life cards and insurance policies for the vehicles in question were now available for audit inspection.

Auditor's Comment

The said documents were still not presented during the audit verification exercise. This issue therefore remains unresolved.

6.56.4. General Condition of the Hospital

The auditors observed that the hospital at the Freetown Male Correctional Centre at Pademba Road had a capacity to accommodate only 30 patients as there were only 30 beds available. The facility was however not furnished and equipped with overhead fans, oxygen machines, sterilisers, defibrillators etc. It was therefore recommended that the Director of Support should ensure that the necessary improvements are made to the hospital.

Official's Response

The DG in his reply said "Management has noted your recommendations and actions have been taken to address these issues. Plans are underway to address the issue of procurement of medical equipment when funds are available".

Auditor's Comment

The medical equipment in question had not been procured. This issue is therefore unresolved.

6.56.5. Follow-up on Previous Year's Recommendations

During the audit exercise, we followed up on all recommendations made in previous years. A summary of the status of these recommendations is given below:

- *Payment voucher number 0082796 of 10th May, 2016 in respect of Le124,321,000 for the procurement of office stores and supplies showed that although this amount fell within the threshold of the national competitive bidding (NCB) method, yet it was not used. Instead, this procurement was done using request for quotation (RFQ) in order to evade the national competitive bidding method as is required by the NPPA, 2016.*
- *The title deed of the institution's property at Waterloo was not presented to the auditors upon request. It was also observed that the land was not protected by a perimeter fence and hence had been encroached upon.*

6.57. SIERRA LEONE CORRECTIONAL SERVICE, SOUTHERN REGION – 2017

6.57.1. Accountable Documents not Submitted

In spite of the provision in Section 119(2) of the 1991 Constitution and Section 36(1) of the Audit Service Act 2014, the following documents were not presented for audit inspection:

- Contract for diets and condiments.
- Contract for other stores items including medical supplies.
- Contract for fuel and fuel dealer's records such as fuel register, etc.
- Invoices for medical supplies, diets and condiments.

It was recommended that the Regional Commander (RC) in collaboration with the Director General, the Director of Support Services and other key officials such as, the Procurement Officer at the SLCS headquarters should ensure that copies of the requested documents are submitted to the ASSL for audit inspection; otherwise, the relevant provisions in the Audit Service Act, 2014 will be invoked in full.

Official's Response

The RC said that the documents were now available for your verification.

Auditor Comment

The queried documents were still not submitted for verification. The issue therefore remains outstanding.

6.57.2. Assets not Included in the Fixed Assets Register

There were inadequate controls over the management and security of assets belonging to the SLCS-South. For example, fixed assets register was not properly maintained and updated with relevant information such as: dates of acquisition, assets' unique identification codes, source and value. It was also noted that some assets including a truck and a Toyota Hilux that had been physically verified were not included in the fixed assets register. It was therefore recommended that the RC should ensure that all assets either acquired by or donated to the SLCS- South be recorded in the fixed assets register.

Official's Response

The RC said that the fixed assets register had been updated and was now available for verification.

Auditor Comment

An updated fixed assets register was not submitted for verification. The issue therefore remains outstanding.

6.57.3. Assets not Made Available for Physical Verification

Seven motorbikes belonging to the SLCS-South were not made available for physical verification. It was recommended that the RC should take immediate action to ensure that all of the seven motorbikes that were not verified be made available for physical verification.

Official's Response

The RC stated that those motorbikes were being used by the correctional centers in Pujehun, Moyamba and Bonthe for official purposes at the time of the audit and could therefore not be made available for physical verification. He however said that he had contacted the officers in charge of those bikes and were now available for verification.

Auditor Comment

Out of seven motorbikes, a derelict one was the only bike that was seen and verified. The remaining six were not made available for verification. This issue remains unresolved.

6.57.4. Inadequate Accommodation in the Bo Male Correctional Centre

During our visit to the Bo Male Correctional Centre where interviews were held with the Officer-in-Charge (O/C), it was discovered that the Centre was built to accommodate about 80 inmates. As at the time of our visit, the facility held 250 inmates; 64 of whom were convicts, 81 were on trial for various offenses and 105 were on remand. From the above mentioned figures, the number of inmates that the facility holds today far exceeds the capacity for which it was built. There was therefore urgent need for either an expansion of the existing facility or the construction of additional structures. It was recommended that the RC in collaboration with the Director General in Freetown should ensure that additional facilities are constructed to accommodate the increasing number of inmates in the Bo facility.

Official's Response

The RC said that they will definitely contact authorities concerned including the Director General at headquarters and Ministry of Internal Affairs regarding the challenge as they cannot address it on their own at regional level.

Auditor Comment

There was no evidence that actions had been taken to address this situation. This issue therefore remains outstanding.

6.57.5. Inadequate Beds and Mattresses for Inmates

Cells in both the male and female correctional centres in Bo had inadequate beds and mattresses. As a result, some inmates were forced to sleep on the bare floor in some cells we visited. It was recommended that the RC in collaboration with the Director General in Freetown should ensure that additional beds and mattresses are supplied to the Bo male and female correctional centres .

Official's Response

The RC stated that they will liaise with headquarters in Freetown for additional supply of beds and mattresses for all inmates.

Auditor Comment

There was no evidence of additional supply of beds and mattresses for inmates. This issue therefore remains outstanding.

6.57.6. Inadequate Vehicles for Effective Operations

There were only two functional vehicles in the entire southern region; a Toyota Hilux and a truck. The truck was used to convey inmates to court or to transport them to other correctional centers when the need arises. In the event of a breakdown, inmates and correctional officers had to either walk or resort to the use of motorbikes to get to courts. Additionally, the headquarters of the SLCS–South in Bo had only one functional official vehicle; a Toyota Hilux which was assigned to the RC. Discussions held with the Regional Transport Officer revealed that other district correctional centres in the Southern Region were also faced with severe transportation constraints in the course of the discharge of their duties. It was recommended that the RC in collaboration with the Director General in Freetown should ensure the procurement of more vehicles to enhance effective and efficient service delivery.

Official's Response

The RC stated that they will contact headquarters in Freetown for appropriate action.

Auditor's Comment

There was no evidence of additional assignment of vehicles to the Sierra Leone Correctional Service- Southern region for the year under review.

6.57.7. Lack of Adequate Water Supply Facilities

there was no adequate water supply in the offices of both male and female correctional centres and even the staff quarters. Consequently, officers and inmates had to walk long distances to fetch water for their daily use. This at times, proves difficult as inmates faced restrictions from owners and operators of the various sources of water. It was recommended that the RC in collaboration with the Director General in Freetown should ensure the provision of adequate and clean sources of water to the offices of both the male and female correctional centres and staff quarters. This will not only ease the burden of fetching water on inmates but will also help improve sanitary conditions for all personnel, inmates and the other ancillary facilities of the Sierra Leone Correctional Service- South.

Official's Response

The RC noted that they will communicate with headquarters in Freetown for the situation to be addressed as soon as possible.

Auditor Comment

There was no evidence of additional water facilities provided in the Correctional Centres. This issue therefore remains outstanding.

6.57.8. Inadequate Office Equipment

Many offices visited in both correctional centres (male and female) lacked adequate office equipment such as computers, printers, scanners, etc. for the effective running of these offices. It was further observed that there was only one computer available at the centres which were located in the office of the Regional Secretary for use by all personnel for various official purposes. In the event of a breakdown of the computer, photocopying, typing and printing of all sensitive documents were done in the open market with all the security implications associated. It was recommended that the RC in collaboration with the Director General in Freetown should ensure the procurement of additional office equipment for the smooth running of the SLCS– South.

Official's Response

The RC in his reply said ‘Management has taken note of this concern. We will try by all possible means to contact our headquarters in Freetown for additional office equipment to be procured for our regional offices for effective their operations’.

Auditor Comment

There was no evidence of the supply of additional office equipment to the centres. This issue therefore remains outstanding.

6.57.9. Lack of Vocational and Skills Training Materials

The correctional centres lacked adequate materials to undertake vocational or skills training programmes for life after prison for inmates. It was recommended that the RC in collaboration with the Director General should provide adequate training materials necessary for the rehabilitation of prisoners and prepare them for life after prison.

Official's Response

The RC stated that management had taken note of the findings and will collaborate with headquarters in Freetown to make the materials readily available to all inmates.

Auditor Comment

There was no evidence of the supply of vocational and skills training materials for inmates at the centers. This issue therefore remains outstanding.

6.58. SIERRA LEONE CORRECTIONAL SERVICE, EASTERN REGION – 2017

The following were observed during inspection of the facilities and conditions in the regional correctional centre:

Male Correctional Centre -Kenema

The conditions were appalling. The following were observed:

- Cells occupied by male inmates were overcrowded. In some instances, by more than four inmates per cell
- Convicted, remanded, as well as inmates on trial occupied the same male cells.

- There was no drainage facility in the male section for the disposal of wastes.
- Uniforms by which various categories of inmates are categorised (for example green for remand prisoners, red for the convicted and blue for inmates on trial) were inadequate. This anomaly made it difficult to identify the various categories of inmates in the various cells.
- There was a major dearth of correctional officers in the regions with all the implications for security in the correctional centres.
- The male skills center was not equipped with basic livelihood skills tools like carpentry, tailoring and creative arts.
- The ratio of inmates to correctional officers for the period under review in the male centre was 6:1.
- The computers were dysfunctional.

Female Correctional Centre -Kenema

- The sick bed was not conducive for the examination of sick inmates.
- There was no examination bed for female inmates.
- The conditions for the safe custody of drugs were poor.
- There were no sewing machines for intern inmates.
- Space in the clinic was inadequate.
- There were no learning materials for inmate students of adult education in both the male and female centres.
- Supply of cooking gas in the male and female kitchens were always delayed.

Male Correctional Centre -Kailahun

- There was no official vehicle at the centre to convey inmates to court.
- The drainage system and septic tanks within the centre were in a dilapidated state.
- The cells had no mattresses.
- Slippers were not supplied to inmates.
- The perimeter fence was dilapidated with cracks all around it.
- Food for inmates was insufficient and cooking utensils were not supplied on time.
- The Centre had no technical teaching and learning materials.
- The Centre had no recreational facilities.

Correctional Centre Clinic-Kenema

The DOTS laboratory had no functional diagnostic facility for the examination of inmates before their confinement. Basic furniture and equipment such as examination beds and clinical materials were also not available. During the period under review, one inmate died of severe pneumonia and malaria.

Correctional Centre Clinic-Kailahun

- Furniture in the clinic was inadequate and the examination bed was in a deplorable state.
- There was no thermometer to check the temperature of inmate before they are admitted.

6.59. SIERRA LEONE CORRECTIONAL SERVICE, NORTHERN REGION - 2016

6.59.1. Contract Documents and Delivery Notes not Made Available for Audit Inspection

Sierra Leone Correctional Services, Northern Region received dietary supplies from various suppliers during the year under review. The dietary supplies of Le2,454,091,150 included rice, provisions and condiments. These were delivered to Makeni, Magburaka, Mafanta, Kambia, Port Loko and Kabala

Correctional Centres. However, the contract documents and delivery notes were not made available for audit inspection. The auditors could therefore not ascertain the accuracy and reliability of the items supplied to the Sierra Leone Correctional Services, Northern Region. It was recommended that the Regional Commander in collaboration with headquarters should ensure that the contract documents in respect of dietary supplies to the tune of Le 2,454,091,150 were provided for audit inspection.

Official's Response

The Regional Commander (RC) in his reply said: "Contract documents are awarded by the procurement unit and kept at the correctional headquarters in Freetown. The Regional Office and the centres are not actively involved in the preparation of these contract documents. The centres only receive rice and provision supplies from the main store in Freetown. Condiments like cooking items and gas supplies are received at the centres with hand written delivery notes which if presented for audit purpose may not be commensurate to the amount put together for the month in question.

The aforementioned documents are still being kept and have been audited at headquarters, specifically finance and procurement offices. However the department is in the process of decentralising these functions to key personnel country wide. The regional commander and headquarters have in consultation with the contractors and managers of the various centres decided to involve the finance and the support officers in the process so that we will be able to present any such documents to auditors when called for".

Auditor's Comment

Contract documents and delivery notes were not submitted for verification. Therefore, the issue remains unresolved.

6.59.2. Management of Fuel

A comparison between the fuel register maintained by the fuel dealer and fuel chits issued by the Sierra Leone Correctional Services, Northern Region revealed discrepancies. Amount on the fuel chits was different from those of the fuel dealer's records. For instance, in the dealer's fuel register 6000 litres, 3000 litres, 1500 litres etc. were recorded as issued to Sierra Leone Correctional Services. However, the fuel chits issued by the Sierra Leone Correctional Services did not have corresponding figures. As a result, the purpose and intended beneficiary in respect of those issues (i.e. 10, 500 Litres) valued at Le39,375,000 could not be determined by the auditors. It was recommended that the Regional Commander should provide the necessary explanation with documentary evidence in respect of those discrepancies; otherwise the amount of Le 39,375,000 should be paid back into CRF.

Official's Response

In his reply the RC said: "The Regional Commander initiated these issues in large quantity to get the supplies reach managers and other personnel since there was a delay in the delivery of the fuel. However, the chits in respect of the 6,000 litres issued on 15th April, 2016; 3,000 litres issued on the 29th Aug. 2016 and 1,500 litres issued on 26th Aug. 2016 (all valued at Le39,375,000) together with their breakdowns are available for clarification and verification. These breakdowns were in the chit stump submitted earlier, which could have corresponded to the fuel register maintained by the dealer (see attached chits)".

Auditor's Comment

During the review of fuel chits in support of the bulk issues, we noted that fuel was continually issued spanning a period of over two months. Of utmost concern was the fact that the institution did not have a depot to store fuel. It was therefore inconceivable for fuel of such magnitude to be withheld by the institution to be subsequently given to the various beneficiaries. The issue therefore remains unresolved.

6.59.3. Living Condition of Inmates

Discussions with the Manager, Makeni Correctional Centre revealed that the current building accommodating inmates was constructed with a capacity of approximately 80 inmates. However, inspection of the building cells by the audit team revealed that the centre was grossly overcrowded; as a total of 160 inmates were noted. It was recommended that the Regional Commander in collaboration with headquarters should ensure that adequate space was provided for inmates.

Official's Response

The RC in his response said: "The Regional Commander and management at headquarters are especially for Makeni Correctional Centre working on converting the observation facility built during the Ebola outbreak to a detention facility for the female inmates; so that some male inmates can be relocated to the old female block."

For the other centres, management has approached stakeholders in government and NGOs to help out in mitigating this concern. This saw the UNDP sponsoring a mobile court sitting throughout the country, which has helped in reducing the number of trial inmates at the various centres. The trial inmates form the greater majority of the inmates population in all of the centres, reducing them overcrowding can be cut down in some way".

Auditor's Comment

Management's response is noted. The issue however remains unresolved.

6.60. NATIONAL FIRE FORCE - 2017

6.60.1. Lack of Fuel Policy

There was no policy or procedure for the distribution and use of fuel. It was recommended that the Regional Commander should ensure that a policy is formulated to guide and control the distribution and use of fuel.

Official's Response

The Chief Fire Officer (CFO) stated that a policy to guide and control the distribution and use of fuel was maintained.

Auditor's Comment

Our recommendation was not implemented. Fuel policy was not provided during verification. Therefore, the issue remains unresolved.

6.60.2. General Observation

The following were observed:

- The National Fire Force, Eastern Region has only one fire engine for the entire region.
- There was insufficient fire-fighting equipment such as ambulance for rescue team, breaking tools at the fire grounds and protective gears.
- There was no computer equipment in the office.

Official's Response

The CFO in his response said:

- *"Fire engine: Purchase of fire engine is done by the central government".*
- *"Fire-fighting equipment: Supply of fire-fighting equipment is tied down with supply of fire engines".*
- *"No computer equipment: There is one desktop computer in the administrative office".*

Auditor's Comment

There was no evidence that the recommendations were implemented. There is still only one fire engine; no computers and computer equipment are yet to be made available. The issue is therefore unresolved.

6.61. NATIONAL FIRE FORCE –SOUTHERN REGION- 2017

6.61.1. Poor Management of Staff Records

Personal files were not maintained for 22 staff attached to the NFF southern region. It was recommended that the Regional Commander (RC) should ensure that staff personal files were maintained and copies of all relevant documents attached for 22 staff in the NFF south region.

Official's Response

The RC noted that the files for all personal were misplaced and thus were not available at the time of the audit, but are now readily available at the National Fire Force Regional Headquarters in Bo.

Auditor 's Comment

The personal files were still not maintained for 22 staff attached. This issue therefore remains unresolved.

6.61.2. Ineffective Operations of the NFF – Southern Region

A review of the operations of the NFF- regional office revealed the following:

- The NFF regional office did not connect to the EDSA electricity grid to gain access to electricity supply. Instead, the office was solely dependent on generator for electricity supply which is relatively expensive.
- There were only two fire engines maintained at the NFF-Bo to cover Bo, Pujehun and Bonthe Districts and Municipal.
- Supply of uniforms and other protective gadgets had not been done for over three years and at the moment those that were supplied had worn out exposing personnel to high risk in the fight against fire outbreak.
- The beds available for staff on night shift were in deplorable conditions and needed to be replaced.

The following were recommended:

- The RC in collaboration with the NFF headquarters and the EDSA Bo should ensure that the regional office is connected to the EDSA electricity grid as soon as possible.
- The RC should collaborate with the headquarters in Freetown, the local councils and other stakeholders to ensure that adequate fire engines are provided for the region.
- The RC should liaise with the headquarters and other stakeholders to ensure that uniforms are supplied to staff on a regular basis.
- The RC should also liaise with the headquarters and the councils to ensure that new beds are acquired for staff serving on night shift.

Official's Response

The RC in response said: "The observation of the unavailability of EDSA electricity supply at NFF headquarters in Bo is correct. The fact is that the NFF headquarters in Bo has been grossly underfunded over the past years. However, we will adhere to the recommendations and address them immediately adequate funds are available. There are still only two firefighting engines available at the National Fire Force headquarters in Bo, but hopeful with increase funding from central government and donations from private/ public enterprises, additional engines will be available".

Auditor's Comment

The recommendations were not implemented. The issues therefore remain unresolved.

6.62. NATIONAL FIRE FORCE, BOMBALI DISTRICT - 2016

6.62.1. Management of Fuel

The controls over the management of fuel were far from adequate. This was evident by the fact that variances were identified among the department's fuel register, fuel chits and the fuel station's records as follows:

Detail	Quantity (Litres)
NFF Fuel Register	3,695
NFF Fuel Chits	3,630
NP Fuel Register	3,505

This clearly indicates that the reconciliation process was not robust enough to allow for follow-up action to be taken on reconciling items.

6.63. NATIONAL FIRE FORCE, BOMBALI DISTRICT – 2014

6.63.1. Detached Fuel Request Chits

Examination of fuel chit and fuel register submitted for audit inspection revealed that fuel chit numbers 047 and 050 were issued for which original and duplicate were detached, therefore the audit team could not determine the amount of fuel collected in respect of these chits. It was recommended that the Assistant Chief Fire Officer (ACFO) should provide explanation for the missing chits and ensure that fuel chit book printed is adequately safeguarded to avoid misuse.

Official's Response

The ACFO in his response said: "We agree that fuel chit 047 was detached. It was done inadvertently; both chits 047 and 048 neither reflected in the National Fire Force fuel book (ledger) nor in the National Petroleum Wusum fuel station book. However, I am pleading that such mistakes will not be repeated".

Auditor's Comment

The chit numbers in question are 048 and 050. Chit 048 had been presented to the auditors for review. However, chit number 050 had still not been submitted for review. The issue is partially resolved.

6.63.2. Office Used as Bedroom

Office rooms at the fire station were used by NFF personnel as dwelling house. It was recommended that the Assistant Chief Fire Officer should provide adequate explanation why office spaces are used as dwelling house. Management should provide alternative dwelling arrangements for the staff to avoid using office space as dwelling house.

Official's Response

The ACFO in his response said: "The office spaces are used not for sleeping but for resting whilst on duty. This is an extra sacrifice of personnel to be at the station. Recruitment of personnel has been a challenge. The number of personnel is just 16 and we have three shifts to run (operations, administration and fire prevention). Rationing the personnel is a challenge. It

will do us good if your institution can alight the recruitment of personnel for the National Fire Force to the authorities concern”.

Auditor’s Comment

Management’s comment did not address the issue raised. Therefore, the issue still stands.

6.63.3. Ineffective Fire Engine

NFF office is grossly under resourced. There was only one (1) fire fighter engine available to cover Bombali, Tonkolili and Port Loko districts, a situation that greatly affects the response time to fire incidences in these districts. In addition, inadequate staff in the region was also observed as one of the major constraints faced by the department. It was recommended that the Assistant Chief Fire Officer in collaboration with headquarters should ensure that additional fire fighter engines and staff are provided to the district to enhance the capacity of service delivery of the NFF.

Official’s Response

The ACFO said: “Indeed your findings and recommendations are very much in place. Fire engines are very much expensive; the headquarters in Freetown is struggling also. There are two other fire stations in Kambia and Moyamba which are without fire engines. It is the responsibility of the fire authority to look into this disastrous situation. However, the Principal Officer of the National Fire Force is working relentlessly for us to have a second fire engine”.

Auditor’s Comment

The issue has not been addressed and remains unresolved.

CHAPTER VII - PUBLIC ENTERPRISES, COMMISSIONS AND DONOR FUNDED PROJECTS

TABLE OF CONTENTS

MAIN POINTS	234
7.1. BANK OF SIERRA LEONE, 2016.....	236
7.2. SIERRA LEONE COMMERCIAL BANK LIMITED, 2017	237
7.3. ROKEL COMMERCIAL BANK, 2016	239
7.4. SIERRA LEONE PORTS AUTHORITY - 2017	246
7.5. NATIONAL REVENUE AUTHORITY - 2015-2016	248
7.6. NATIONAL SOCIAL SECURITY AND INSURANCE TRUST -2015	250
7.7. SIERRA LEONE CIVIL AVIATION AUTHORITY - 2015 & 2016	255
7.8. SIERRA LEONE AIRPORTS AUTHORITY - 2016	256
7.9. SIERRA LEONE ROAD TRANSPORT CORPORATION - 2011 - 2013	258
7.10. NATIONAL MINERALS AGENCY(NMA)-2016	264
7.11. NATIONAL MINERALS AGENCY: MANAGEMENT OF THE EXTRACTIVE INDUSTRIES {MINING REVENUE (ROYALTIES) – 2016}.....	267
7.12. SIERRA LEONE MARITIME ADMINISTRATION - 2015.....	269
7.13. PETROLEUM REGULATORY AGENCY - 2017	271
7.14. SIERRA LEONE WATER COMPANY - 2016	272
7.15. SIERRA LEONE TELECOMMUNICATIONS COMPANY LIMITED, 2015-2016	273
7.16. SIERRA LEONE INSURANCE COMMISSION - 2016	278
7.17. ELECTRICITY DISTRIBUTION AND SUPPLY AUTHORITY - 2017.....	279
7.18. ELECTRICITY DISTRIBUTION AND SUPPLY AUTHORITY, 2016.....	282
7.19. SIERRA LEONE ELECTRICITY AND WATER REGULATORY COMMISSION - 2016.....	292
7.20. OFFICE OF THE OMBUDSMAN - 2017.....	295
7.21. OFFICE OF THE OMBUDSMAN - 2016.....	296
7.22. ROAD MAINTENANCE FUND ADMINISTRATION-2016	297
7.23. NATIONAL COMMISSION FOR PRIVATISATION (NCP) - 2017.....	300
7.24. NATIONAL ELECTORAL COMMISSION - 2016.....	301
7.25. JUDICIARY AND LEGAL SERVICE COMMISSION-2017	302
7.26. SIERRA LEONE EXPORT AND IMPORT PROMOTION AGENCY - 2016.....	303
7.27. SIERRA LEONE BROADCASTING CORPORATION, 2016	303
7.28. NATIONAL YOUTH COMMISSION, 2015-2016	306
7.29. PRODUCE MONITORING BOARD -2015-2016	308

7.30. KAMBUI PROPERTY HOLDING (S.L.) LTD. - 2016	310
7.31. MEDICAL AND DENTAL COUNCIL SIERRA LEONE – 2016	311
7.32. NJALA UNIVERSITY 2013-2015.....	312
7.33. NJALA UNIVERSITY REVENUE AUDIT 2013-2016.....	325
7.34. EASTERN POLYTECHNIC – 2017	327
7.35. PUBLIC FINANCIAL MANAGEMENT IMPROVEMENT AND CONSOLIDATION PROJECT-2017	329
7.36. DECENTRALISED SERVICE DELIVERY PROJECT II - 2017.....	331
7.37. REHABILITATION AND COMMUNITY-BASED POVERTY REDUCTION PROJECT (RCPRP) - 7 MONTHS PERIOD ENDING 31ST JULY 2017	331
7.38. REVITALISING EDUCATION DEVELOPMENT PROJECT (REDISL) – 2017	335
7.39. WEST AFRICA REGIONAL COMMUNICATIONS INFRASTRUCTURE PROGRAM - 2016	336

MAIN POINTS

What we examined

These are audits of the annual financial statements of state owned Public Enterprises and Commissions. 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 to supporting documentation and such other tests as may be necessary in the circumstances. The focus is on conducting 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 accountancy principles and financial disclosure requirements used to create the financial statements. These are set down in the professional requirements and guidance of recognised accounting standard bodies and to some extent in the law. Generally, public enterprises and commissions, each have distinct enabling legislation with which they must comply. Our audit examination includes a review for compliance with such legislation.

Auditors examine the underlying accounting records, ‘the books’, from which the financial statements are prepared as well as the system of internal control in place to ensure the accuracy and overall integrity of how business is conducted. The examination is done in accordance with well-codified and accepted professional auditing standards and ethical requirements recognised by the public and private sector auditing profession around the world. At the end of the examination the auditors issue to shareholders, a short-form report called an Opinion. In this case generally the Board of Directors set up by government, also issue a Management Letter focusing on matters of importance in need of being addressed by management.

Why it is important

There is a public financial management principle embodied in the phrase ‘whole-of-government’ which strongly supports that for financial reporting purposes, as well as transparency and accountability, the government accounting entity should include all bodies coming within its ambit of control.

Public Enterprises and Commissions are within the GoSL’s ambit of control. They are created for varying legitimate reasons by governments everywhere. Their functions tend to be discrete activities of a commercial, semi-commercial or social policy nature or a combination of all of these. By their legal nature they are more arms-length from government than MDAs and as such are more remote from the scrutiny of Parliament. It is this remoteness, combined with the fact that to varying degrees they both earn and expend public funds, which makes scrutiny by an independent external auditor on an annual basis all the more important.

In Sierra Leone, Public Enterprises and Commissions carry out a broad range of functions. They are in the critical areas of water and power supply, road construction, tertiary level education, narcotics control, banking, ferries and shipping, telecommunications and mineral resources, to name but a few. As such they represent a significant amount of economic activity in Sierra Leone and have a major impact on infrastructural development as well.

For all of these reasons the audits of Public Enterprises and Commissions are of considerable importance.

What we found

In general and across virtually all Public Enterprises and Commissions the significant matters identified in the audit examinations fall into the following areas:

- Lack of supporting documentation for transactions.
- Missing relevant supporting documents.
- Poor management of procurement transactions.
- Mismanagement of assets mainly in the area of not making use of the asset register.
- No evidence that staff performance appraisals were conducted.
- Cash and bank reconciliation ignored.

There are also instances of poorly managed filing systems, inadequate personnel records, payroll and internal audit issues.

These observations are expanded on in greater detail in the paragraphs to follow. Overall they suggest a need for improved financial management with a clear focus on basic principles of internal control, e.g. appropriate segregation of duties and sound procedures for authorizing, recording and reporting transactions.

Detailed Findings and Recommendations

Non-Submitted Accounts

As at 31 March, 2018, the following Public Enterprises and Commissions had not submitted their accounts for the 2017 financial year.

Table 7.1 – Non-Submitted Accounts	
INSTITUTION	FINANCIAL YEAR
Nuclear Safety Radiation Authority	2016&2017
Independent Media Commission	2016&2017
Guma Valley Company	2017
SALPOST	2015-2017
National Protection Area Authority	2016&2017
Sierra Leone Road Authority	2016&2017
WARCIP	2017
Sierra Leone Broadcasting Corporation	2017
Western Area Hospital Board	Since Formation
National Drugs Control Agency	"
National Assets Commission	"
Sierra Leone National Commission for Small Arms	2017

Late Submission of Accounts

Again, 16 Public Enterprises and Commissions submitted their accounts beyond the stipulated date of 31 March, 2018.

Table 7.2 – Late Submission of Accounts		
INSTITUTION	FINANCIAL YEAR	DATE OF SUBMISSION
Milton Margai College of Education	2016-2017	10/4/2018
Electricity Generation & Transmission Company	2016	11/5/2018
Electricity Generation & Transmission Company	2017	21/5/2018
Sierratel	2017	23/4/18
National Insurance Company	2017	18/5/18
Sierra Leone Housing Corporation	2017	29/5/18

Table 7.2 – Late Submission of Accounts		
INSTITUTION	FINANCIAL YEAR	DATE OF SUBMISSION
Central Intelligence & Security Unit	2017	21/8/2018
Freetown Teachers College	2009-2016	6/6/2018
Human Rights Commission of Sierra Leone	2017	4/9/2018
Guma Valley Water Company	2015	13/6/2018
Guma Valley Water Company	2016	3/10/2018
Sierra Leone Standards Bureau	2017	24/10/2018
Independent Media Commission	2014&2015	22/10/2018
University of Sierra Leone	2017	16/10/2018
Sierra Leone Water Company	2017	27/06/2018
Sierra Leone Road Transport Corporation	2017	25/10/2018

7.1. BANK OF SIERRA LEONE, 2016

7.1.1. Foreign Exchange Transactions Including the Respective Net Exchange Gain/Loss

In the course of our audit, we performed a systems audit on the Bank's system used for the accounting of foreign exchange transactions. The Bank's system for accounting for foreign exchange transactions including the respective recognition of realised and unrealised gains and losses was not configured to show and work with the exchange rates at which the transactions were originally 'opened'. It was recommended that the matter should be investigated by the Bank and appropriate action should be taken by management more especially to ensure that the Oracle application which is planned to be implemented is configured to address this issue.

Official's response

The Bank Governor in his reply said "We note the mismatch in currency holdings of IMF assets and the related liabilities. Based on our understanding, these accounts were denominated in the Leones. However, now that it has been clarified, action is being taken to redenominate these balances in the system to SDR and retranslations will be done automatically".

Auditor's Comment

Management's response was noted on the Bank's system for accounting for foreign exchange transactions. However, the issue still stands.

7.1.2. Lack of Co-Ordination between Finance Department and Other Departments of the Bank

Co-ordination between the Finance Department and other departments of the Bank on the treatment of accounting issues affecting the trial balance was in some instances lacking. In some cases, no action was taken whilst for others the accounting treatments were not aligned to International Financial Reporting Standards (IFRSs). The instances noted include, but are not limited, to:

- Retranslation of all monetary assets and liabilities as at close of business on 31st December, 2016 was allocated to but not done by the Financial Markets Department which include investment in equity and some International Monetary Fund (IMF) liability balances namely IMF Securities and IMF Nos 1 and 2 accounts;
- Interest received from investments on treasury bills was allocated to but not accounted for on accruals basis by the Financial Markets Department rather it was accounted for on cash basis; and
- The treatment of the ways and means advances to Government by the Banking and Operations Department which gave rise to both a debit and a credit balance of the same amount. This is expected to be a debit balance as it depicts a receivable from the Government.

It was recommended that the accounting treatment applied to transactions should be aligned to the IFRS requirements and that coordination be improved to ensure this is achieved.

Official's response

The Bank Government in his reply said "As noted in the response to the preceding observation, the Bank is far advanced in the process of securing the services of an IFRS Consulting firm to guide and train staff in the accurate implementation of IFRSs. The Finance Department has also been mandated to issue out practice notes in all Financial Reporting areas which are to be followed by all other departments.

A working group comprising the Finance, Financial Markets and Banking Departments has been constituted to review and monitor the accurate treatment of transactions including the retranslation of monetary assets and liabilities, treasury bills accounted for on an accruals basis of accounting, and treatment of the ways and means advance of Government".

Auditor's Comment

A work group has been formed by the Bank to enhance the coordination between the Finance Department and other departments. However, no documentary evidence was provided to support the existence of the work group.

7.2. SIERRA LEONE COMMERCIAL BANK LIMITED, 2017

7.2.1. Vacant Position of the Deputy Managing Director

It was observed that after the appointment of the new managing director (MD) who was previously the deputy managing director of the bank, the director's office remained vacant and the finance and administration director has been juggling in between to perform duties and responsibilities that go with the position as temporary measure.

Official's Response

The MD said that the matter had been escalated to the Board for appropriate action.

Auditor's Comment

The matter is yet to be cleared.

7.2.2. Lack of Qualified Systems Auditor in the Internal Audit Department

A review of the internal audit human resource capacity noted that the Unit did not have a qualified staff to undertake complete system audit functions as far as monitoring and evaluation of the banks controls are concerned. It was recommended that the management should recruit a qualified system auditor or train and equip the existing staff to bridge that knowledge gap.

Official's Response

The MD in his reply said "Management had put out a public recruitment notice for Systems Auditors but was unsuccessful in appointing anyone with the required skills and competences. We have embarked on an aggressive exercise of headhunting to fill the gap by the third quarter since there is a shortage of systems auditors in the country".

Auditor's Comment

The issue is yet to be resolved.

7.2.3. Obsolete and Slow Moving Stock

Included in the inventory stock was a list of computer stationery and other stationeries amounting to Le223,000,000 which was obsolete and therefore needed to be written off from inventory since it was no longer of benefit to the Bank.

Computer Stationery Stock

Description	Quantity as per report	Amount
MICR RIBBON (CHEQUE BOOK MICR RIBBON)	144	36,000,000
ATM PURSE/CARD/OLD WALLET (ATM PURSE)	3,500	15,750,000
ATM JOURNAL ROLL (ATM JOURNAL ROLL)	28	15,400,000
MICR CHEQUE BOOK STAPLE CARTRID (MICR CHEQUE BOOK STAPLE CARTRIDGE)	36	13,860,000
TEXT RIBBON (TEXT PRINTER RIBBON)	60	12,600,000
ATM RECEIPT (ATM RECEIPT ROLL)	52	11,336,000
SINGLE PLY COMPUTER PAPER	30	9,918,888
ATM RIBBON (ATM RIBBON)	39	9,750,000
OKI RIBBON (OKI RIBBON - 4410)	14	7,464,578
Total		132,079,467

Stationery Stock

Description	Quantity as per report	Amount
SLCB LTD. STATEMENT FORMS. (SLCB LTD. STATEMENT FORMS.)	100	45,000,000
SLCB CHEQUE DEPOSIT SLIP (SLCB CHEQUE DEPOSIT SLIP X100+)	810	10,935,000
COPIER PAPER QUARTO (COPIER PAPER QUARTO)	41	9,430,000
FOREIGN CURRENCY SOLD (FOREIGN CURRENCY SOLD)	781	7,146,150
PAYING BOOKS (ESCROW AFRICAN LINK SCANNING ACCOUNT)	400	6,400,000
SALONE LINK - SEND (SALONE LINK - SEND)	328	6,158,793
REAM BON PAPER GREEN (REAM BOND PAPER-GREEN - 80GM)	29	5,291,228
Total		90,361,171

It was recommended that management should write off obsolete/slow moving stock.

Official's Response

The MD said that he confirmed that items determined as obsolete had been written off against profit and loss account.

Auditor's Comment

The issue is yet to be addressed by management.

7.3. ROKEL COMMERCIAL BANK - 2016

7.3.1. Poor Communication between the Credit Department and the Finance Department

During our audit we noted that, there was poor communication between the Finance Department and the Credit Risk Management Department when it comes to making provisions for loans and advances. Whereas the Finance Department had Le122 billion in the bank's books as provision, as per the Bank of Sierra Leone's regulation, the Credit Department had a schedule for only Le86 billion with the remaining not accounted for. It was recommended that the Credit Department and the Finance Department should ensure that they communicate, and where necessary, reconcile provision listings. Moreover, the Finance Department should ensure that they have a breakdown that supports the figure in the books.

Official's Response

The Managing Director (MD) in response said "We advise that the Finance Department and the Credit Department are working in close collaboration to make adequate provision for accounts in doubtful and bad debt category on a monthly basis for the Bank.

We note that we maintained a summary listing for accounts in doubtful and loss category. Whilst accounts held in General Provision, IFRS Provision, Provision Reserve are maintained separately, for additional provision for accounts in total current category and other Non Performing Category for which we did not have any summary listing, the sum total of all these provision amounted to Le 122billion effective 31st July, 2017. We confirm that as at the audit date shown in the various provision accounts (see attached) totalled Le 122billion in line with the Finance Department".

7.3.2. Fixed Assets – Lack of Proper System

The Bank did not have a proper system to track fixed assets and calculate depreciation. The Bank used a system built by an ex-staff; without him, nobody else could update the system nor extract information from it. It was recommended that the Company should implement a fixed assets system to track all existing assets, additions, disposals, and transfers, and calculate depreciation expense on a book. The system should maintain a comprehensive fixed assets register which records the date of purchase, the delivery date, name of supplier, the cost, unique identification number, location, method of depreciation, depreciation rate and the person responsible for the asset. A staff should be tasked with the update of the register and another for review.

Official's Response

The MD in his reply said "The process of overhauling the fixed asset and depreciation registers has begun with a four man team including the Admin Manager and Head of Finance, supervised by Treasury. The exercise will be completed by 30th November, 2017. We advise that a system is put in place to ensure that the fixed assets and depreciation registers are manned by staff of Admin and Finance Department".

7.3.3. Inappropriate Tagging of Fixed Assets

During our review and inspection of sample assets as part of control testing, we noted that the unique numbers in the fixed assets register were different from the numbers tagged on the assets, which made it difficult for the audit team to perform physical verification of fixed assets. In addition, even though each asset had an identification code recorded on the register, some of the assets did not bear codes for easy identification. No physical verification exercise was carried out during the year. The Finance Department's fixed assets register had different codes while the administration register also had different codes. Meanwhile, the branch also coded the assets differently. It was recommended that management should ensure property plant and equipment are labelled properly with unique identification codes that are recorded in the fixed asset register and periodic physical verification exercise are carried out during the year.

Official's Response

The MD said in his response "The process of overhauling the fixed asset and depreciation registers has begun with a four man team including the Admin Manager and Head of Finance, supervised by Treasury. The exercise will be completed by 30th November, 2017. We advise that a system is put in place to ensure that the fixed assets and depreciation registers are manned by staff of Admin and Finance Department".

7.3.4. Reconciliation of Property, Plant and Equipment

Reconciliation of the property plant and equipment register with the general ledger had not been established during the period under review. It was recommended that management should ensure that the property plant and equipment register is reconciled monthly and any un-reconciling items promptly followed up.

The task of preparation and review of the property plant and equipment reconciliation should also be segregated.

Official's Response

The MD in his reply said "The process of overhauling the fixed assets and depreciation register has begun with a four man team including the Admin Manager and Head of Finance, supervised by Treasury. The exercise will be completed by 30th November, 2017. We advise that a system is now in place to ensure that the fixed assets and depreciation registers are manned by staff of the Admin and Finance Department".

7.3.5. Stock Record Card/Bin Card not Maintained

Based on work done, it was noted that the bank did not maintain a stock record card or bin card to record the movement of stationery. The bank only maintained a spreadsheet to capture the inventory received and was not updated regularly. It was recommended that the bank should implement stock card or bin card procedure to monitor inventory movement and daily update inventory records.

Official's Response

The MD said that transfer of information to stock record card system had been in progress and will eventually replace the manual register which will regularly be reconciled with the spreadsheet.

7.3.6. Internal Audit Unit

The internal audit team does not have any IT specialist. In addition, the audit procedure manual and working paper format had not been updated to incorporate the changes that had occurred over the years. Apart from the head of the Audit Department who attended internal audit training, the other staff did not have any training during the year. It was recommended that management should transfer or recruit an IT specialist to the Audit Department and also update the audit procedure manual and working paper format. Internal audit training should be organised for the entire Department.

Official's Response

The MD stated that plans were underway to train staff on IT related audit by 31st December 2017. He added that the Internal Audit Department was in the process of updating the audit procedures manual and reviewing the format of the working papers.

7.3.7. Reconciliation of General Ledger

The Bank should on a periodic basis perform an analysis of its general ledger against the trial balance to ascertain whether accurate balances are reflecting in the trial balance. It was however noted that the bank did not perform those procedures. It was recommended that the Bank management should formally establish the necessary policies and procedures to perform analysis of general ledger on a timely basis.

Such procedures should include preparation and review of the necessary account reconciliations, as well as analysis and recording of appropriate accounts. There should be segregation of duties among the preparers and reviewers.

Official's Response

The MD said that will be done on quarterly basis with effect from 30th September, 2017.

7.3.8. Computation of Interest Income on Treasury Bills

The effective interest rate is the correct rate for amortisation interest income on investment held to maturity. It was noted during the audit review that the Bank amortised interest on equal daily installment basis. This led to over statement of the income by Le760,000,000 for the year. It was recommended that the Bank should use the effective interest rate in computation of the daily interest income on investment held to maturity.

Official's Response

The MD said that had already taken effect on 31st July 2017.

7.3.9. Amortisation of Lending Fees

Lending fees or facility fees are fees charged on credit advance facilities granted to customers, these fees are to be capitalised and amortised over the period of the facility. It was however noted that the Bank recognised the entire amount as income at the time it awarded the facility. It was recommended that the Bank should implement the necessary procedures in order to be able to perform the aforementioned calculations.

Official's Response

The MD said that had already taken effect on 31st July 2017.

7.3.10. Staff Loan Fair Value

The staff loan awarded at interest rate below the Bank's lending rate for similar facilities should be fair valued at the time the loan is awarded and the difference between the fair value and the loan amortised over the period of the facility. During our review, we noted that the bank does not have fair value credit facilities awarded to its staff, even though the facilities were awarded at a lower rate than its lending rate for similar facilities and investment rate. It was recommended that the Bank should establish the necessary procedures in place for the staff loan to be fair valued.

Official's Response

The MD noted that that was an internal staff policy for which they believed that there should be no fair value.

7.3.11. Payment Voucher with no Third Party Supporting Documents

Some payment vouchers did not have third party supporting documents in support of transactions worth Le 11,200,000. It was recommended that all third party supporting documents must be attached together with payment vouchers.

Official's Response

The MD in his reply said "Management will institute measures to ensure that entries for WAMZ cheque requests are immediately passed over the relative accounts as and when stocks are issued and supported with periodic extracts. Obsolete or expired stationery items will periodically be identified and written off the Bank's books to facilitate easy reconciliation".

7.3.12. Unaccounted POS Correspondence Leone Account

During our review of the POS Correspondence Leone Account, from our samples selected, it was observed that some POS transactions had been accounted for in the Bank's books but there was no evidence of the existence of the transactions. It was recommended that management should look very closely into those transactions and resolve them as and when full information on them are available.

Official's Response

The MD stated that the POS transactions had gone off the book (settlement) in April, 2017.

7.3.13. Customer complaints

Based on discussions held with the Operations Manager, and our review of the Customer Complaints Register at the various branches in Freetown, we noted that most customer complaints, especially those made verbally were not recorded in the Complaints Register. It was recommended that management should ensure that all customers' complaints are lodged in the complaints register whether in writing or oral, the task of recording of complaints should be assigned to a responsible staff and appropriate action to resolve the issue must be taken within appropriate or reasonable period of time and periodic review of the register by management, i.e., the Internal Audit Unit.

Official's Response

The MD said that the Complaint Register will be done with immediate effect and subject to monthly snap checks effective 30th August, 2017.

7.3.14. Capital Adequacy Ratio Calculations

The Bank breached Section 20 of the Banking Act and Section 3.3.2 of the revised prudential guidelines which require the Bank to maintain a minimum capital adequacy of 15% and 7.5% core capital ratio. The Bank's capital adequacy ratios during the year under review were as follows:

Capital Adequacy Ratios

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
-7%	1%	1%	1%	1%	-28%	-28%	-28%	-26%	-26%	-27%	-30%

Core Capital Ratios

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
-7%	3%	3%	3%	3%	-28%	-28%	-28%	-26%	-26%	-27%	-30%

It was recommended that the Bank should comply with the Central Bank's regulation and restriction to avoid future fines and penalties.

Official's Response

The MD in his reply said "We note your observations and comments. This will continue until the minimum capital requirement and share structure is regularised.

Options are currently being explored to improve the capital position of the bank.

Management has been engaging NASSIT and other potential investors with a view to investing in the equity shares of the bank to improve our current capital position".

7.3.15. Local Liquid Assets Ratio

The Bank breached Section 7.4.2.11 of the prudential guidelines which require the Bank to maintain local liquid asset ratio of 75% during the year as follows.

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
52	50	35	53	34	34	44	48	42	50	50	52

It was recommended that the Bank should comply with the Central Bank requirements.

Official's Response

The MD said that post 2016, the Bank took steps to correct its Local Liquid Assets Ratio (Sec. 7.4.2.11) minimum of 75% and as a result, the Bank was now fully compliant in respect of Local Liquid Asset Ratio.

7.3.16. Ratio of Aggregate Exposure to Capital Base

Review of the bank's aggregate exposure to capital base was above the maximum 300% requirement of the revised prudential for the months of January, February, March and April, but went into negative after posting the audit adjustment.

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
1523	1957	1596	1373	(120)	(248)	(224)	(268)	(235)	(239)	(240)	(189)

It was recommended that the Bank should monitor and maintain its exposure within the maximum requirement.

Official's Response

The MD in his reply said "We note your observations and comments. This will continue until the minimum capital requirement and share structure is regularised. Options are currently being explored to improve the capital position of the Bank. Management has been engaging NASSIT and other potential investors with a view to investing in the equity shares of the Bank to improve our current capital position".

7.3.17. Non-Performing Loan to Total Loans (Section 4.9) Tolerable Limit 10%

The Bank's non-performing to performing was higher than the minimum requirement of the revised prudential guidelines as shown in the table below:

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
74%	74%	72%	73%	73%	74%	60%	63%	62%	55%	60%	57%

It was recommended that the Bank should comply with the Central Bank requirement and put more effort to recover toxic loans from their customers.

Official's Response

The MD said "The Bank continues to embark on recovery through legal actions, disposal of property and personal contact with our debtors to settle their debt with the Bank. This will help to reduce our non-performing loan gradually to meet the tolerable limit of 10%. We note that our non-performing loan as at 31st July, 2017 has reduced to 48%".

7.3.18. Maximum Limits on Open Positions in Foreign Currencies

The bank breached Section 8.1.2 of the revised prudential guidelines which state “Every licensed institution shall maintain the following maximum limits on its open positions in foreign currencies, precious metals and precious stones:

- (i) Net open position in a single foreign currency, shall not exceed 15% of the institution’s capital base.
- (ii) Net open position of the aggregate of all foreign currencies shall not exceed 25% of the institution’s capital base”.

DETAILS	FEB	MAR	MAY	SEP	OCT	NOV
GBP				121%		
EURO			67%	32%	26%	16%
NET OPEN POSITION	95%	256%	23%			

It was recommended that the bank should comply with the requirement.

Official’s Response

The MD in his response said “We note your observations and comments. This will continue until the minimum capital requirement and share structure is regularised. Options are currently being explored to improve the capital position of the Bank.

Management has been engaging NASSIT and other potential investors with a view to investing in the equity shares of the Bank to improve our current capital position”.

7.3.19. Insurance Coverage

The bank kept money above its insurance coverage during the year under review. It was recommended that the bank should maintain its cash level within the maximum insured limit and should establish procedures to monitor its cash level within the maximum insured limit.

Official’s Response

The MD said they shall review the insurance coverages by 31st December, 2017. He noted that they will keep to those limits.

7.3.20. Single Borrower Limits

The Bank breached the single borrower limits during the period under review on all outstanding credit facilities since the capital base of bank fell to negative. It was recommended that the bank should put more effort in recovering the loan and also increase its share capital.

Official’s Response

We note your observations and comments. This will continue until the minimum capital requirement and share structure is regularised. Options are currently being explored to improve the capital position of the Bank. Management has been engaging NASSIT and other potential investors with a view to investing in the equity shares of the Bank to improve.

7.3.21. Abandoned property (Unclaimed Account Balance)

It was noted that about Le2,014,000,000 unclaimed savings account balances were due to be transferred to Central Bank. However, the process to transfer the funds had not gone through. It was recommended that the Bank should communicate to the customers by letter about the abandoned property and the letter should be sent to the customer's last known address by registered post; and if the customers failed

to respond within six months, the property shall be deemed to have been abandoned and the Bank should transfer to the Central Bank.

Official's Response

The MD said that the Bank was in the process of transferring the funds to the Central Bank.

7.3.22. Information Security Policy/User Awareness

The IT operation within the Rokel Commercial Bank Sierra Leone Ltd. was decentralised. As such, the process of managing and supervising IT issues at the various branches was done by Branch Managers and Heads of Operations at each branch with the supervision of the IT Department in the Head Office. However, we noted the following weaknesses with regard to the IT security policy and user awareness which should guide branch managers, IT and other personnel in handling IT processes:

- The IT security policy in use at the Rokel Commercial Bank Sierra Leone Ltd. had not been shared with the employees especially user at the branch level of the Bank.
- There were no formal user awareness trainings carried out for the period under review, to inform on critical areas such as:
 - o Information confidentiality
 - o Security/awareness and protection of information.
 - o Information System Security and Logical access management

The following were recommended:

- Management should ensure vigorous IT information sharing process that is aimed at communicating formally to users, the details and importance of IT security and protection of the Bank's IT assets.
- Management should maintain an ongoing schedule of trainings on information security to increase the level of user awareness of information system security for both old and existing users to be aware of common and emerging security issues.
- Management should ensure that users of IT resources within the Rokel Commercial Bank Sierra Leone Ltd. acknowledge that they have read and understood the IT security policies and standards by signing the IT acceptable use form or IT code of conduct form.

Official's Response

The MD in his reply said "The quarterly circulation of all policy documents is inclusive of the IT security policy. This is circulated quarterly for staff to read and append their signatures as evidence. We note the concern and will henceforth start user awareness trainings on a half yearly basis for all staff. We would also ensure that each branch does a separate circulation of the IT security policy for the signatures of their staff".

7.3.23. Access Administration and Control

The Bank had formalised procedures to guide the creation and modification of user profiles on the business applications as per approved IT policies. It was noted that assignment of system rights and privileges on the Univ bank application was decentralised such that branch managers at the various branches manage the profiling of new users and modification of existing ones upon approved request from the Head of Department. However, the following deficiencies with regard to the access administration and control were noted:

- Of the three users that were engaged by the Bank during the period, only one of them completed a user request before being profiled on the Bank's network and banking application.
- No report existed for the periodic monitoring review carried out of users' access rights by either the IT or Internal Audit functions bank-wide, to ensure user profiles and roles support their areas of responsibilities.

- A review of branch managers' administrator creation privileges and permission were also not performed during the period.

It was recommended that formal consistent procedures should be implemented with regards users and administrator's creation and control, which will govern the profiling of users on the Bank's network and systems. In addition, procedures should be put in place to ensure that monitoring of users and administrator privileges within the bank are implemented and reviewed by management.

Official's Response

The MD said they had included the verification of the users' access as a requirement for the quarterly snap check by branches. He added that they would mandate that a check should be done by the auditors on their branch operational audit and the I T Department on their quarterly branch visits.

7.3.24. Incident Management (Help Desk Function)

The Bank was yet to develop policies on incident management and help desk procedures. From a review of the Bank's incident management and helpdesk practice, it was noted that there were no regular and updated logging of problem management issues within the Bank, which would detail the issues, by whom it was reported and the time such issues were resolved. It was recommended that the Bank should document and implement formal procedures for handling helpdesk issues. The procedures should involve the following:

- Recording, allocation, prioritisation and escalation of issues.
- Resolving, and analysis of all IT issues raised by users.
- Updated log records of helpdesk issues should be maintained and monitored by the IT or internal audit function.

Official's Response

The MD stated that they did not have an incidence log book. This, he said was normally checked by the auditors on their visits. He agreed that they needed to improve on the helpdesk procedures and were working on having an automated helpdesk system.

7.3.25. Savings Overdrawn Accounts

A review of data analysis for the period under review noted instances where customer savings accounts were overdrawn, i.e. their account balances were in a negative position for the past years.

It was recommended that the parameter settings on the Univ bank system as regards customers overdrawing of savings accounts should be regularised and remedial measures taken to prevent this from recurring going forward. In addition, a review of the overdrawn accounts with minimal balances over the past periods should be carried out ensuring that such negative balances are cleared up to maintain a positive saving deposit position.

Official's Response

The MD sated that those customers were currently being chased for full recovery, and measures were being put in place by IT Department so that it will not re-occur.

7.4. SIERRA LEONE PORTS AUTHORITY - 2017

7.4.1. Payments without Adequate Supporting Documents

Payments totalling Le331,572,156 were made without relevant supporting documents such as receipts, delivery notes, etc.

The Financial Controller should exercise adequate supervision over the preparation and documentation of the Authority's transactions and the Chief Accountant should ensure the following:

- That all public funds are properly accounted for in accordance with Section 73(1) of the Financial Management Regulations, 2007.
- That all transactions are supported by the relevant documentation and these must be numbered and cross referenced, so that they can be easily traced when they go missing.
- That the relevant supporting documents in respect of the sum of Le331,572,156 is submitted for audit inspection..

Official's Response

The GM stated that management strives to maintain adequate internal controls and that the supporting documents are available for audit review.

Auditor's Comment

Supporting documents relating to payments amounting to Le 281,114,242 were submitted during the verification exercise leaving a balance of Le 50,457,914.

7.4.2. Activities of the Internal Audit Department

The Internal Audit Unit was involved in the operation of the Authority's activities (Pre auditing), even though there was no provision in the Internal Audit Charter for the unit to be engaged in such activity. It was recommended that the Internal Audit Department must not be involved in the day-to-day operations of the Authority, but rather conduct regular post audits as stated in page three of the Internal Audit Charter of the SLPA under the section: "Independence and Objectivity".

Official's Response

The GM said "The involvement of the Internal Audit and Compliance Department in very few operational activities (pre-auditing) was a directive by the Board of Directors which emanated from issues being raised in internal audit reports with regards wrong calculations in payroll, end-of-service benefits of employees, etc. since 2010.

The aim of the Board was:

- *For the internal audit to find mistakes and uncover weak areas where policies and procedures are not consistently followed.*
- *To ensure proactive measure in improving operations accuracy, being less costly to identify and correct errors.*

With respect to the above, separation of duties was made key to militate against the possibility of misappropriation through collusion.

To support the above, the Authority in its restructuring process in 2015, re-named the department from Internal Audit Department to Internal Audit and Compliance Department.

What was not carried out was reviewing the Audit Charter to incorporate the compliance function and an approved compliance program. The above is in progress which would be available for verification in your follow-ups".

Auditor's Comment

Our recommendation was not implemented as there was no evidence to confirm management's intentions of ensuring that the internal audit unit was not actively involved in the day-to-day operations of the Authority.

7.4.3. Ineffective Ports Security Management

The SLPA did not have a port facility security plan as recommended by the International Maritime Organisation (IMO) under the International Ship and Ports Facility (ISPS) Code. In addition, body and baggage scanners to ensure effective security checks at the various entry points of the ports were not available. It was recommended that the General Manager must ensure the following:

- That the provisions of the ISPS code are strictly adhered to in accordance with the recommendations of the IMO
- That body and baggage security scanners are installed at various entry points within the port facilities.

Official's Response

The GM in his reply said:

- *"The Sierra Leone Ports Authority management is in negotiation with Group 4 Security Firm (a recognised organisation) for the development of a port facility security plan.*
- *A turnstyle for body and personal effect scanning have been installed at the main pedestrian access to the port.*
- *Implementation date for the development of a port security plan for SLPA is 31st August 2018".*

Auditor's Comment

The recommendations were not implemented as there was no evidence to confirm that the SLPA has a ports security plan to meet IMO standards. A body and baggage security scanner has not been installed by the SLPA on the various entry points to the ports.

7.5. NATIONAL REVENUE AUTHORITY - 2015-2016

7.5.1. Tax on Terminal Benefits not Paid

The Authority did not pay tax on terminal benefits which amounted to Le 27,879,657 and Le 3,533,262 for 2015 and 2016 respectively. It was recommended that the Authority should make the necessary payments and submit the receipts for verification.

Official's Response

The Commissioner said that the issue was noted and would be addressed on the follow-up.

Auditor's Comment

Evidence of payment was not provided during verification. The issue therefore still stands.

7.5.2. Procurement Procedures not Followed

In connection with the contract awarded to Razpec Holdings (SL) Ltd. worth Le477,500,000 for the supply, delivery and installation of office furniture for NRA offices, we noted that AA Enterprises bided for the said contract with the lowest price (Le326,000,000) after responding adequately to the technical evaluation criteria. The contract was however awarded to Razpec Holding (SL) Ltd., even though the selection method used was "least cost selection method". It was recommended that the Authority should explain why the contract was awarded to Razpec Holdings (SL) Ltd. instead of AA Enterprises.

Official's Response

The Commissioner in his reply said: "Indeed, the Authority noted the price differentials between the invoice and other documents submitted by AA Enterprise and Razpec Limited. However, on the basis of quality, the supplies made by Razpec are of better and superior quality than those of AA Enterprise".

Auditor's Comment

The management's response was noted. However, if there were quality issues with AA Enterprises that should have been reflected in the technical evaluation report. Therefore, the issue remains unresolved.

7.5.3. Advance Payment Guarantee not Provided

The audit team was not provided with an Advance Payments Guarantee (APG) in respect of payment of Le 677,053,875 made to Modern Publishing and Advertising Department for the supply of Christmas promotional items in 2015. This contravenes sections 135(4) and 139 of the Procurement Regulation, 2006. It was recommended that the Authority should ensure that these advance payment guarantees were provided for audit inspection.

Official's Response

The Commissioner said "There is nothing like an advanced payment made to this company because the goods in question were made available to the Authority before payment was made. This situation was made known to the auditors and copies of the Goods Received Note (CRN) as evidence to show that the items were delivered".

Auditor's Comment

Goods Received Notes were not presented for audit verification, as such we could not confirm that the goods were supplied before payment was made. Therefore, the issue remains unresolved.

7.5.4. Payment without Adequate Supporting Documents

During a review of the disbursement activities of the Authority, it was noted that payments totalling Le252,126,150 and Le255,055,700 were made in 2015 and 2016 respectively for overseas travel. However, no evidence in the form of back-to-office reports was provided for audit review. It was recommended that the Authority should provide back-to-office reports to justify these overseas travels.

Official's Response

The Commissioner in his reply said: "The supporting documents referred to in this case relate to training reports which are to be produced at the end of a training program or reports to be produced by those who attended international courses. All is available for your verification".

Auditor's Comment

Supporting documents for Le202,480,000 and Le184,205,700 for 2015 and 2016 respectively were evidenced. However, supporting documents for Le49,646,150 and Le70,850,000 in respect of 2015 and 2016 respectively were not available. The issue therefore remains unresolved.

7.5.5. Follow-up on Previous Year's Recommendations

During the audit exercise, we followed up on all recommendations made in previous years. A summary of the status of these recommendations is given below:

- *Section 24 (2) of the NRA Act, 2002 states that: "The funds of the Authority specified in paragraph (b) shall be payable to the Authority in equal quarterly instalment at or before the beginning of every quarter". It was noted that the act was not adhered to by MoFED and this may have resulted in substantial receivables being disclosed in the Authority's financial statement with no evidence of action taken by the Authority to notify MoFED accordingly.*
- *Evidence in the form of request for quotations, evaluation report, local purchase order, delivery notes, etc. to justify the procurement of various items worth Le165,767,745 were not submitted for audit inspection. The non-submission of RFQ's and other procurement documents raised questions whether the procurement process was actually conducted in accordance with Section 45 (1) and the First Schedule of the Public Procurement Act, of 2004.*

- Retirement details relating to contingency payments amounting to Le11,410,200 and Le43,476,929 for 2013 and 2014 respectively were not made available for audit inspection.
- A comprehensive fixed assets register was not presented for audit inspection for both years. The fixed assets register submitted did not reflect the value of items and their identification codes and location. Assets acquired for the Gbalamuya office in Kambia were also not included in the fixed assets register.
- Payments amounting to Le167,670,967 and Le244,006,514 for 2013 and 2014 respectively were made without adequate supporting documents such as requisition, invoice, receipt, back-to-office report, training report, beneficiary list, etc.
- The Authority did not disclose its intangible non-current assets such as Microsoft Dynamics GP (accounting software) in its financial statement for the period under review.
- Fixed assets donated by DFID were not accounted for in the financial statement, as all of the assets donated by DFID were neither valued, nor stated in the asset listings submitted.
- Evidence of prompt follow-up on outstanding items in the bank reconciliation statement were not available; this was further evidenced by several unverified transactions in the bank reconciliation statement that were treated either as income or expenditure in the financial statement.
- Procurement procedures for the supply of various items valued at Le198,452,500 awarded to various suppliers were not adhered to, as there were no evidence of bid documents, bid opening minutes, evaluation report, notification of award, contract, etc. in respect of the above.

7.6. NATIONAL SOCIAL SECURITY AND INSURANCE TRUST -2015

7.6.1. Contract Awarded for a Value More than the Bid Price

A review of the procurement documents submitted for the supply, installation and commissioning of solar system revealed a difference of Le876,718,613 between the bid documents and the evaluation reports (Le1,604,201,070) and the signed contract (Le2,480,919,683). The team was not provided with any documentary evidence to substantiate the variance. It was recommended that the Acting Head of Procurement provide explanation supported by documentary evidence for the difference between the amount on the bid documents and evaluation reports, and the amount on the signed contract.

Official's Response

The Director General (DG) in his response said: "Management notes the observations of the auditors as explained during the audit. The difference was as a result of an addition to the original contract as an addendum. This was submitted in respect of the above; clearly stating the correct calculation in the evaluation report which has now been indicated into the addendum consistent with the excerpts as approved by the procurement committee".

Auditor's Comment

Management's response was noted. We were however not provided with any documentation necessitating the need for the addendum. Moreover, from a review of the documents submitted, we noted that the addendum did not relate to the difference of Le876,718,613. Therefore, the issue still stands.

7.6.2. Contract Splitting

Procurement of sanitary items totalling Le107,560,000 was divided into two separate procurement of Le54,900,000 and Le52,660,000 undertaken on 18th and 19th July, 2015 respectively. This therefore led to the evasion of the National Competitive Bidding (NCB) procedures. It was recommended that the acting head of procurement should provide documentary evidence to justify why procurement were not done using the NCB method.

Official's Response

The DG in his reply said: "Management notes the concerns of the auditors. These are sanitary items that are urgently required during the outbreak of the Ebola epidemic. However, to follow up the procurement procedure, the Procurement Committee endorsed the purchasing of these items through a restricted procedure for which six pre-qualified firms were shortlisted and invited from the Trust's database and validated for 2015 transactions (see attachment for ease of reference). The LPs prepared were based on the items available for supply immediately but all went through the required procedure".

Auditor's Comment

Management's response was noted. The issue however remains unresolved.

7.6.3. Tendering Procedures for Cleaning Services Not Carried out

The Trust awarded contract to Yeane's Enterprises for cleaning services in 2012 for Le243,198,000. It was however noted that since the expiration of the contract, the Trust had been using the same contract value in extending the cleaning contract every year based on the recommendation by the Director of Administration and Human Resources, instead of undertaking a new procurement procedure. It was recommended that the Acting Head of Procurement should provide reasonable explanation as to why procurement procedures were not followed.

Official's Response

The DG in his reply said "The contract awarded to Yeane's Enterprises for cleaning services was a variable/firm's price contract which allows certain element of the contract to vary (e.g. minimum wage rate, number of workers etc.). This is applicable for contracts with long term duration and extension based on performance. Since the execution of the said contract, the Trust has benefited from the fixed price and extensions based on the same rate except where additional labour is required. The performance of the firm is reviewed half-yearly".

Auditor's Comment

The act of extending contracts due to satisfactory performance by the contractor prevents open and competitive procurement. The Trust is at liberty to sign multiple years of contract if it so desire. However, upon the expiration of the contract, the procurement laws make it clear that a new procurement should be undertaken. Therefore the issue is unresolved.

7.6.4. No Periodic Reconciliation of Contribution between the Operations Department and the Finance Department

The operations department only maintains records of total contributions paid to head office for reporting purposes. As a result, it does not maintain a consolidated report of total contributions including those from the regions. This made it difficult to independently reconcile the total contributions collected and recorded in the NAPOS II with the total contributions recorded in the SUN system by the finance department. There was also no evidence of periodic reconciliation between the operations department and the finance department on contributions collected. It was recommended that the Trust should provide all relevant supporting documents in connection with periodic reconciliation between the operations department and the finance department on contributions collected, for audit inspection.

Official's Response

The DG in his response said: "Management notes the concerns of the auditors and their associated risk. However, there has always been on file at the Operations Division a complete record of consolidated contributions collected on a monthly basis from all the regional offices and government operations. As at the end of every year, all monthly reports are also collated into yearly reports for the attention of management".

Auditor's Comment

Evidence of consolidated report of total contribution including the regions maintained by the Operations Department for 2015 was not submitted for audit verification. Evidence of periodic reconciliation between the Operational Department and the Finance Department on revenue collection was also not submitted for audit inspection. Therefore, the issue still stands.

7.6.5. Lack of IT Strategic Plan

There was no evidence to confirm that an IT strategic plan was in place for the implementation of Information Technology system including the NAPOS II and Sun System. As such, there is no defined way in which technology can support the achievement of sustainable operational and financial processes. It was recommended that without any further delay, the Trust should ensure that an IT strategic plan that covers all core business processes relating to all software applications is developed and implemented.

Official's Response

The DG said: "Management notes the concerns of the auditors. However, the Trust's Strategic Plan 2015-2017 (pages 17 & 31) clearly state the short and long term operations of the IT strategic plan for implementing core operational applications of the Trust, including NAPOS II and Sun. The Strategic Plan 2015 – 2017 is available for audit inspection".

Auditor's Comment

The comments made by management could not be confirmed as the Trust's Strategic Plan 2015-2017 was not submitted for audit verification. Therefore, the issue still stands.

7.6.6. No Approved IT Policy

There was no evidence of an approved Information Technology policy being operational in the Trust. It was recommended that the Director of Systems should develop and implement an Information Technology policy that will guide the Trust's information technology architecture.

Official's Response

The DG said: "Management notes the concerns of the auditors. Policy Number 42.2 – Privilege Management of the Information Technology Security Policies (January 2006) document provided adequate procedures to guide its information technology platform from unauthorised use. The document is available for audit inspection".

Auditor's Comment

The referenced Policy Number 42.2 was not comprehensive to replace the IT policy, as it provides little material guide and instructions, including the use and safeguard of IT equipment by those who administer and operate the Trust's information system. Therefore, the issue still stands.

7.6.7. Evidence of Due Diligence not Submitted

During 2015, the Trust invested Le19 billion in the Sierra Leone Commercial Bank (SLCB). The Trust's investment manual, minutes of Board meeting and other relevant documents were reviewed in order to ascertain the basis of the investment decision. Our review revealed that the decision to invest in the SLCB was taken based on the "prospect of the new management of the bank". It was noted with concern that investments decisions of such nature required extensive due diligence. No evidence of due diligence work done was however submitted for audit review to confirm the technical, financial and legal bases on which the investment was made. It was recommended that the Trust should submit evidence due diligent work carried out for audit inspection.

Official's Response

The DG in his response said: "Management notes the concerns of the auditors. However, in the acquisition of Sierra Leone Commercial Bank shares, financial due diligence was carried out by the Investment and Project Division. The report is available for audit inspection".

Auditor's Comment

No evidence of the due diligence was submitted during the verification exercise. Therefore the issue still stands.

7.6.8. Non-compliance with International Accounting Standard 26

The IAS 26 requires that investment property and other investments are carried out at fair value; that is, their actual present worth or market value. It was however observed that the Trust's investment property and other investments were carried over into the 2015 statement of net assets available for benefits at original cost to the amount of Le1.15 trillion (Le954 billion in 2014).

The International Accounting Standard (IAS) 26 also requires that the actuarial present value of promised retirement benefits is disclosed. However, such disclosure had been made in the financial statements. It was recommended that since the last actuarial valuations were done in 2010, it was imperative that an asset valuation is done to enable a professional appraisal of the fair value of the Trust's investments and an actuarial determination of the present value of the Trust's liabilities.

Official's Response

The DG said: "The assets are stated at cost and not at market value as correctly stated by the auditors. The Trust has hired consultants, one of which is IDEAS Ltd. to carry out the valuation of its properties which was also recommended by the Actuaries. Work has commenced and a draft report has been provided. We are now awaiting the final report for the start of the next phase of the business valuation. This is expected to be reflected in the 2017 accounts".

Auditor's Comment

Management's response was noted. However, the issue still stands.

7.6.9. Follow-up on Previous Year's Recommendations

During the audit exercise, we followed up on all recommendations made in previous years. A summary of the status of these recommendations is given below:

- *A contract worth Le825,573,666 was awarded to Posseh Hotel & Catering Services for the supply of household goods in 2011. The Trust terminated the contract based on the fact that the goods could not be delivered as planned.*
- *As evidenced by a report, the Procurement Unit critically looked at the fact and circumstances and advised the Trust to evaluate the situation and determine the most practical solution without liquidated damages. However, the Trust refused to re-evaluate the circumstances. Posseh Hotel had to take the matter to court for which the Trust lost Le400,000,000 in an out-of-court settlement.*
- *Sierra Ferries Ltd. is 100% owned by the Trust. The auditors observed that as at 2012, the Trust had capitalised Le26,348,372,033 in respect of expenditure undertaken by the Trust on behalf of Sierra Ferries Ltd. Most of the expenditures undertaken were administrative and repair costs for the ferries. No evidence of audited financial statement of Sierra Ferries Ltd. was provided to the auditors. The Trust subsidised its operations and these ferries would be depreciating over the years.*
- *The value of the Trust's share holdings were not confirmed as share certificates were not provided for audit inspection.*
- *The amount decreased by Le389,367,000 over the year. That amount related to work contracted to Class Diving Co. (SL) which was not executed and the Trust asked for refund. The amount was recognised as receivable. There*

was no supporting document provided for audit review to show that this money has been paid or accepted to be paid by Class Diving Co.

- *The Trust's Human Resource Policy Manual stated that no transport allowance should be paid directly to a senior executive or senior management staff with car loan. It was however observed that senior management staff with car loan were receiving direct monthly transport allowance for the period under review. The total transport allowance paid to senior management with car loan for the period under view amounted to Le303,149,891.*
- *A loan of Le25,143,838,000 was given to West Africa Holdings Ltd. for the rehabilitation and refurbishment of Raddison Blu, Mammy Yoko Hotel. As per the loan agreement, the Trust is supposed to accrue interest for these loans, but this was not evidenced in the account. The audited financial statements was not submitted for review.*
- *The Trust's loan policy states that staff will be eligible for one personal loan at a time and top-up only after fifty percent of existing loan has been paid. However, executive staff were allowed to take additional loans even though fifty percent repayment of existing personal loan was not made.*
- *It was observed that the Trust made payments for the construction of the Bo Plaza totalling USD332,026.51 (USD3,997,335.55 – USD3,665,309.04) above the approved contract cost. Evidence of the Board of Trustees' authorisation for this payment was not submitted for audit inspection.*
- *Fixed assets register relating to investment was not submitted for audit inspection. As a result, physical verification was not done to confirm the actual existence of these assets. Additionally, depreciation charges recorded in the draft financial statements were not recomputed for 2013 and 2014 totalling Le1,665,550,000 and Le1,616,767,000 respectively.*
- *The Trust had lands (total acreage of 700.69) at different locations in the country, but these lands are not protected from possible encroachment even though the Board of Trustees instructed such in its 53rd Emergency Meeting.*
The Investment Division identified lands with total acreage of 584.18743 as being under threat because the Trust had not done anything to date to protect these lands from encroachment. For example, during our verification of NASSIT land (57.4594 acres) at Old Mattru Road, Bo, it was observed that a house had already being constructed on the Trust's land.
- *Agreement between the Trust and MSF was submitted for the rental of the Bo affordable houses. In this agreement, MSF was authorised to make alterations to the affordable houses but these should be removed by MSF unless agreed otherwise. However, during the verification, it was observed that MSF constructed permanent structures at the back and office block and security post at the front of the affordable houses during the Ebola epidemic for treatment of patients. However, these structures have not been demolished even though MSF had vacated the property.*
- *Start-up cost in respect of Sierra Estate Management Company amounting to Le426,510,000 was disclosed as receivables even though there was no agreement indicating it was a loan to Sierra Estate Management Company.*
- *Receivables amounting to Le222,588,000 were not verified for 2013 and 2014 from sale of affordable houses as HFC Mortgage and Savings (SL) PLC are yet to confirm these amounts.*
- *An approved business continuity plan and disaster recovery plan were not submitted for audit inspection.*
- *There were long outstanding reconciling items in the bank reconciliation statements amounting to Le1,171,426,183.85 and Le2,282,537,334.24 for 2013 and 2014 respectively. Credits in bank statement not in cashbook amounted to Le2,225,906,876 and Le9,848,463,459 for 2013 and 2014 respectively.*
- *It was observed that the Trust made advanced payments of seventy and eighty percent which amounted to Le 6,572,146,526 and USD142,624 on several contracts during the periods under review.*
- *The Trust did not have a system of monitoring survivors to determine when they become ineligible to receive benefits.*
- *The NAPOS system did not automatically capture defaulters of late payments after the 15th of the following month. It was observed that the indebtedness of contributors was manually captured.*
- *The Trust did not have an approved asset capitalisation policy.*

- *Le6,666,915,000 was stated as a loan to Regimanuel Gray (SL) Ltd. as a result of loan repayment it made as a guarantor for RG (SL) Ltd. This loan could not however be substantiated as documents in respect of the agreement and other adequate supporting documents were not provided for audit inspection.*
- *It was observed that interest which amounted to Le11,294,095,000 had been accrued in respect of a loan given to Sierra Block Concrete Ltd. a subsidiary of the Trust. The loan was given in 2004, but payment has not been forthcoming from Sierra Block Concrete Ltd. This subsidiary did not have an audited financial statement. The total loan (principal and interest charges) to SCPL in the books of the Trust now stands at Le15,789,019,821.33.*
- *It was observed that the SCPL was making payment of 8% of its quarterly revenue in respect of this loan, but evidence of agreement for this payment terms was not submitted for audit inspection.*
- *The Trust did not disclose any related party transaction. During the audit, it was observed that the Trust had a number of related party transactions such as the Sierra Block Concrete Ltd., Regimanuel Gray (SL) Ltd. and Sierra Ferries Ltd.*
- *There was no evidence of any documented funding policy.*

7.7. SIERRA LEONE CIVIL AVIATION AUTHORITY - 2015 & 2016

7.7.1. No Procurement Unit

Section 19 subsection (1) of the Public Procurement Act, 2016 states that: “A procurement unit shall be established in each procuring entity, staffed with persons trained and knowledgeable in procurement and charged with the responsibility of carrying out, on a continuous basis functions related to procurement”. However, it was observed that there was no procurement unit to provide the technical assistance in procurement activities of the Authority. Instead, the Administrative Manager was acting as Procurement Officer. It was recommended that the Authority should ensure that there is a Procurement Unit with a Procurement Officer.

Official’s Response

The GM said that the audit recommendation was noted as the recruitment of a Procurement Officer was part of the approved recruitment plan for 2018.

Auditor’s Comment

During the verification exercise, a Procurement Unit had not been established. The issue therefore remains unresolved.

7.7.2. Inadequate Staffing

It was observed that the Information Technology Unit, Finance Department and Internal Audit Department were understaffed. There was only one personnel in each of the Unit. It was recommended that the Authority should employ one or more IT, finance and internal audit staff to enhance the smooth running of the Authority.

Official’s Response

The GM in his reply said: “Management is aware of the issue but all subvented agencies were asked not to do any additional recruitment since 2017 and up till now that ban has not been lifted. But notwithstanding, the Board has approved the recruitment plan for 2018 of which all the three units were taken to consideration just awaiting on the ban to be lifted on recruitment”.

Auditor’s Comment

The ban has not been lifted on recruitment. Therefore, this issue remains unresolved.

7.7.3. Cash and Bank

There were only two signatories to the account of the Authority, i.e, the Director General and the Finance Manager. It was recommended that the Authority should have three signatories to the account.

Official's Response

The GM stated that management had made a proposal to the Board and was awaiting approval for the Authority to change from two to four signatories to the Authority's bank account.

Official's Response

During the verification exercise, no board approval was presented for inspection. Therefore, this issue remains unresolved.

Follow Up on Previous Year's Recommendations

During the audit exercise, we followed up on all recommendations made in previous years. A summary of the status of these recommendations is given below:

- *Personnel files were not updated and maintained to prove that the actual file reflected the staff's file.*
- *Review of all the personal files revealed the absence of copies of reports from staff members for either national or international training or workshops sponsored by the SLCAA*
- *The Authority's fixed assets register was not maintained and the values of the Authority assets which were received were not included in the fixed assets listings.*

7.8. SIERRA LEONE AIRPORTS AUTHORITY - 2016

7.8.1. Lack of Change Management Policy

There was no evidence of a change management policy or documented procedures in place to support changes to the Great Plain system. It was recommended that the Authority should ensure that a change management policy is developed and implemented to address changes to the system.

Official's Response

The General Manager (GM) stated that a change management policy was fully captured in the policy manual.

Auditor's Comment

Detailed procedures were not evidenced in the IT Policy. The issue therefore remain the same.

7.8.2. No Disaster Recovery Plan

There was no evidence of a Disaster Recovery Plan in relation to backup, retention and recovery policy in place to ensure business continuity within a reasonable period, in the event of a disaster. It was recommended that the Authority should develop a disaster recovery plan within an acceptable timeframe.

Official's Response

The GM stated that the most strategic application presently used was the Microsoft Dynamics Great Plains which had one backup on site and one with the IT Manager.

Auditor's Comment

No evidence of Disaster Recovery Plan in relation to back up, retention and recovery policy was provided during the verification exercise. Therefore, the issue still stands.

7.8.3. IT Steering Committee Not Established

There was no evidence of the existence of an IT steering committee to ensure an effective day-to-day operation of the Authority's IT infrastructure.

7.8.4. Long Outstanding Debts

A review of the age receivable schedule revealed that the sum of USD341,843.29 (Le1,796,386,488.95) in respect of monies owed by airlines, agencies and others for landing, passenger service charge and infrastructural development charge, was included as part of the total amount disclosed as short term receivable in the financial statements. This amount has been outstanding for more than two years. No evidence was submitted regarding the recoverability of this amount. These long outstanding debts would have been better managed and controlled if there was a policy in place for the management of debts.

7.8.5. Follow-up on Previous Year's Recommendations

During the audit exercise, we followed up on all recommendations made in previous years. A summary of the status of these recommendations is given below:

- *It was noted that the Authority's actual practices were not in line with its documented terms and conditions of services. For instance, Article 53 of the current terms and conditions of service requires the operation of a Provident Fund. It was however observed that the scheme was no longer in operation and there was no evidence to suggest the dissolution of the scheme and approval from the Board. Of utmost importance was the fact that no mention was made in the terms and conditions of service when it would be reviewed.*
- *There was no evidence of impairment review carried out on assets owned and controlled by the Authority. Two verified generators - 220 KVA and 650 KVA valued at Le 437,440,400 were unserviceable.*
- *Deductions of social security contributions for 11 months totalling Le 1,059,499,690 were not paid to NASSIT.*
- *The Authority provides end of service benefits to their retirees. The entitlement to these benefits was usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period as stipulated in the conditions of service.*
- *During the course of the audit, the audit team undertook a physical verification of the Hastings Airfield with the sole purpose of verifying assets, personnel and the general condition of the airfield. It was observed that the Hastings Airfield was unprotected by a perimeter fence which indicated some security threat to the physical assets of the Authority. There was no evidence on site of the Authority's effort in protecting this land from possible encroachment.*
- *Deductions of PAYE tax for the period under review totalling Le2,807,982,331 and previous outstanding balances of Le 3,637,505,792 were not paid over to the NRA.*
- *The accounting manual used during 2014 was not up-to-date. For instance, the Authority did not generate income from Allan Mclead Lounge as detailed in the accounting manual, and also the Authority is deriving revenue from the following sources: helicopter up-lift charge, infrastructure and development charge, approach control charge, as well as porter/ trolley service charge. All these are not detailed in the accounting manual.*
- *Carousels at the arrival lounge of the terminal building were old.*
- *It was observed that a 15 week contract signed in January 2011 for the upgrading and modification of the Sierra Leone Airport Authority's terminal building had not been completed to-date. The original contract price was USD4,157,000 when it was signed in January 2011. To date, cumulative payments of at least \$6,461,000 had been made. At the time of the audit, a revised timeline for completing the contract was not submitted for inspection. Furthermore, even though the remaining hasn't been completed, there are defects already.*
- *The Authority did not have a policy with regards the maintenance of its non-current assets, such as computer hardware and vehicles.*
- *There was no evidence of authorisation process/mechanism for the movement of non-current assets. For instance, we could not verify some assets in some locations as detailed in the assets register.*

- *There was also no evidence of periodic reconciliation between the billing and finance departments on revenue collection.*
- *There was no evidence of an approved business continuity or disaster recovery plan.*
- *An equivalent bank balances of Le 64.1 million held at the Standard Chartered Bank, London, was disclosed as receivable. These amounts had been outstanding for long and there was no evidence that these cash would be recovered because no evidence of any correspondence with the bank for the recovery of these monies was submitted for audit inspection.*

7.9. SIERRA LEONE ROAD TRANSPORT CORPORATION - 2011 - 2013

7.9.1. Operating Income – Bus Tickets

Daily takings and copies of tickets issued to passengers were not made available for verification. It was therefore recommended that daily takings reports and copies of tickets issued to passengers for the period under review should be made available for verification.

7.9.2. Bus Hire Income

Bus hire receipts for several months and other relevant supporting documentation to the tune of Le509,661,500 were not made available for verification. It was therefore recommended that the bus hire receipts and other relevant documentation to support the above mentioned income should be made available for verification.

The required documentation to support the undermentioned account balances were not made available for verification.

2011	2012	2013
Le30,517,500	Le57,793,500	Le109,000,081

It was therefore recommended that the documentation should be made available for verification.

7.9.3. Expenditure without Supporting Documents

Expenses to the tune of Le269,786,761, Le581,280,595 and Le 487,940,507 for 2011, 2012 and 2013 respectively were not supported with the relevant documentation. It was therefore recommended that the required documentation to substantiate the authenticity of these expenses should be made available for verification.

7.9.4. Expenditure without Adequate Supporting Documents

Significant amounts of payments made to suppliers in various years as follows: 2011(Le173,415,000), 2012(Le101,341,090) 2013(Le23,235,000) were not supported by receipts or other third party documentations. It was recommended that all payments to suppliers should be supported with receipts and other third party documentation such as invoices, procurement documents and goods received notes.

7.9.5. Tagging of Fixed Assets

It was observed that the majority of the Corporation's fixed assets were affixed with identification codes that were different from those recorded in the fixed assets register. It was therefore recommended that the fixed assets register should be updated to reflect the tag numbers indicated on the assets.

7.9.6. Updating Fixed Asset Register

The Corporation's fixed assets register had not been updated since 2010. It was therefore recommended that the responsibility of updating its fixed assets register should be assigned to a specific officer who

should ensure that the register is up-to-date at all times, and that the fixed assets register should form part of management's reports to the Board on a monthly basis.

7.9.7. Questioned Procurements

Third party documentations were not made available to support fixed assets that were acquired during the period under review. The required third party documentations should be made available for verification.

7.9.8. Bank Reconciliation Statements

Bank reconciliation statements were not prepared for the undermentioned bank accounts for the entire period under review.

- Bank of Sierra Leone SLL Account.
- Sierra Leone Commercial Bank SLL Account.
- Sierra Leone Commercial Bank SLL Account.

It was therefore recommended that bank reconciliation statements should be prepared for these bank accounts at most 15 days after the end of every month, and they should be reviewed and approved by a senior officer of the Corporation.

7.9.9. Bank Confirmations

The undermentioned differences existed between the balances indicated in the Corporation's financial statements for year ended 31st December 2011 and the balance confirmed by some banks.

	Balance as per Financial Statements - Le	Balance as per Bank Confirmation – Le
Union Trust Bank SLL Account	93,430,981.59	Nil
Sierra Leone Commercial Bank	705,000	Nil

The auditors were also unable to receive confirmation from the following bankers:

- Rokel Commercial Bank (SL) Limited
- Standard Chartered Bank (SL) Limited

It was therefore recommended that the senior officers of the Corporation should engage these banks to rectify the aforementioned issues.

7.9.10. Cash at Hand

We were unable to determine whether cash takings for the period under review were properly accounted for because of the unavailability of relevant documentation during the course of the audit. It was therefore recommended that the relevant documentation that would enable the auditors reconcile cash takings to cash balances indicated in the financial statements under review should be made available for inspection. Cash takings should also be deposited into the Corporation's bank accounts instead of being paid to the cash office.

7.9.11. Documents not Submitted for Inspection

The following documentation were not made available to enable the auditors verify the undermentioned accounts.

General ledger listings and bank statements for:

- Ecobank USD Account.
- Bank of Sierra Leone Account.

- Standard Chartered Bank (SL) Limited
- General ledger listings of cash account.

It was therefore recommended that the aforementioned documents should be made available for verification.

7.9.12. Undisclosed Bank Accounts

It was observed that the undermentioned bank accounts were not part of the financial statements under review.

- Ecobank USD Account (Balance as at 31st December 2011 – USD 399.04)
- Sierra Leone Commercial Bank SLL Account. (Balance as at 31st December 2011 – Le6,282,331,135.51).

It was therefore recommended that these bank accounts should be investigated and transactions incorporated into the financial statements of the Corporation.

7.9.13. Fuel Reconciliation not Done

It was observed that fuel reconciliations were not done. As a result, the accuracy of supplier's statements could not be ascertained. Vehicle log-books were also not maintained to facilitate the monitoring of fuel and vehicles.

The following were recommended:

- Monthly reconciliation of fuel consumption should be carried out in order to determine the accuracy of suppliers' balances.
- Log-books should be maintained for every vehicle owned by the Corporation.
- Vehicle log-books should be reviewed before fuel is issued to vehicles.

7.9.14. Valuation Report

A valuation report showing the undermentioned information was not made available for verification.

- Description of the stock item.
- Quantity.
- Unit cost.
- Total value.

It was recommended that the valuation reports in support of the inventory balances indicating the financial statements under review should be made available for verification.

7.9.15. Receivable and Prepaid Charges - Questioned Account Balances

Documentation to support the undermentioned account balances were not made available for verification.

	2013	2012	2011
	Le'000'	Le'000'	Le'000'
Government of Sierra Leone	152,456	152,456	152,456
Debtors for bus hire	144,710	130,810	111,130
Provision for bad debts	200,026	200,026	200,026

It was recommended that the required information and documentation in support of the undermentioned account balances should be made available for verification.

7.9.16. Creditors Amount Falling due within One Year

NASSIT – Employer Contributions

Section 25 (2) of the National Social Security and Insurance Trust Act, 2001 (as amended) provides that every employer should pay for each month, in respect of each worker, an employer's contribution of an amount equal to 10% of such worker's earnings for that month. It was noted that the Corporation did not account for the payment of those contributions in the financial statements under review.

Year	Amount not reflected in the financial statements (Le)
2011	41,742,278
2012	47,600,132
2013	44,245,890

It was therefore recommended that the employees' contribution to NASSIT should be accounted for on a monthly basis as part of the Corporation's financial statements.

Creditors: Questioned Account Balances

Documentation in support of the undermentioned account balances were either missing or incomplete.

	2013	2012	2011
	Le	Le	Le
Guma and NPA	2,900,713	-	-
Khalil Shaban	22,320,000	22,320,000	57,470,000
Jaward EL Zein	26,726,000	26,726,000	76,676,000
Davida Enterprise	162,349,160	-	-
Aureol Insurances Co. Limited	9,010,315	-	-
Rolmac	69,360,500	69,360,500	-
National Insurance Co.	-	64,888,620	-
Betts and Brewah	-	40,000,000	-

It was therefore recommended that the required information and documentation to substantiate the authenticity of the abovementioned account balances should be made available for verification.

7.9.17. Review of the Internal Audit Department

The following were observed:

- Staff of the Internal Audit Department were not given job descriptions. This clearly shows that they may not even be aware of the nature of the job for which they were recruited. The department did not maintain an audit plan for the period under review.
- The Department did not also maintain a formal audit methodology.
- Work programmes were not documented and assignments allocated to staff of the Department were not subjected to audit tests.
- Audit tests were carried out without the use of proper documentation.
- Although audit reports are produced, working papers to support deductions, observations and opinion indicated in those reports are also not properly documented.

- Reviews by senior officials of the department were not documented to help confirm that working papers of junior staff were checked before reports were issued.
- The department did not have standard working papers nor did they maintain a proper filing and storage system.

The following were therefore recommended:

- A detailed specification and job description in respect of each of the positions in the Department should be prepared.
- The annual audit plan should be prepared by the Internal Audit Department and approved by management and the Board before the start of every year.
- The plan should also be reviewed quarterly. Amendments to the yearly audit plan should also be approved by management and the Board.
- The audit plan should cover all important activities of the Corporation.
- A properly designed working paper should be maintained.
- Staff of the department should be trained in the preparation of audit programme(s).
- A proper filing structure for the audit of the working paper should be maintained. Working papers should be reviewed by the team leader and subsequently by the head of the Internal Audit Department. Evidence of such review should be indicated in the working papers.
- Observations and opinions stated in any audit report should be referenced to the relevant working papers to ensure that all observations recorded in an audit report are supported by fact and evidence.

7.9.18. Follow Up on Previous Year's Recommendations

During the audit exercise, we followed up on all recommendations made in previous years. A summary of the status of these recommendations is given below:

- *Fixed assets of the Corporation were not physically verified on a regular basis to determine their existence and condition.*
- *The Corporation was not in possession of conveyances and other documentation in respect of its titles to freehold and leasehold properties indicated in the financial statements under review.*
- *Tangible fixed assets (except motor vehicles) were not covered by any insurance policy.*
- *There were no structural financial procedures in place to check the accuracy and completeness of bus hire transactions, as there was no link between bus hire, subsidiary ledgers and the financial statements.*
- *Payments were made out of daily takings to fund business transactions even though a petty cash system was maintained.*

Going Concern of the Corporation

The financial statements of the Corporation for the year ended 31st December, 2010 were prepared on the basis that the Corporation will continue its operation for the foreseeable future, the validity of which depends upon future funding being made available to the corporation either from its owners or from its operating activities. It was however observed that the net asset of the Corporation as at 31st December 2010 was above (Le 5.3 billion) in the negative.

P.A.Y.E Computations

The following were observed:

- *PAYE tax was not computed on allowances paid to staff of the Corporation as required by Section 23 (1) (a) of the Income Tax Act, 2000 (as amended), which provides that "any salary, wages or other remuneration provided to the employee, including leave pay, overtime payments, commission and bonus" should be regarded as assessable income of the tax payer.*
- *Some of the staff allowances were not included in the PAYE computation.*

- PAYE was deducted from salaries of staff members of the Corporation but these deductions were not paid over to the tax authorities within the time period specified in the Sierra Leone Income Tax Act, 2000 (as amended).
- The Corporation did not meet its NASSIT obligation within the timeframe indicated in the act.

Corporation Tax

It was observed that the Corporation's tax obligations totalling Le 813,000,000 had been outstanding for several years and tax computations for the period under review were also not made available for our review.

Budget Performance Reviews (Budget Tracking)

Budget performance reports were not closely monitored by management to ensure that expenditure were in line with approved budgets at all times.

Agreements with the Corporation's Tenants, Sales Agents & Advertising Companies

Save that of the Catholic Relief Services, tenancy agreements with individuals and institutions occupying properties belonging to the Corporation were not made available for verification,

Income – Bus Tickets & Luggage

During the course of our audit exercise, we reviewed the operation of bus tickets and luggage services and noted the following issues:

- *Cash payments were made out of daily takings to meet operational expenses.*
- *Information indicated in way bills were not checked against any other document to ascertain their accuracy.*
- *No formal control system was maintained to ensure that all takings are paid over to the Corporation.*

Training School & Technical Department

No structured financial policies and procedures were maintained to guide the administration and activities of the Corporation's training school and technical department.

Revaluation of Tangible Fixed Assets

The Corporation's land and buildings, furniture, tools and equipment were revalued during the period under review and the following were noted:

- *The legal ownership of the Corporation's land and buildings are yet to be substantiated.*
- *The revaluation was carried out in 2013 but the adjustments were recorded as part of the financial statements for the period 31st December 2010 - 2012.*

General Ledger Postings

The general ledger postings were not reviewed by senior officers of the Corporation to ensure that postings were accurate and authentic at all times. In addition, it was noted that the undermentioned transactions were not posted to the general ledger. Furthermore, the general ledger in respect of bus tickets was not available for our inspection.

Listing of Invoices Not Posted to General Ledger Accounts- Le286,815,000

Listing of Receipts Not Posted to the General Ledger- Le53,032,999

Cash Takings

Cash takings were not deposited into the Corporation's bank accounts on time and as a result, large amounts of cash were being held without insurance cover. As at 31st December 2010, the cash balance stood at Le 172,491,447.

Reconciling Items

Reconciling items indicated in bank reconciliation statements were not properly investigated in order to prove their accuracy.

Bank Accounts – Not in Existence/Not Disclosed in the Financial Statements

It was revealed by the Bank of Sierra Leone and the Standard Chartered Bank (SL) Limited that the undermentioned bank accounts were not in existence.

	Le
▪ Bank of Sierra Leone Bank – Balance as at 31st Dec. 2010	1,866,426.50
▪ Standard Chartered Bank– Balance as at 31st Dec. 2010	872,722.30

On the other hand, the undermentioned bank accounts were confirmed by the respective banks, although they were not part of the financial statements of the Corporation:

	Le
▪ Sierra Leone Commercial Bank Account Number: 00300...	(1,900,000)
▪ Sierra Leone Commercial Bank Account Number: 00300....	(66,295.95)
▪ Sierra Leone Commercial Bank Account Number: 003.....	1,500,000 Cr
▪ Union Trust Bank Account Number: 210...	746,282.44 (Dormant)

Accounting for Outstanding Liabilities

There was no formal system in place to capture liabilities of the Corporation as and when they were incurred especially at the end of each financial period.

Independent Review

Some of the accounting computations that were done by the accounting and administrative officers were not reviewed by an independent and experienced officer of the Corporation to ensure that they were authentic and accurate at all times.

Below are some of the computations that required a second independent review:

- Prepayment computations
- Depreciation computations
- PAYE and NASSIT computations

Transactions not Backed by Receipts

Transactions amounting to Le64,051,040 and Le 78,930,110 were not supported with receipts.

7.10. NATIONAL MINERALS AGENCY(NMA)-2016

7.10.1. Revenue Collected by the NMA not Transferred to the Consolidated Revenue Fund

Despite repeated recommendations made to the National Minerals Agency for all revenues collected to be paid in accordance with the requirement of Section 18 of the National Minerals Agency Act of 2012, we continue to note that for the period between 1st January and 31st December 2016, the sum of Le11,687,908,525 collected as revenue from various income streams was not paid into the Consolidated Revenue Fund by the Agency. No authority to retain this amount for the period under consideration was also provided for audit review. It was recommended that the Director General should provide the necessary approval from the Ministry of Finance for the retention of this amount. As previously recommended, the Director General should also provide documentary evidence and ensure that all revenues collected by the Agency are paid into the CRFA as required by Section 18 of the National Minerals Agency Act of 2012.

Official's Response

In his response, the DG said: "This issue has been the biggest threat facing the NMA as a credible organisation capable of effectively and efficiently carrying out its mandate to regulate the minerals sector and provide technical support to the Ministry of Mines and Mineral Resources (MMMR), as well as to the mining sector. It underpins the core issue of budget certainty for the NMA. It basically relates to Section 18 of the NMA Act of 2012 which requires the Agency to pay all revenues collected by or due to the Agency into a Special Treasury Account of the Consolidated Fund. This effectively meant that the Ministry of Finance and Economic Development (MOFED) should provide funds for staff salaries, capital and recurrent expenditure exclusively from the Consolidated Fund.

The NMA started operations in February 2013 and soon realised that there was a huge deficit between subvention received from MOFED and NMA funding requirement to carry out its mandate effectively and efficiently. To illustrate the difficulty faced by the NMA, the Agency received subventions in 2013 from MOFED amounting to Le3 billion for salaries and Le1.8 billion for recurrent expenditure. In 2013, the Agency's actual expenditure on staff remuneration and other charges amounted to Le 9.6 billion. Actual recurrent and capital expenditure for 2013 amounted to Le2.4 billion. Several engagements by the NMA with MOFED to address the issue of budget certainty for the NMA did not resolve the matter and NMA was faced with possible collapse in the very first year of its operations.

Management was therefore left with no alternative but to utilise the funds generated during the Agency's operations such as application fees for processing mineral rights applications and valuation fees previously used to fund the operations of the former Government Gold and Diamond Office (GGDO) that became the Precious Minerals Trading Directorate of the NMA.

The NMA budget certainty issue persisted from 2013 till the end of 2016. It can be seen from the audit exercise that, the NMA utilised the funds exclusively for operations strictly within the Agency's mandate. The issue relates to the authority to use the funds and not for the purpose for which the NMA used the funds. In the 2017 Finance Act, MOFED finally accepted the NMA's argument since 2013 that the issue of funding for regulatory agencies is inextricably linked to the quality of regulation, since adequacy of resources, both human and technical is a must for quality regulation. Section 35 of the Finance Act of 2017 repealed and replaced Section 18 of the NMA Act with a new section that gave the NMA the authority to utilise the following funds for its operations:

- *Monies accruing to the Agency in the course of its operations.*
- *Minerals and trading rights application fees.*
- *Monitoring fees and precious mineral valuation fees.*
- *Regulatory fees, fines and other monetary sanctions imposed by the Agency.*

However, as the amendment is not retroactive, the NMA has continued its engagement with MOFED to specifically authorise NMA's use of the funds for its operations for the period 2013 to 2016, prior to the repeal and replacement of Section 18 of the NMA Act of 2012.

The amount referred to in the Management Letter that the NMA did not pay into the consolidated fund for 2016 is made up of funds collected under the various categories listed in section 35 of the 2017 Finance Act which the NMA is now authorised to use. The NMA accepts that it did not have the authority to use these funds in 2016, and the rationale for use of these funds has already been explained above. The NMA expects to finally resolve this matter with MOFED this year, and obtain special dispensation for use of these and similar funds between 2013 and 2016.

This is therefore unlikely to be the source of an audit query in 2017".

Auditor's Comment

Management's comment is noted. The provision in the 2017 Finance Act that grants the Agency authority to retain certain fees is also noted. However, the issue of the funds already utilised between 2013 and 2016 remains unresolved as the authority for the use of these funds has not been obtained from MOFED. Although a copy of the letter that was written by the NMA addressed to the Accountant General for authority to utilise funds collected was presented to us during the verification exercise, the appropriate written authority from the Ministry of Finance and Economic Development was not seen.

7.10.2. Addendum to Contract Exceeding 25%

Section 144 (5) of the Public Procurement Regulation, 2006 states that: "Where a contract modification would cause the contract value to be increased by more than 25% of the original contract value, the additional requirement shall be treated as a new procurement requirement. Where the additional requirements could be obtained from an alternative supplier, the end user shall initiate new procurement proceedings, rather than proceeding with a contract modification". A review of the contract modification between the Agency and Guoji Construction and Investment revealed an addendum of 63.34% of the original contract which contravenes the above section of the Public Procurement Regulation, 2006. It was recommended that as Head of the Procurement Committee and the Director General should provide the necessary explanations supported by the relevant documentation for entering into a contract which contravenes the public procurement regulations.

Official's Response

In his reply, the DG said: "After the commencement of the rehabilitation at New England Ville, it became clear that a perimeter fence was required to allay security concerns expressed by neighbours. Given the fact that the successful bidder's price was about 23% lower than the nearest competitor, and the urgent requirement to complete the perimeter fence prior to NMA relocation to the new office at New England Ville, the NMA wrote a letter to the National Public Procurement Authority requesting that the construction of the perimeter fence be made an addendum to the original contract for rehabilitation of the New England offices. The NPPA gave the NMA approval based on certain recommendations that the NMA complied with. Management negotiated with the contractor for the construction of the perimeter fence using the same cost schedules originally submitted for the rehabilitation contract. The Agency has noted the audit recommendations that, where a contract modification would cause the contract value to be increased by more than twenty-five percent of the original value, the additional requirement should be treated as a new contract.

However, the extenuating circumstances and the risk of the Agency losing at least Le 750 million resulted in the Agency seeking special dispensation from the NPPA. The Agency will comply with this provision in future".

Auditor's Comment

Though management has agreed to comply with the provision of the NPPA Act in the future, it was however noted that the reply from the National Public Procurement Authority with regard to approval for a contract addendum was contingent upon NMA complying with certain recommendations. Supporting documentation to show that the NMA complied with those recommendations were not provided. The issue is therefore unresolved.

7.10.3. Follow-up on Previous Year's Recommendations

During the audit exercise, we followed up on all recommendations made in previous years. A summary of the status of these recommendations is given below:

- *The sum of Le1, 778,796,979 was collected as valuation fees. From a review of payment records, we realised that only Le1,421,053,200 was paid to the independent valuers based on the contract; giving a difference of Le357,743,779 which was not paid back into the CRFA.*
- *Section 138 of the National Minerals Agency Act of 2012 states that: "the holder of a small-scale or large-scale mining licence shall assist in the development of mining communities affected by its operations to promote*

sustainable development, enhance the general welfare and the quality of life of the inhabitants”. During the course of the audit, it was observed that there was no evidence of payment in subsequent year for an amount totalling Le 2,849,677,854.

- *According to Section 18 of the National Minerals Agency Act of 2012, “All revenue collected by or due to the Agency shall be paid into a Special Treasury Account of the Consolidated Fund”. The sum of Le 661,273,007 was collected from 1st January to 30th December 2014 as revenue from various income streams, but the said sum was not paid into the Consolidated Revenue Fund.*

7.11. NATIONAL MINERALS AGENCY: MANAGEMENT OF THE EXTRACTIVE INDUSTRIES - MINING REVENUE (ROYALTIES) – 2016

7.11.1. Assessed Revenue not reflected in the Designated Account

Section 42 of the FMR 2007 and best practice require a formalised routine for the collection and banking of revenues including royalties. This will enhance the recognition and complete recording of revenues collected in order to mitigate possible loss. The Audit team examined 28 royalty receipts issued by the NRA in 2016 based on bank confirmation (credit advice). However, two payments in the bank statements of the Mineral Resources Treasury Account (USD291,737 approximately Le 1, 700,140,949 and USD 507,292 approximately Le 3,622,014,150 for SMHL and the Sierra Rutile (SL) Ltd. respectively were not traced in their respective accounts. It was recommended that the Commissioner General of NRA in collaboration with the NMA should investigate these discrepancies and ensure that those amounts are posted into the designated account.

Official’s Response

The Director General (DG) in his response said: “The Agency has an effective system of collaboration with the NRA in place. Our records do not show any attempts by the NRA to follow up on the two missing items at the time of payment. Moreover, the NMA has not yet received any query from NRA to support them in their endeavour to investigate the two missing payments. But we would like to note that the Agency is ready to support our colleagues at the NRA immediately once our help is requested”.

Auditor’s Comment

The ASSL’s recommendation was not implemented. Even though an investigation was carried out by the NRA, the amounts were not posted into the designated account. Therefore the issue remains unresolved.

7.11.2. Late Payment of Royalties

Section 13(2h) of the Public Financial Management Act of 2016 states that: ‘the vote controller of a budgetary agency shall assist the NRA to collect revenues of the budgetary agency promptly, efficiently and effectively’. Additionally, the mining agreements between the three mining companies and the Government of Sierra Leone require that, royalties should be paid within 45 days after the order to pay has been issued by the NMA. However, it was observed that from a total of 28 payments made, 15 payments to the tune of USD557,583.44, USD2,499,929.67 and USD2,788,877.80 for Vimetco, Tonkolili Iron Ore (SL) Ltd. and Sierra Rutile (SL) Ltd. respectively had significant delays.

It was further observed that payments were made 150 days on average after orders to pay had been issued. When such delays occur, the Minister should be requested to take necessary action. However, the auditors had not received any correspondence that the Minister was informed in accordance with the mining act about the delay. It was therefore recommended that the Director of Mines should proffer plausible explanation why the provisions in the mining agreement and the PFM Act were not adhered to by parties to the transactions. In the event that that was not done, the financial interest government loses should be paid into the CRFA.

Official's Response

The DG in his response said: "The NMA's role in the mining royalty process is the assessment of the royalties due and the issuance of orders to pay within the stipulated timeframe. The Agency assures that there is a diligent handling of these activities, backed up by evidence of revenue audits to ascertain the market value and speedy issuance of OTPs as well as follow-ups and issuances of penalty fees to companies that do not fulfil their statutory requirements in terms of reporting of export quantity, quality and price and providing relevant supporting documents. Although the NMA is an important participant in the mining royalty process, the collection of the funds that companies are required to pay is not part of the NMA's role, as all collection activities of monies payable to the Government of Sierra Leone have been statutorily given to the National Revenue Authority (NRA). Nevertheless, the NMA cooperates as closely as possible with the NRA in following up with companies that have not paid their royalty on time, but in the instances named, we have not received any official request for assistance and thus have no means to be aware of potentially non-or late-payment of certain monies".

Auditor's Comment

The ASSL's recommendation was not implemented by the institution. The explanations given by management did not adequately explain why the provisions in the mining agreements and the PFM Act were not adhered to by parties to the transactions. Therefore, the issue remains unresolved.

7.11.3. Lack of Independent Verification of the Selling Prices of Bulky Minerals

Section 154(1b) of the Mines and Minerals Act, 2009 states that: "the holder of a mineral right shall sell mineral products obtained under its mining operations for exported minerals, at the best available international market prices at the time the contract for sale is made". However, the NMA did not provide evidence of an independent international market pricing opinion to substantiate the selling prices quoted by mineral right holders. Therefore, the team could not place reliance on shipments to the tune of Le1.018 trillion with associated royalties of Le37.5 billion. It was recommended that the Director of Mines should provide valid explanation for failure to obtain an independent pricing opinion to justify prices quoted on transactions undertaken in 2016. In addition, the requirements of the PFMA should always be followed for the independent verification of the selling prices of bulky minerals.

Official's Response

The DG in his reply said: "It is not accurate to say that the NMA did not obtain independent pricing opinion to verify prices quoted on transactions undertaken in 2016. Through our development partner, the IMF, as well as other sources, the NMA received updates on iron ore prices as benchmarked by Platts Global, before subscribing to the pricing platform in early 2017. Moreover, we asked all iron ore companies to self-report benchmark prices and the employed pricing formula with a breakdown of penalties and other allowed deductions, such as freight. The Agency checked all the provided figures upon the subscription to the Platts index and no discrepancies were found. Moreover, the Agency ensured that all Orders to Pay (OTPs) for royalties issued were 'provisional'. This gave the Agency the safeguard to take action if a discrepancy between the prices quoted in the invoices and the actual market prices would have been discovered at a later stage.

The situation for bauxite and titanium and its associated minerals is more complex as there are no representative benchmarks for these minerals. Certain price providing platforms do exist, but none have the scope to actually cover the market effectively and are both not accepted by the industry and in the opinion of the Agency's pricing experts not representative of the market price of products shipped from Sierra Leone, which are in both cases higher than the world average due to superior quality. In terms of the sales price of titanium and its associated minerals, the NMA has high confidence in the declared results due to the fact that all sales were made to non-related parties and background checks on the buyers, as well as in-depth comparative analysis of prices given to different buyers do not show any evidence for mispricing activities.

For bauxite, the situation is slightly different, as the majority of bauxite sales are made to related parties. However, there is no internationally accepted benchmark pricing platform that is useful for bauxite of the chemical composition produced in

Sierra Leone. Accordingly, the only viable strategy to gain a higher level of confidence is to agree on a clear pricing formula with the company, which is currently ongoing (see 1.1 above). Accordingly, the NMA is of the opinion that it complies with all of the provisions set out in the PFMA”.

Auditor’s Comment

The ASSL’s recommendation was not addressed by the institution. The explanations given in the management response for their failure to obtain an independent pricing opinion for prices quoted for transactions undertaken in 2016 were unsatisfactory. Therefore the issue remains unresolved.

7.12. SIERRA LEONE MARITIME ADMINISTRATION - 2015

7.12.1. Source Documents and other Relevant Supporting Documents not Submitted for Audit Inspection

The Administration did not submit source documents (such as invoices, receipts and other relevant supporting documents) for review, to substantiate income generated from the registration of international vessels which amounted to Le602,552,000. It was therefore recommended that the Executive Director should provide all necessary supporting documents for audit inspection in respect of the income in question.

Official’s Response

The Executive Director said: “Payment of fees from international vessels registration done by the SLMA overseas office are deposited into the Bank of Sierra Leone account. The Administration has got a new agreement by which all payments in connection with international shipping registration fees are paid into the office which is run by SLAMARAAD in Cyprus. Supporting documents for fees paid are all available for audit verification and inspection”.

Auditor’s Comment

Since the agreement only came into force in 2015, the relevant supporting documents in respect of the income in question accrued from the registration of international vessels were not obtained.

7.12.2. Procurement Procedures not Followed

Procurement documents such as, newspaper advertisements, expression of interest documents from bidders, bid opening minutes, evaluation reports, award letters and service level agreements for consultancy services amounting to Le381,447,500 were not submitted for audit inspection.

Evidence in the form of request for quotations and local purchase orders were not submitted to substantiate that procurement of goods and services from several suppliers and service providers amounting to Le776,115,000 were conducted in accordance with Section 45 (1) and the First Schedule of the Public Procurement Act of 2004.

It was recommended that the Executive Director should submit the relevant procurement documents for audit inspection.

Official’s Response

The ED stated that the procurement documents such as newspapers advertisements and other relevant procurement documents are available for external audit verification. The newspaper adverts are in the custody of the Public Relations Office and would be available for audit inspection”.

Auditor’s Comment

Procurement documents were not produced in respect of payments for consultancy services amounting

to Le381,447,500. Furthermore, the request for quotations and local purchase orders presented were not signed. Therefore, the issues remain outstanding.

7.12.3. Payments not Backed by Adequate Supporting Documents

The following were noted:

- Several payments totalling Le584,769,989 were not backed by supporting documents, such as payment vouchers, requisitions, invoices, receipts, back-to-office reports, training reports, beneficiary list, etc.
- Payments to the tune of Le689,696,855 were not backed by adequate supporting documents such as requisitions, invoices, receipts, service contract, training reports, etc.
- Although expenditure totalling Le119,689,018 were reversed during the period under review. No evidence of journal entries authorising these reversals were made available to the audit team to enable them verify the authenticity of these entries and the basis for those reversals.

It was therefore recommended that the Finance Director should provide the relevant documents for audit review. In addition, the Expenditure Officer should offer a detailed explanation backed by the relevant documentary evidence to justify the reversals.

Official's Response

The ED stated that payment vouchers and supporting documents for the amounts stated were available for audit verification and the journal entries had been investigated and reversed accordingly.

Auditor's Comment

Documents in support of Le534,554,959 were presented during our verification. However, we were not presented with supporting documents in respect of Le50,215,000. Therefore the issue remains unresolved.

Adequate supporting documents were provided in respect of Le622,259,855. However, there were still expenditure amounting to Le67,437,000 for which adequate supporting documents were not submitted. Therefore, the issue remains unresolved.

During the verification exercise, we confirmed that the reversals were due to stale cheques. Although printouts of the journal entries were presented for audit review, they were however, neither signed off by the relevant staff that did the entries, nor were they authorised by a senior staff. Furthermore, supporting documents were also not attached to the journals. Therefore, the issue still stands.

7.12.4. Approved Information Technology Policy not Maintained

There was no evidence that the administration maintained an approved IT policy document for its IT activities. It was recommended that management should develop and maintain IT policy that would guide the administration's IT infrastructure.

Official's Response

The ED stated that the administration had come up with a draft document on the above and they will be submitted to the Board of Directors for their approval.

Auditor's Comment

The draft IT policy document in question was not submitted for verification. The issue therefore still stands.

7.12.5. No Disaster Recovery or Business Continuity Plan

There was no evidence of an approved business continuity and disaster recovery plan. It was recommended that management should develop and implement a business continuity as well as a disaster recovery plan that would ensure that the administration's IT infrastructure supports the recovery of its business plan in the event of a force majeure.

Official's Response

The ED stated that the Administration had come up with draft documents on the above and they will be submitted to the Board of Directors for their approval.

Auditor's Comment

Draft business continuity and disaster recovery plans were not submitted for verification. The issue therefore still stands.

7.12.6. Follow-Up on Previous Year's Recommendations

During the audit exercise, we followed up on all recommendations made in previous years. A summary of the status of these recommendations is given below:

- *Annual revenue from boat license fees which amounted to Le915,000 and Le1,800,000 for 2013 and 2014 respectively, were handed over by the Regulator at Rokupr to the Northern Overseer. Evidence of banking of these revenues and their recognition in the financial statements were not submitted for audit inspection.*
- *Receivable circularisations which amounted to Le 5,528,777,012 and Le 4,853,827,748 for 2013 and 2015 respectively were sent to ten customers but no responses was received at the time of the audit.*
- *Circularisation letters were also sent to six jetty contractors, which amounted to Le840,449,000, but no responses had been received so far. It was discovered that the five year grace period for repayment of the principal expired on*
- *3rd March 2011. However, evidence of repayment and/or correspondence indicating subset arrangement was not submitted for audit review.*
- *It was found out that the administration a prepared budget annually which was approved by the Board. The budget was then used to control actual performance during the period. However, it was observed that the Administration exceeded 16 budget expenditure lines in 2013 and 2014 without any relevant supporting evidence such as approved supplementary budget.*

7.13. PETROLEUM REGULATORY AGENCY - 2017

7.13.1. Staff Cost

It was observed that staff cost increased considerably over the previous year which resulted in a deficit at the end of the year. It was therefore recommended that the Board or Ministry should take appropriate action to control such excess.

Official's Response

The Executive Chairman in his reply said: "We note your observation with regards to staff cost and wish to respond as follows. The deficit for the year ended 2017 was not only a result of an increase in staff cost. We also experienced an increase of 43% in general and administrative expenses which can largely be attributed to our increased supervisory role in monitoring/supervising the downstream petroleum sector that is rapidly changing – such changes come with their attendant monitoring challenges which do not only require adequate human resources but also increased logistical requirements – which will inadvertently increase personnel and other operating expenses.

Crucially, our increased supervisory function has direct benefit to government's revenue mobilisation effort: as we ensure that tax levied on Oil Marketing Companies' (OMCs) petroleum product sales are collected/paid accurately and on time.

It is also important to note that in real terms, a deficit position does not impact on overall GoSL revenue as PRA funding vis-à-vis activities have never been a recipient of subvention from GoSL or borrowings. The PRA was designed and continues to be a self-financing entity from its regulatory activities.

However, upon anticipation of the highlighted deficit position, we had communicated our constraints/ position to the Ministry of Trade and Industry and the Ministry of Finance seeking for a review of the PRA fund allocation to fund our deficit position to ensure timely execution of our activities; a request which has been granted in July 2018. Importantly, we have ensured that we are now on sound financial position to fund our activities without recourse to subventions from government or borrowing”.

7.14. SIERRA LEONE WATER COMPANY - 2016

7.14.1. Limited Controls over Fixed Assets

During our audit, we noted the following:

- Management did not maintain a comprehensive assets register.
- Fixed assets were not tagged for identification and control purposes.
- Management did not track the movement of fixed assets from one location to the other.

It was recommended that a property plant and equipment register should be maintained and updated. All major property, plant and equipment should be tagged with reference numbers (which should also reflect in the property, plant and equipment register) in order to facilitate easier tracing of property, plant and equipment whenever required. Such identification will also help safeguard the assets of the Company, especially during disposal of and/or movement of property, plant and equipment. We further recommend that items of property, plant and equipment should be individually recorded against their identification numbers. Such an assets register should be promptly updated in the property, plant and equipment register on a regular basis.

Official’s Response

The Director General (DG) said: “The Management of the Sierra Leone Water Company carefully notes the observations and want to bring to your knowledge that additional details assets register (as recommended above) shall be included accordingly.

Steps have been taken to tag all company’s assets as contract have been given to an artist to do the tagging and we assure you that all assets will be duly tagged or labelled in the shortest possible time.

With regards the movement of assets, an asset movement form has been developed to track the movement of all assets. This register is managed by the Accounts Officer in charge of fixed assets”.

7.14.2. Insurance Cover for Property, Plant and Equipment

With the exception of motor vehicles, the Company did not provide insurance cover for its office furniture, fittings, computers, equipment and buildings during the period under review. The total net book value of property and equipment not insured as at 31 December 2016 stands at Le 1.7 billion. It was recommended that management should ensure that the Company’s property and equipment are adequately insured to mitigate any potential risk of financial loss occurring.

Official’s Response

The DG stated that insurance cover was provided for all of the Company’s vehicles and motorbikes but however, it does not have an insurance policy in place for other property, plant and equipment. He also mentioned that the recommendations shall be forwarded to the Board of Directors for their attention.

7.14.3. No Finance Personnel in the Provinces

The Company's offices in the provinces (with the exception of Bo, Kenema and Lungi) do not have finance personnel in post. It was recommended that the Company should endeavor to deploy finance personnel in all its areas of operations to adequately manage cash; and ensure that revenues are accounted for in an accurate transparent and timely manner.

Official's Response

The DG in his response said: "We are fully aware of the above and have done a detailed staffing gap assessment for the attention of the Board and for subsequent submission to the Ministry of Finance and Economic Development for their approval of the recruitment of such personnel. We are positive that in the not too distant future, finance personnel will be available in all areas of operations to address the above observations".

7.14.4. Limited Internal Audit Checks

During the audit, it was observed that the Internal Audit Department was grossly understaffed with just one personnel stationed in Freetown, who sometimes conduct quarterly review of selected stations. It was therefore recommended that management should endeavour to deploy audit personnel in the provinces to institute some control checks and help management in ensuring controls are adequately adhered to.

Official's Response

The DG in his reply said: "Staffing gap assessment has been carried out for this department and all other departments for the attention of the Board and subsequent submission to the Ministry of Finance and Economic Development for their approval of such recruitment".

7.14.5. No Policy on Bad Debt

The Company did not have a policy on debts. As a result, management did not carry out a debtors' valuation review in order to determine the recoverability provisions and the fair value of these debts. In addition, there were long outstanding balances that were yet to be cleared. It was recommended that management should devise a policy on the review of debtor valuation. Such review process should be performed at least quarterly or on an annual basis. For companies with a large customer base, management may develop a statistical model to make an estimate of their recoverable amounts.

Official's Response

The DG replied that the recommendation was noted in good faith and the Board of Directors will be duly informed and a request for such a recommendation to be established will also be made to them going forward to enhance the company's performance.

7.14.6. Lack of Account Payable Breakdown

No monthly accounts payable listing was prepared to support the general ledger balance reported at the end of the year. It was recommended that the Company should prepare and update the accounts payable listing on a regular basis. The balance per accounts payable listing should be reconciled with the general ledger balance on a monthly basis.

Official's Response

The DG stated that the running balance of the account payable consists of running balances for previous years from 2009 with no schedule. He however said that management had noted the observation and will seek the consent of the Board on the treatment of these balances accordingly.

7.15. SIERRA LEONE TELECOMMUNICATIONS COMPANY LIMITED, 2015-2016

7.15.1. Commission Paid to Dealers Understated in the Accounts

Financial records relating to the payment of commissions revealed that even though commissions to the tune of Le2,558,442,100 and Le5,680,000,000 were paid to dealers during the 2015 and 2016 financial

years respectively, it was however observed that Le1,660,753,000 and Le4,603,750,000 were reported as commissions for 2015 and 2016 in the financial statement.

There was therefore an understatement of Le897,689,100 and Le1,076,250,000 for 2015 and 2016 financial years respectively. It was recommended that the Director of Finance should investigate the difference and if necessary, ensure that the accounts are properly corrected.

Official's Response

The Managing Director (MD) said that the journal for the difference was booked and evidence showed to the auditors. He said, that had now been effected in the financial statement.

Auditor's Comment

The revised financial statement for 2015 was submitted. However, the understatement was not reflected in the notes to the account in the revised financial statement. In addition, the 2016 financial statement was not adjusted. Therefore, the issue remains unresolved.

7.15.2. Under Reported Exchange Gains in the Financial Statements

A favourable fixed exchange rate situation of Le 4,700 to one USD in respect of the Commission's USD accounts held at various commercial banks engendered a gain of Le 2 billion which was recognised in the books of the entity for 2015. In practice, any exchange rate gain or loss should be calculated using both the spot rate for each transaction and the year-end rate for the closing balance to be translated. From our review, we observed that the exchange rate of Le 4,700 was neither the year-end rate for the commercial banks, nor was it the Bank of Sierra Leone rate. The auditors could not compute the correct amount for lack of sufficient information. Furthermore, they were not provided (on request) with the basis used in calculating the foreign exchange gain of Le 31.3 million recognised in the 2016 financial statement. It was recommended that the Director of Finance should ensure that the exchange rate gains reported in the accounts should be calculated using the correct exchange gains and this should then be reinstated. All journal entries passed to reflect the correct gain plus the adjusted account and the basis used to calculate the 2016 exchange gain should be submitted for audit review.

Official's Response

The MD said "auditors comment noted for 2015 and the necessary adjustment will be done jointly with the auditors once we agree on the exchange rate to be used. For 2016 evidence of calculations was done and shared with the auditors. It is also available for inspection".

Auditor's Comment

Evidence of the basis used to calculate the 2016 exchange gains which was the same basis used to compute the 2015 exchange gains were provided for audit verification. Consequently, the spot rate for each transaction and the year-end rate used to translate the closing balance were not used. The issue therefore remains unresolved.

7.15.3. Potential over Invoicing of Fuel

Based on samples selected, a detailed comparison was carried out with fuel supplied and log-book records maintained at the sites for the recording of invoices raised. It was observed that invoices for fuel raised by Matrix and paid for by Sierratel were potentially overstated by Le 1.06 billion and Le536 million for the years 2015 and 2016 respectively. Discussions with management on the matter revealed that payments for fuel were made on the basis of the rate of consumption of each individual generator. This was predetermined by both management and Matrix, and the agreed payment was incorporated into the contract. On the basis of this therefore, management only monitored the performance of the sites from its system which kept it informed of the operational status of the sites.

Notwithstanding the above, we were also concerned about situations where the sites were connected to the grid. In places like Freetown and Makeni for instance, even though the sites were connected to the grid, it was noted that the amounts charged on the invoices were extraordinarily high and did not reflect the usually moderate amounts incurred when the sites are powered by the grid. In spite of this anomaly, these seemingly inflated invoices were honoured by Sierratel. During the field visit, it was also noted by one of the guards in Makeni that they sometimes enjoy uninterrupted power from the grid for a month, and they would not receive fuel allocation for that period. Amazingly though, for that period of uninterrupted power supply from the grid, it was observed that invoices of fuel procured were still sent for such period. It was also observed that fuel allocated to headquarters was underreported. Therefore, a probable misuse of fuel worth Le 15 million and Le 12 million for 2015 and 2016 respectively might have occurred. It was recommended that the Director General should provide detailed explanation for the inconsistencies in the fuel records and should also ensure that the supplier refunds to the Company any excess payments for fuel he might have fraudulently received and should also provide evidence of such refund to the auditors for verification purposes.

Auditor's Comment

There was no response and no attempt was made by management to address this issue. The issue therefore remains unresolved.

7.15.4. Non-adherence to International Accounting Standards

Receivables from the Ministry of Information and Communications stood at Le 694,142,372. The invoice was however not submitted for us to ascertain the existence, age and the accuracy of the amount. Furthermore, considering the fact that Sierratel is 100% owned by the Government of Sierra Leone; and it is the obliging entity in charge of the communications sector, the amount to a related party transaction as per IAS 24 should be disclosed separately in the financial statements, in order to portray a fair presentation of the account. This issue affects both the 2015 and 2016 accounts. It was recommended that the necessary and complete disclosure should be done in the financial statements.

Official's Response

The MD stated that the outstanding from the Ministry of Information Communications needed to be written-off and so he would therefore seek approval from the Board to write it off.

Auditor's Comment

Related party transactions remained undisclosed in the 2015 & 2016 financial statements. The supporting documents needed to confirm the accuracy of such transaction was also not submitted for audit inspection during the verification exercise. The issue therefore remains unresolved.

7.15.5. Circularised Bank Confirmations not Received

Bank confirmations needed to enable the auditors ascertain the accuracy of a cash and bank balance of Le7.3 billion reported in the financial statement for the financial year 2015, were not received from Zenith, Access and Standard Chartered banks. It was recommended that the Director General should ensure that all bank balances are confirmed with the auditors in order to enable them ascertain the completeness and accuracy of cash and bank balances reported in the accounts.

Official's Response

The MD said "auditors' comments are noted. However, reminder letters were sent to the respective banks (Zenith, Access and Standard Chartered banks). A follow-up was made and evidence of the reminder letters and follow-up actions were made available to the auditors for inspection. Additionally, the bank statements for the period under review were also made available and shared with the auditors"

Auditor's Comment

Bank confirmation letters from Zenith Bank (CR Balance Le233,401,015 and USD25,783) and Standard Chartered Bank (CR Balance Le 2,136,642) were provided during verification. Efforts made to further request confirmations from the banks were also noted. The additional confirmations received did not however convince the auditors enough to rely on the completeness and accuracy of the bank balance figure reported in the account. The issue therefore remains unresolved.

7.15.6. Taxes not Deducted and Paid to the NRA

From the test conducted, it was realised that withholding taxes to the tune of Le 514,180,000 was not deducted from management fees paid to MDIC staff during the 2015 financial year. It was observed from the test also that taxes were only deducted from rent allowances paid to junior staff and not from those paid to senior staff. As a result, there were potential tax revenue losses of Le66,005,147 and Le85,575,383 for 2015 and 2016 respectively. It was recommended that the Director General should ensure that taxes due the NRA are paid with immediate effect, and evidence of such payment submitted for audit review.

Official's Response

The MD in his reply said "auditor's comment noted and proof of payment to NRA and the tax clearance given to MDIC by the National Revenue Authority was showed to the auditors and copies are available for inspection.

The levy of taxes on rents for senior staff which started in 2015, was regularised by management in 2018 and evidence of tax deduction and onward payment to the collection authority was disclosed to the auditors. It is also available for inspection".

Auditor's Comment

Evidence in the form of NRA receipts that would have served as evidence of taxes collected and paid to the NRA were not provided for verification. The issue therefore remains unresolved.

7.15.7. Discrepancies in the Amounts in the Accounts and the Assets Register

Our initial review of the financial records relating to non-current assets revealed significant differences in the amounts reported in the financial statement as non-current assets and those reported in the assets register submitted for audit purposes. In response to a query raised about the differences, management forwarded an adjusted assets register which they claimed to have extracted from a report done by a consultant. The figures in the adjusted assets register agreed with the figures reported in the financial statements. However, in order for us to rely on such figures, we requested both the consultant's terms of reference and his output report. These documents were however not submitted to the auditors for review. In the absence of these documents, we were therefore not able to determine and certify the completeness and accuracy of the amounts disclosed as non-current assets in the financial statements. It was therefore recommended that the Finance Director should provide the consultant's terms of reference and output report.

Official's Response

The MD noted that a copy of the terms of reference regarding the consultancy between NCP and Ernest and Young was now available for inspection.

Auditor's Comment

The output report of the consultant needed to certify the accuracy of the adjusted assets register was not submitted for verification. The issue therefore remains unresolved.

7.15.8. Documents in Support of Development Cost not Submitted for Audit Purposes

Supporting documents in respect of development cost totalling Le493 million capitalised in 2015 were not submitted for audit inspection. It was recommended that the Director of Finance should provide all documents in support of the capitalised expenditure and ensure that all disbursement are properly maintained.

Official's Response

The MD in his response stated that: "the comments of the auditors are noted. However, these are all opening balances before the new ERP started operations in 2012. The opening balance of Le 214 million had no back-up and we have shared documents in support of Le230 million which is also available for audit inspection.

This amounts to over 90% of the information. Unfortunately due to movements of documents, we were unable to submit the remaining documents".

Auditor's comment

Documents in support of development expenditure amounting to Le444 million were submitted and satisfactorily verified. However, Le49 million worth of development expenditure remained unsupported by the relevant documentation. The issue therefore remains unresolved.

7.15.9. Assets not Properly Coded

Physical verification of non-current assets was not performed as sample collected from the assets register could not be matched with the related physical assets. Sierratel did not also maintain an assets movement form to keep track of the movement of assets from one location to another. It was recommended that management should ensure that all assets of the company are properly coded and records of such maintained accordingly.

Official's Response

The MD said that management will seek the approval of the Board to hire a local firm to help with the coding of fixed assets.

Auditor's Comment

This issue remains unresolved because the assets were still not coded up to the time of writing this report.

7.15.10. Supporting Documents for Some Store Items not Submitted

Stock cards, stores issue vouchers, material receipt notes and stores ledgers for the period under review were not provided for audit inspection in respect of fixed line products, telecom stores and stationery.

As a consequence of the above, we could not therefore certify the correctness and accuracy of the total inventory figures of Le 5.1 billion and Le 6.6 billion disclosed in the financial statements for 2015 and 2016 respectively. It was recommended that the storekeeper should provide the relevant documents to enable the auditors ascertain the accuracy and correctness of the inventory figure reported in the accounts.

Official's Response

The MD in his reply said, "auditors' comments noted. However, during the exit meeting, it was explained that in the last few years, SIERRATEL had moved to an automated system. As a result, we have reduced the paperwork within the store as purchases and issuing are done online. It was also agreed with the auditors that SIERRATEL will give them access to the ERP to allow them verify the stores management process.

Notwithstanding the above, bin cards were shared with the auditors to prove the inventory balances. These documents are also available for the inspection of the audit”.

Auditor’s Comment

No documents were provided and access was not granted to the auditors to the EPR to enable them verify the inventory balances. The issue therefore remains unresolved.

7.15.11. Follow – Up on Previous Year’s Recommendations

During the audit exercise, we followed up on all recommendations made in previous years. A summary of the status of these recommendations is given below:

- *Procurement procedures were not followed and adequate supporting documents such as advertisements in respect of bids, bid documents, bid opening minutes, technical evaluation report, contract agreement and evidence of payment for bidding documents etc. were not provided for the procurement of one Toyota 4Runner, four routers and two transformers worth Le1,882,185,888.*
- *Payments amounting to Le 279,296,000.00. were unsupported by adequate and relevant documents such as beneficiaries’ signatures, receipts, activity reports etc.*
- *Payment of Le 7, 374,161,535 on fuel and lubricants was not backed by a fuel distribution list, generator logbook and fuel reconciliation statement. The vehicle fuel log-book submitted, was not comprehensive as it did not include the most important details such as mileage and destinations.*
- *There was no evidence of the regular update, review and approval by the appropriate personnel of the loan register submitted by the company. In addition, a year-end loan to staff amounting to Le 25,000,000 was not accrued or provided for in the year under review, and it was also not included in the loan register. Furthermore, the amount in the loan register did not reconcile with the amount disclosed in the financial statement.*

7.16. SIERRA LEONE INSURANCE COMMISSION - 2016

7.16.1. Late Submission of Financial Statement

Section 41(1) of the Insurance Act 2016 states: “every insurer shall, within three months of the end of each year prepare with reference to that year and furnish the commissioner in respect of all insurance businesses transacted in Sierra Leone:

- (a) A balance sheet showing the financial position in respect of all insurance businesses transacted
- (b) A profit and loss account in respect of all insurance businesses;
- (c) A separate revenue account for-
 - life insurance business;
 - each class of insurance business other than life insurance business;
 - each class of re-insurance business;
- (d) An analysis of life insurance policies at the beginning and end of the year;
- (e) A return required to be filed under section 51;
- (f) A statement showing the amount of premium, commission and claims arising out of business ceded or accepted by way of re-insurance;
- (g) A return required to be filed under section 60”.

In view of the above, delays were observed in the submission of financial statements by the insurance company to the Commission. Only two of the 12 insurance companies met the deadline for submission, whilst four submitted after six months, and one went beyond 13 months for the submission of the 2015 financial statements. With respect to the submission of the 2016 financial statements, only five of the 12 insurance companies had submitted their financial statements to date, and four of those five did not meet the three months deadline as stated in the 2016 Insurance Act. It was recommended that the

Commissioner institute strict measures in ensuring that insurance companies submit their financial statements to the Commission as dictated by the Insurance Act 2016.

Official's Response

The Managing Director in his reply said: "This Commission has always tried to maintain fair dealing with insurance companies considering the business of insurance being a very complex and dynamic field especially on the basis of end of year transactions and start of the year transactions regarding reinsurance arrangements abroad. However, the Commission will implement the full dictates of the new Insurance Act, 2016 to curb this challenging issue, now that we have strong sanctions against defaulters".

Auditor's Comment

Management's response is noted. However, the issue still stands.

7.16.2. Follow-Up on Previous Year's Recommendations

No internal audit activity was carried out during the period under review.

7.17. ELECTRICITY DISTRIBUTION AND SUPPLY AUTHORITY - 2017

7.17.1. Compliance with Tax Laws

The following tax compliance issues were noted:

- Although tax was withheld on suppliers' invoices, the remittances to the tax authorities were not done within the stipulated timeframe as outstanding balance as at 31st December 2017, was Le1.33 billion inclusive of accumulated prior year outstanding balances.
- The Authority which is a Goods and Services Tax (GST) registered business maintained a file on GST returns that provided information on the net difference between GST paid on input and GST charged on output. This file should be submitted together with payments (if net difference is a payable) at the end of the month following the transactions.
- The Authority was in payment arrears of GST to the amount of Le6.97 billion as at 31st December, 2017. The balance is a total of both the GST payable amount for 2017 and those owed for earlier periods. If prompt payments are made, then it is expected that only the GST payable for the last month in the financial year should be outstanding payment which is due at the end of the subsequent month.

It was recommended that Management should endeavour to pay outstanding GST and suppliers' taxes, and also ensure full compliance with tax laws as soon as possible to avoid possible penalties.

Official's Response

The DG in his reply said: "Management would endeavour to pay the outstanding GST and suppliers' taxes and ensure compliance with tax laws to avoid penalties. Management has started engaging NRA to agree on a payment plan of the old liabilities and at the same time ensuring that taxes due are paid in time".

7.17.2. Completeness and Accuracy of Revenue

The following issues were noted during the review of revenue:

- The reported postpaid revenue of Le 90.35 billion was based on the date of the manual reading on the old postpaid meters which for practical purposes could not have been paid as at 31st December, 2017. As such, the reported postpaid revenue was also understated as units consumed from the date of the last reading to 31st December, 2017.

- The billing system for the substation in Bo crashed during the year and management was unable to retrieve the data on revenue. As a result, the reported revenue of Le1.78 billion was management's estimate based on the prior year consumption pattern.
- Included in the reported service charge revenue were new connection fees which amounted to Le15.81 billion. However, the list of meters connected during 2017 from which the reported service fees were generated was not provided for review.

It was recommended that the Authority should acquire a billing system suitable for its operations, and should maintain a detailed inventory of meters connected during the year.

Official's Response

The DG said that management was working on obtaining AMI meters to ensure completeness and accuracy in the post paid billing system.

7.17.3. Reconciliation of post-paid receivables

A review of postpaid receivables as at 31st December 2017 revealed the following:

- An unreconciled balance of Le331.27 billion was noted in the reconciliation between the postpaid receivable ledger balance and the postpaid billing register as at 31st December 2017.
- An unreconciled balance of Le 1.97 billion was noted in the reconciliation between the postpaid debt factored ledger balance and the list of outstanding balances of postpaid customers migrated from the postpaid platform to the prepaid platform.
- Included in the postpaid balance are payments of Le28.43 billion held in a separate account made by unidentified postpaid debtors. Although management claimed that the billing register was updated as affected debtors were identified, the total payments made by identified debtors and updated in the billing register was not known since a list of those debtors identified was not maintained. As such, the identified payments were not matched to the respective debtors in the Unidentified Debtors Account.

It was recommended that management should investigate the difference and take corrective measures. Management should also, on a monthly basis, perform a reconciliation of postpaid receivables that will reflect actual trade receivables.

Management is advised to work in collaboration with the Billing Department to collate a list of unidentified postpaid debtors in a bid to update the respective accounts. Moving forward, management should ensure that a list of identified debtors is maintained by the Billing Department which should be forwarded to the Finance Department at least on a monthly basis for the relevant accounting entries.

Official's Response

The DG stated that management would comply with the recommendations made by KPMG to ensure completeness and accuracy of records going forward.

7.17.4. Exchange rate

A list of various foreign exchange rates in respect of the conversion of foreign currencies to the Leone was not provided for re-computation during the year. Given the current trend of foreign exchange rate fluctuations, management should ensure that at least on a monthly basis, foreign exchange rates are reviewed and approved.

Official's Response

The DG noted that the Bank of Sierra Leone foreign exchange rate is used for all foreign related transactions and those were adequately filed and reflected in the books of the Authority.

7.17.5. Physical Access

During the physical access verification test conducted at both Murray Town and Black Hall Road sites, it was noted that the Authority's data centre at Black Hall Road doubled as both a disaster recovery site as well as a real time replication system which automatically provided alternative network support when the main server broke down or when there was a network interruption. The facility was well ventilated and user activities both in and out of the server room were monitored and saved by 4 CCTV cameras. However, on further inspection, it was noted that smoke detectors, a fire alarm system and CCTV cameras were not installed in the server room at Murray Town. It was therefore recommended that management should endeavour to equip the server room with the required equipment and ensure that the room was properly secured.

Official's Response

The DG in his reply said: "The Authority maintains three sites, at Black Hall Road Murray Town and Electricity House, and these sites have internet inter connectivity. The architecture is as follows:

- 1- The main STS Conlog Charging system On Black Hall Road which was supposed to be replicated at the Murray Town site is not currently functional.*
- 2- The Murray Town site is mainly equipped with the Great Plain antivirus system domain server*
- 3- Electricity House has a postpaid system*
- 4- The links between both sites are used to ensure connectivity to the said systems from both ends.*
- 5- The Black Hall Road site was equipped with CCTV cameras.*

In the tender for the IT infrastructure and the new design set for EDSA, the following are included: fire alarm system, the CCTV, fire rated doors, access control system and other security paraphernalia".

7.17.6. Identification and Authentication

Review of business applications and network users revealed that no duplicate user profiles were maintained in the Authority's domain. It was however noted that there were generic user profiles in the Ultima Vending System, Ultima Management System and Microsoft Dynamics GP. It was recommended that management deletes all generic user profiles and appropriately assign the access privileges of those profiles directly to personnel performing the job functions in order to link the activities performed using the profiles with an identifiable user profile.

Official's Response

The DG in his response said: "These users are used as Systems admin and External aggregators' systems to communicate with our system as follows:

- 1- ATL is the one used by the Orange aggregator to conduct sales through their POS application.*
- 2- IPAY is the one used by IPAY aggregator to conduct sales through their POS application*
- 3- NOM, NOM3, NOM4 is the one used by the Vendtech aggregator to conduct sales through their POS application*
- 4- the above 3 aggregators are application (POS) to application (Vending server)connected which is not utilised directly by sales agents*
- 5- OP1 is a test operator which will be disabled and a named user will be created for testing purposes*
- 6- SYSADM is the application administrator user provided by system implementer (Conlog) and can't be changed*
- 7- XML01 is a system account used to connect the various components of the Conlog sales system*

Generic Users can't be disabled but they can be secured and not utilized because some applications require the generic users for proper functionality. We will be creating new users as per policies and procedures on all applications in question with proper roles and permissions.

For the above, on Ultima Management System:

- 1- Admin is a built in user provided by system implementer and can't be changed*
- 2- EDSA and Treasury will be disabled and created as named user for the related section*
- 3- UMSMGR is a built-in user for management application provided by system implementer (Conlog) and can't be changed*
- 4- Note that within the Conlog system, there are 3 parts: Vending system, management system and power hub. Every system has its application admin user and system admin.*

On GP:

- 1- DYNESA and Sa are system users for the sql server and should be there for management and administration of both sql server and GP administration. They are secured through regular password change as per policies.*
- 2- Test user will be disabled and named user will be created".*

7.17.7. Incident And Problem Management

EDSA's standard operating procedure for reporting incidents is by emails, memos or phone calls. It was however noted that the Authority did not maintain an Incident Log Register for the recording of incidents. It was recommended that management should ensure that a closely monitored incident management register be implemented to ensure that all issues were promptly logged; and when resolved, those issues should be signed off as a sign of their resolution.

Official's Response

The DG stated that the system was already in place and that they were finalising training for the team that would be in charge of the system.

7.18. ELECTRICITY DISTRIBUTION AND SUPPLY AUTHORITY, 2016

7.18.1. Capital Adequacy and Going Concern Risk

The Authority continues to make losses over the years and as such, has depleted the initial share capital base injected into it by the equity stakeholder for the long term operations of the Authority. The ratio of current liabilities to current assets was less than 1:2 (40% of current liabilities are current assets) As a result of overtrading therefore, the Authority may be faced with liquidity problems in future if nothing is done to avert the current situation. As at 31st December 2016, the Authority's total equity was a negative of Le 12.1 billion, while it incurred a loss of Le59.7 billion for the year ended 31st December, 2016. It was recommended that the Board of Directors and management should undertake a capital adequacy and going concern assessment of the Authority and take appropriate action to salvage the situation.

Official's Response

The Director General (DG) in his reply said "The Authority is benefiting from various capital projects being undertaken by the government through different development partners. These benefits include capital injection by the Government of Sierra Leone- the Authority's, sole shareholder. Some of the projects completed during 2017 were capitalised while others were still at various stages of completion. The capitalisation of completed projects that had been handed over to the Authority would significantly improve its capital adequacy.

Although the Authority continues to operate at a loss, the going concern assumption taken into account in the preparation of the Financial Statements for 2016 is adequate because the Authority was formed by an Act of Parliament to provide essential services to the people of Sierra Leone and so will continue to have the backing of the Government of Sierra Leone”.

Auditor’s Comment

The Authority’s loss of Le54.48 billion continues to deplete the initial capital which has resulted to a negative equity of Le73.41 billion. The issue remains unresolved.

7.18.2. Cash and Cash Equivalents

The Authority could not substantiate that a credit balance of Le2.63 billion was part of its cash equivalent. Neither a listing nor a source document was submitted to support the above balance in the cash control ledger. In the same vein, no cash counts certificated were provided for petty cash and cash at hand to the tune of Le18 million hence casting doubt on the completeness, existence and accuracy of Authority’s cash and bank balances as at 31st December, 2016. It was recommended that Management must ensure that all balances in the ledger are fully supported by adequate supporting documentation to avert the risk of misstatement either by error or fraud.

Official’s Response

The DG in his response said: “The reason why the issue of the Le 2.63 billion credit balance arose was due to the fact that during 2016, the Authority resorted to a control account in an effort to monitor and reconcile prepaid sales with deposits from various bank accounts. Although all the bank accounts were reconciled, this control account was never reconciled and this resulted in a credit balance which showed that there were some prepaid sales that were not recorded. Management has proposed to adjust prepaid sales with this credit balance. Management has also now put in place control procedures that would ensure that reconciliation of control accounts are done on a monthly basis, and a list of outstanding items is prepared, reviewed and approved or adjusted as the case may be”.

Auditor’s Comment

The credit balance of Le2.36 billion in the cash control account has not been substantiated. The issue remains outstanding.

7.18.3. Failure to Update Individual Receivable Ledger Balances

Individual customers' account were not updated on a timely basis after they had made payments into the Authority’s bank accounts. On the evidence of the samples selected, it was noted that the under-mentioned customers’ individual ledger account balances were not updated on a timely basis by management with the deposits below:

Account Number	Name	Address	District code	Date	Bank Name	Amount
4809490	GUMA VALLEY WATER Com.	SPUR ROAD	40	27.10.16	GTB	3,000,000.00
48311209	MILLA GROUP LIMITED	2 BAI BUREH ROAD	40	18.10.16	GTB	123,163,524.00
18300125	IBRAHIM TURAY	32D WELLINGTON Rd	82	4.11.16	GTB	1,500,000.00
18251054	MOHAMED JALLOH	35E TAYLOR ST.	84	11.11.16	GTB	500,000.00
1.80E+08	ABDUL MANSARAY	6J TENGBEH TOWN	70	18.12.16	SLCB	300,000.00
18310736	PATRICK MOIWO	7 BYE PASS ROAD	72	18.12.16	SLCB	100,000.00
18213620	AMARA KAMARA	3 CONTEH DRIVE	82	12.12.16	SLCB	550,000.00
28322100	ALPHA JALLOH	9 ACESS ROD	83	16.8.16	SLCB	500,000.00
18251054	MOHAMED JALLOH	35E TAYLOR ST.	84	12.9.16	SLCB	70,000.00
	Total					129,683,524.00

It was recommended that management should endeavour to record payments made by customers on a timely basis in order to minimise inaccurate receivable ledger balances.

Official's Response

The DG said: "Management has designed and implemented control procedures which would ensure that customers' accounts are timely updated by posting them to the respective customers' accounts in utility system as well as updating the accounting system with deposits done at the bank. This would ensure that customers' accounts and balances are correct and up-to-date always".

Auditor's Comment

The Authority continues to have issues with the updating of customers' balances. Sometimes, customers' details such as their metres or account numbers are not indicated on the bank statements. The issue therefore remains unresolved.

7.18.4. Inconsistencies in the Authority's Post-paid Tariff Application

Based on our revenue test of reasonableness with post-paid tariff, we noted that the rate used to record the transactions were relatively higher compared to the approved tariff of Le2 trillion as shown in the table below:

District	Customer Name	Address	Tariff Category	Usage	Tariff (Le)	Usage	Usage Charge as KPMG	Difference
				a	b	c=a*b Client	d	e=c-d
40	LEOCEM (SL) LTD	BETTS STREET	T4	2,229,910.00	2,015.00	4,493,268,650.00	4,211,106,860.00	282,161,790.00
40	GITEX COMPANY LIMITED	49A CLINE STREET	T4	176,749.00	2,015.00	356,149,235.00	319,583,918.00	36,565,317.00
40	MILLA GROUP	2A BAI BUREH ROAD	T4	233,697.00	2,015.00	470,899,455.00	436,595,991.00	34,303,464.00
40	SIERRA LEONE AIRPORT AUTHOR	LUNGI	T4	202,400.00	2,015.00	407,836,000.00	375,997,600.00	31,838,400.00
40	S.A. LEONE BOTTING COMPANY	GEORGE BROOK	T4	132,968.00	2,015.00	267,930,520.00	241,738,009.00	26,192,511.00
40	DATA CENTER	SPUR ROAD	T4	143,946.00	2,015.00	290,051,190.00	268,231,032.00	21,820,158.00
40	BANK OF SIERRA LEONE	SIAKA STEVENS STREET	T4	143,711.00	2,015.00	289,577,665.00	269,025,616.00	20,552,049.00
40	SAM BANGURA BUILDING	15-17 GLOUSTER STREET	T4	145,000.00	2,015.00	292,175,000.00	271,673,000.00	20,502,000.00
40	BINTUMANI HOTEL MANAGEMENT	ABERDEEN	T4	117,619.00	2,015.00	237,002,285.00	218,957,510.00	18,044,775.00
40	G. SHANKERDAS & SONS	KISSY DOCKYARD	T4	91,290.00	2,015.00	183,949,350.00	170,707,470.00	13,241,880.00
40	LEONE LIMITED KINGS PRODUCT	50 BAI BUREH ROAD	T4	132,479.00	2,015.00	266,945,185.00	254,055,457.00	12,889,728.00
40	SUPER HOLDINGS LTD.	4 BOLLING STREET	T4	94,650.00	2,015.00	190,719,750.00	178,237,650.00	12,482,100.00
40	SUPER HOLDING (2)	4 BOLLING STREET	T4	107,200.00	2,015.00	216,008,000.00	204,460,550.00	11,547,450.00
40	(W/AFRICA) LTD SEABOARD	CLINETOWN	T4	56,190.00	2,015.00	113,222,850.00	103,333,650.00	9,889,200.00
40	KIMBIMA HOTEL LTD	CAPE ROAD	T4	63,570.00	2,015.00	128,093,550.00	119,551,452.00	8,542,098.00
			Total					560,572,920.00

It was recommended that management should investigate the above inconsistencies and take appropriate action.

Official's Response

The DG in his reply said: "Management has started investigations into the reasons for the differences and the necessary adjustments would then be done accordingly. Going forward, management shall henceforth regularly conduct exercises that would ensure that the integrity of the data that emanates from the billing system is not compromised".

Auditor's Comment

The audit team's conclusion is that the issues highlighted above remain unresolved.

7.18.5. Improper Reconciliation and Preparation of Aggregators' Sales Statements

Our review of weekly sales revealed that controls on sales by aggregators were not evident as the Authority's management neither prepared reconciliation statements nor individual sales statements for the period under review. It was recommended that management should ensure that proper sales reconciliations and aggregators statement are prepared and reviewed on a weekly basis.

Official's Response

The DG in his reply said: "The Authority has been and is still conducting weekly reconciliations with aggregators for all transactions in a bid to identify those transactions that are disputable. However, there have not been any monthly statements issued to aggregators that show outstanding payments due the Authority. Going forward, management will communicate all outstanding amounts owed to the Authority Aggregators on a regular basis".

Auditor's Comment

Accumulated sales amounting to Le9.9billion was disputed by the aggregators. The issue therefore remains unresolved.

7.18.6. Control Deficiencies with Completeness and Existence of Trade and other Payables

From the sample selected for trade payables, Le990million completed payments had been made within the year 2016, thus depicting misstatement on completeness accuracy and existence of both trade payables as well as the corresponding expenses recognised in the income statement. It was recommended that management should do thorough investigations on the Authority's trade and other payables in order to clear the inconsistencies as well as adopt preparation and review of supplier's statements on regular basis. This is to mitigate the risk of misstatement in the financial reports. Moreover, monthly reconciliations of all major suppliers' ledgers should be maintained by management in order to minimise errors.

Official's Response

The DG in his reply said: "As part of the implementation of the Microsoft Dynamics GP ERP system, we introduced live payable modules in the last quarter of 2016. Because of the lack of familiarity with the new system on the part of staff, a number of invoices which had been entered through both the purchase and general ledgers at the time of payment were duplicated. Furthermore, the payments themselves did not enter the creditors control account. As soon as these anomalies were picked up, a number of them were rectified before the ledgers were closed for audit. As a result of the exigency of time, not all the corrections were made. Furthermore, because of the unreliability of the balances in the purchase ledger, we did not rely on them when preparing the financial statements, and so the listing that we supplied was prepared from an analysis of the General Ledger Control Account, and not from the purchase ledger.

From a review of the listings, we do not agree that these items were all included as creditors at year end. In particular, the following invoices from the list, totalling Le836,547,970 had been removed from the analysis and were correctly treated as paid during the year.

In addition, the following item, also in the list, was clearly paid on 25th January, 2017 and is therefore correctly shown as a creditor at 31st December 2016....”.

Auditor’s Comment

A review of accrued insurance revealed that the opening balance of Le 159.76 million should have been Le207.34 million. The misstatement has not been corrected.

7.18.7. Lack of Listing and Documentation in Support of Suppliers' Tax Debit Balance

The auditors were not provided with a list and reconciliation statement for unusual suppliers' debit balance of Le1 billion forming part of trade payables for the year ending 31st December, 2016. As a result, they were unable to select samples for auditing and tracing to supporting documents. It was recommended that the above balance be identified and listing generated. Regular reconciliations should be done and reviewed by management to identify and resolve any errors on timely basis.

Official’s Response

The DG confirmed that GST related transactions had been wrongly posted in the said account. He however noted that the reconciliation was done in a bid to reclassify all transactions wrongly posted to the account in question, hence the necessary journal would be raised to correct the debit balance.

Auditor’s Comment

Reconciliation or list of withholding taxes on suppliers' invoices amounting to Le1.37 billion as at 31st December, 2017 was not provided for review. The issue therefore remains unresolved.

7.18.8. Management’s Neglect of Monitoring and Review of Transaction before and after Posting into the Ledger

A list of transactions observed either did not relate to the ledger accounts posted, or were posted to an account other than the one documented in the payment vouchers. This lapse exposed management’s failure to perform review checks on transactions postings into the ledger. It was recommended that the posting of entries into the system should be done by an appropriate and competent personnel and the process should also be monitored. To assess the completeness and accuracy of the transactions, the process should also be reviewed by the internal audit team...to minimise the risks of errors and fraud. We recommended that management should also consider adopting a better system alternative that is capable of identifying users posting transactions.

Official’s Response

The DG in his reply said: “Throughout the year under review, the Finance Department was understaffed at the senior level which resulted in inadequate monitoring and supervision activities. This is currently being rectified and it is our intention to recruit additional supervisory staff to ensure that procedures are correctly followed. The Microsoft Dynamics GP system does allow us to identify users posting transactions and this was made available to your staff”.

Auditor’s Comment

The reconciliation of the aggregators’ customers revealed several posting of receipts to the wrong aggregators' account. The issue therefore remains unresolved.

7.18.9. Double Posting of Expenses

The audit procedures revealed overstatements of expenses in the income statement. This was simply because on the receipt of invoice, management debited the expense line and credited its liability account in the ledger. Upon payment of the same, a debit was done again in the income statement and a credit to the bank. In the same vein, double posting of suppliers’ taxes were done in the income statement. It was

therefore recommended that going forward, management should institute control procedures where-by all transactions at the preliminary stages of initiation are monitored and reviewed for the timely identification of any error/s.

Official's Response

The DG in his response said: "The double postings arose because of the challenges experienced with the implementation of the purchase ledger module during the latter part of 2016, combined with the insufficient monitoring and supervision of inputs into the system. The introduction of supplier reconciliations and the recruitment of additional supervisory staff will address this issue".

Auditor's Comment

Duplicated expenses amounting to Le1.27 million relating to 2016 were identified by management. It was also noted that, transaction ref: PMTRNOOO237 for the renewal of licenses payments amounting to Le1,376,688,375 was erroneously posted twice.

7.18.10. Lack of Source Support Documents

Adequate and appropriate evidence in respect of completeness, existence and accuracy were not obtained for expenses amounting to Le37,868,846,660 (Debit balance) and Le1,800,117,859 (Credit Balance). This was because the Authority's management failed to provide source support documents to ledger listing balances. It was recommended that management should put control measures in place to ensure that all source documents are issued in support of financial and ordinary transactions made to suppliers. This should be filed in an organised manner for easy retrieval when the need arises. Management should also not approve or honour invoices unless they are presented with the appropriate payment vouchers and relevant supporting documents.

Official's Response

The DG in his response said: "There is a robust system instituted by management to process any invoices received. All payment vouchers with their relevant supporting documents are duly authorized by the respective authority. , After processing, all documents are then filed via cheque / payment vouchers numbers. Nonetheless, during the audit exercise it was a bit difficult to retrieve these documents for verification by the auditors because of deficiencies in our method of filing. Notwithstanding, management has found a way of synchronising the soft copies with the hard copies of the documents to ease the difficulty in retrieving documents in future".

Auditor's Comment

Supporting documents for direct costs and administrative expenses amounting to Le 4.05 billion and Le609 million were still not provided. The issue therefore remains partly unresolved.

7.18.11. Information Security Policy/User Awareness

We noted the existence of a **Policy document - Version 1.1** developed by the IT management. The document details the roadmap for proper utilisation of the technology resources to enhance productivity, information confidentiality, integrity and availability of all the physical and electronic information assets throughout the Authority. The document covers among others:

- Policy implementation responsibilities.
- Functional responsibilities.
- Finance: policies relating to financial systems.
- Policy review.
- Functional security policies.
- Acceptable use policies.

- Incident handling & reporting policies.
- E-mail use policies.
- Internet use policies.
- End- user security policies.

Additionally, the Authority has also developed separate IT policy documents that cover specific areas such as; business continuity or IT continuity plan, access control policy (102), network access policy (103), acquisition, development maintenance policy (105) and Malicious Code Policy (104).

Our review of these policy documents highlighted the following deficiencies:

- The policy had not been shared with staff especially at district levels across the country.
- No formal user awareness trainings were conducted for employees for the period under review on critical areas such as:
 - information confidentiality;
 - security and protection of information system;
 - security and logical access management; and
 - acceptable use policy and procedures
- The policy has not been reviewed in accordance with section 1.4 “annual review”.
- The name of the IT policy document is yet to be updated from the National Power Authority to the Electricity Distribution and Supply Authority (EDSA).

It was recommended that management should:

- Ensure a consistent update of the IT policy document to make it reflective of the correct name of the establishment and its formal review and approval done by relevant personnel of the Steering Committee.
- Ensure a vigorous IT information sharing process that is aimed at communicating formally with users the details and importance of IT security and the need for the protection of IT assets of the EDSA.
- Maintain a regular schedule of trainings on information security in a bid to increase the level of awareness of users in the information system security, common and emerging security issues.
- Ensure that users of IT resources within EDSA acknowledge that they have read and understood the IT security policies and standards by signing the IT Acceptable Use Form or IT Code of Conduct Form.

Official's Response

The DG stated that the user's awareness training was actually done for the previous years and will be replicated as recommended by the auditor. He mentioned that there was an update and some reviews had been made by the Board's technical committee.

Auditor's Comment

Current audit indicates that the issues remain unresolved.

7.18.12. Access Administration

The Access Control Policy under section 2.2.1 encompasses logical access security policies and procedures to prevent unauthorised access to the network or key business application. The policy states that only authorised persons should be given access to systems and applications upon written permission from the Head of Network and System Support with the concurrence of the ICT Manager. Accordingly, we sighted email and official memos from different heads of units requesting access right for staff or for

the modification of the category of people to be granted right of access to the system. It was noted that the privilege to create and authorise user profiles in the system and the Financial Application “Great Plains” rests with the head of the IT unit.

Furthermore, our review of other business applications such as: The Utility 2000, Great Plain Finance Application, Conlog system and STS showed various modules in the system. However the following differences existed with regard to access right creation and modification:

- Letter-headed memo was used to seek and grant users access to the key application instead of Access right form which supported the indication of key modules rights and privileges given to users.
- From a total of ten staff with network or key application rights who were recruited for the period under review, only four completed the access right form traceable during the period.
- No formal archiving or storage of the right to access form were in place.

Detailed procedures are needed to guide the management of user profiles on the network and business applications. Among others, the guidelines should enforce the following:

- Request forms with a provision for key system modules should be instituted. This form should be filled and submitted before formal right to access is granted and enforced.
- Right to access should be modified for staff relocated to other divisions within the organisation.
- It should be ensured that human resource unit staff and heads of the business unit should provide guidance on the security implications for the system when relevant staff are relocated to other units.

Official's Response

The DG said “The official memos are usually used instead of access right forms and they should be signed by all relevant parties before access is given to any staff to any part of the system. However, we will make sure the access form approval system has the approval of management before it is implemented. No employee under the period reviewed was given access right into the system without the necessary approval. With the introduction of the access forms much more archiving will be done”.

Auditor's Comment

The issues remain unresolved.

7.18.13. Super User Administration management & Review

It was noted that no detailed procedures existed for the granting, review and revocation of administrators' rights and privileges by management. Even though it was noted that access to modify production data, production programmes, or the operating system shall only be granted to staff whose job specifications fall within the requirements of section 2.2.9 of the Access Control Policy, the following deficiencies were also noted:

- No formal procedures existed for the granting and revocation of the privilege to operate a user account within the network and key business application.
- Senior personnel maintained administrators right to core applications with no formal review of individual activities carried out over the years and for the period under review.

The following were recommended:

- Management should maintain a super user account with privileged identity management (PIM) policies and processes.
- The process of the granting and revocation of super user privilege should be formalised.

- The process of review of the activities of privileged frequent users be performed by an independent entity and; evidence of such reviews retained for the purposes of accountability.
- Management should maintain an approved record of staff with administrator rights.

Official's Response

The DG stated that management noted the Auditors' recommendation and would act accordingly.

Auditor's Comment

The audit team's conclusion is that recommendations were not implemented therefore the issues remain unresolved.

7.18.14. Monitoring & Risk Assessment

- The Internal Audit Unit did not perform a critical risk analysis of the Authority's IT infrastructures nor did it rank those risks in respect of business cases.
- The Audit Unit did not monitor and review the functions of the IT division on an ad-hoc basis to assess the level of control with respect to the security of the system (logical and physical access controls amongst others).
- The unit did not maintain a review system logs or audit trail to monitor the activities of users on both the network and core applications.
- The unit did not prepare a report for management on the status of the security of the data, the server and related systems of the offsite storage data centre including the impact of those risks on business operations.

It was therefore recommended that the Internal Audit Department should set up a risk committee or its equivalent that should develop a risk assessment framework and entrusted with the responsibility of performing regular entity wide risk assessment reviews in a bid to identify significant risks especially in IT related processes relevant to financial reporting. Management should ensure that personnel of that Committee have the requisite IT knowledge and experience to properly deliver on the above. Their independence should be reinforced by having them directly reporting to the Risk Committee. Monitoring activities of IT should also be enhanced by the Internal Audit function. This can be achieved by incorporating the above mentioned activities into their audit plan and ensuring that they are regularly performed.

Official's Response

The DG said that management has noted the audit recommendations and has agreed to work with Internal Audit for onward review.

Auditor's Comment

The status quo indicates that the issues remain unresolved.

7.18.15. Anti-Virus

As per our review of the Eset Endpoint Antivirus on 5th October, 2017 it was noted that EDSA had deployed the Eset Endpoint Licensed Antivirus Enterprise on its servers and workstations. The antivirus solution is deployed on a special server which is connected to the internet. An update of the system is done automatically on a daily basis and it is then cascaded to all workstations and servers connected to the network. Accordingly, our review of the Eset Endpoint Antivirus installed on a sample of fifteen (15) workstations by departments on that date as against the latest definition revealed that the virus definition of six (6) workstations were out of date in comparison with the Server Version.

The following were recommended:

- The ‘push technology’ script of the antivirus software should be reviewed to ascertain its effectiveness.
- EDSA should regularly monitor anti-virus definitions on the servers and workstations to ensure that they are up to date.
- All environments that are vulnerable to viruses should have an approved anti-virus control package installed in them.
- The antivirus package should be updated via an automated system.
- The antivirus package should screen all objects launched on the protected environment.
- System management activity should collaborate with the anti-virus control package to record detection logs.

Official’s Response

The DG in his reply said: “The Authority has an anti-virus server that is responsible for all logs of the operation. Also, except otherwise all PCs connected to the server are updated automatically on a daily basis. Maybe some of the PC’s under review had an interruption on the internet during the random test on these locations as different radios are used for these stations”.

Auditor’s Comment

Current audit indicate that these issues remain unresolved.

7.19. SIERRA LEONE ELECTRICITY AND WATER REGULATORY COMMISSION - 2016

7.19.1. Tagging of Tangible Fixed Assets

We observed that seven desktop computers, four laptop computers and a generator in various offices did not have identification tags attached to them. It was therefore recommended that these assets should be ascribed with identification tags and the Commission’s fixed assets register updated accordingly.

Official’s Response

The DG mentioned that the wireless antennas were omitted owing to their size and were components of the desktops. He however noted that all the items had been tagged accordingly.

Auditor’s Comment

The recommendations were not implemented. The issue therefore remains unresolved.

7.19.2. Physical Verification of Tangible Fixed Assets

Evidence were not made available to enable the auditors substantiate that the Commission’s tangible fixed assets were physically verified in order to ascertain the existence and condition of the fixed assets indicated in the financial statements under review. It was therefore recommended that the Commission’s tangible fixed assets be verified at least on a yearly basis in order to ascertain their existence and condition.

Official’s Response

The DG stated that the Commission actually verified the assets although no document was signed-off to show that. He added that going forward, they will ensure that physical asset verification are documented at least once a year and that it was going to be an activity to be added in the year end procedures.

Auditor's Comment

The recommendations were not implemented. The issue therefore remains unresolved.

7.19.3. Annual Levy

Section 25(e) of Sierra Leone Electricity and Water Regulatory Commission Act, 2011 provides that the Commission should be financed with funds raised from annual levies not exceeding one percent of the gross operating revenue of the regulated supplier from the supply of regulated services.

The following were observed:

- 0.7% annual levy charge was imposed on Electricity Distribution and Supply Authority's (EDSA) 2016 gross operating revenue as the levy for the year under review. We were made to understand that this rate was agreed upon by the Head of the Finance Department, instead of members of the Commission.
- A flat rate of Le100,000 was levied on the Electricity Generation and Transmission Company (EGTC) as their obligation for 2016 instead of the rate approved by members of the Commission.
- The Commission did not impose any levy on Guma Valley Water Company (GVWC) because the Company did not submit the relevant financial information.

It was therefore recommended that management should obtain ratification of those actions.

Official's Response

The DG in his reply said: "The Commission was informed about the negotiation with EDSA which they agreed to. However, a paper will be presented to the Commission for the ratification of the levy rates for both EGTC and EDSA. For Guma Valley Water Company and SALWACO, the Commission has agreed 1% levy on their gross operating revenue for 2016".

Auditor's Comment

The recommendations were not implemented. The issue therefore remains unresolved.

7.19.4. Controls over Invoicing

There was no structured financial mechanism in place that checked the accuracy and completeness of transactions relating to levies and licences fees. A proper invoicing system was also not established to facilitate the production of pre-numbered application forms. Evidence was not made available to confirm that application forms were reviewed before licenses and permits were granted to applicants. The licenses were also not stamped or signed after they had been processed. The Official Use sections of the Packaged Water Producer License Application forms were not completed when applications were processed.

The following were recommended:

- A proper accounting system capable of generating pre-numbered invoices and receipts should be put in place.
- Account listings of levies and licences should be reviewed by an independent officer of the Commission on a regular basis.
- Application forms should be stamped and signed before licenses and permits are issued. The "For Official Use" section of the Packaged Water Producer Licence Application form should be properly completed.

Official's Response

The DG in his reply said the following:

“The Commission is currently operating a provisional licensing system that requires only minimal printing of application forms.

The application documents are part of the license rules and procedures that will soon be tabled before Parliament. Once parliamentary approval process is completed the version attached to the license rules will be used.

The Commission intends to make these forms available online thereby making pre-numbering them irrelevant. All applications received by the Commission will be given a case number that will be replicated on all other documents like the invoice, receipts and license certificate.

The Commission is in the process of recruiting a Compliance Officer and an Internal Auditor who will be charged with the responsibility of independently reviewing these applications and finance related documents”.

Auditor’s Comment

The recommendations were not implemented. The issue therefore remains unresolved.

7.19.5. Staff Conditions of Service & General Administration of the Commission

It was observed that staff conditions of service and general administration manuals are still in the draft stage. It was recommended that the manuals should be approved by the members of the Commission as soon as possible.

Official’s Response

The DG said that the document had been presented to the Commission members for their review, comments and suggestions and hoped that the document will be approved before the end of 2017.

Auditor’s Comment

The recommendations were not implemented. The issue therefore remains unresolved.

7.19.6. Improvement to the Terms and Conditions of Members of the Commission

It was observed that members of the Commission resolved in a meeting held on 13th July 2016, that all members will be provided with DSTV service with subscriptions fully paid for a year. The members of the Commission believed that this facility was covered by section (7) of the Sierra Leone Electricity and Water Regulatory Commission Act, 2011 which provides that, “the Chairman and the other members shall be paid such remuneration, fees and allowances and shall be reimbursed by the Commission for any expenses incurred in connection with the discharge of their functions as the Commission may determine”.

In our opinion, DSTV service was not a necessity and it was irrelevant to the efficient and effective discharge of the responsibilities of the members of the Commission. It was therefore recommended that the members of the Commission should consider economy, efficiency and effectiveness in their dealings with the Commission’s funds as a result therefore, the cost of this facility should be recovered from the members’ fees and salaries.

Official’s Response

The DG in his response said: “In setting the terms and conditions of the commissioners, the Commission consulted with NATCOM which is another utility regulator and learnt that DSTV facility was among the fringe benefits enjoyed by their commissioners. As regulators aiming to work in line with international standards, commissioners will use this facility to expand on their horizon which will translate to improve efficiency of the Commission. With regards the recommendations of the auditors, the Commission will meet to discuss them”.

Auditor’s Comment

The recommendations were not implemented. The issue therefore remains unresolved.

7.19.7. Banking of License and Permit Fees

It was observed that takings for license and permits were not banked in a timely manner. It was therefore recommended that the license and permit fees should be paid directly into the bank account of the Commission and a copy of the deposit slip submitted together with the application forms.

Official's Response

The DG said that the comments of the auditors were noted and assured that future receipts will be promptly banked.

Auditor's Comment

The recommendations were not implemented. The issue therefore remains unresolved.

7.20. OFFICE OF THE OMBUDSMAN - 2017

7.20.1. Updating the Register of Tangible Fixed Assets

The location of several fixed assets changed when the Office relocated its head office from Liverpool Street, to Charlotte Street, Freetown. However, the register of tangible fixed assets was not updated to reflect that location change. It was recommended that the responsibility to update the register of tangible fixed assets on a regular basis should be assigned to a specific officer.

Official's Response

The Ombudsman stated that the fixed asset register will be updated to reflect the current location of the fixed assets.

Auditor's Comment

The recommendations were not implemented. The issue therefore remains unresolved.

7.20.2. Assets Memorandum Register

The office did not maintain a memorandum register of assets that were below the capitalisation level as well as those that were removed from the register of tangible fixed assets. It was recommended that a memorandum register should be maintained for the recording of all assets that are below the capitalisation level. The memorandum register should at least disclose the undermentioned information:

- Date of purchase.
- Description of assets.
- Location.
- Condition of asset.

Official's Response

The Ombudsman stated that management will take the appropriate action.

Auditor's Comment

The recommendations were not implemented. The issue therefore remains unresolved.

7.20.3. Tenancy Agreement for Bo Office

There was no updated tenancy agreement between the Office and the landlord in respect of the Bo office. It was recommended that the tenancy agreement between the Office and the landlord of the Bo office should be formalised and updated.

Official's Response

The Ombudsman said that the findings were noted and management will take the necessary action.

Auditor's Comment

The recommendations were not implemented. The issue therefore remains unresolved.

7.21. OFFICE OF THE OMBUDSMAN - 2016

7.21.1. Capitalisation of Tangible Fixed Assets

It was observed that very low expenditure were being capitalised by the office as tangible fixed assets. The concern was that capitalising very low expenditure normally pose difficulties for most organisations especially with regards tagging and monitoring these assets. It was therefore recommended that capitalisation levels of the office should be reviewed and very low amounts should be written off in the accounting period in which they are incurred, although a memorandum register should be maintained to monitor those assets. The memorandum register should at least disclose the undermentioned information:

- Date of purchase.
- Description of the asset.
- Location.
- Condition of the asset.

Official's Response

The Ombudsman in his response said: "Management notes the recommendation. The financial rules and regulations would be reviewed and amended to raise the capitalisation level taking into account the size of the organisation and other factors".

Auditor's Comment

The recommendations were not implemented. The issue therefore remains unresolved.

7.21.2. Financial Management System

Accounting records were manually prepared in Microsoft Excel worksheets. Quite apart from the fact that such a system is old fashioned and outdated; it is also unreliable and not tamper proof. Such a system is also error prone and normally time consuming. It was recommended that the accounting system should be computerised or replaced with a system that is tamper proof and more reliable.

Official's Response

The Ombudsman in his response said: "This has also been a concern for management. The purchase and installation of a computerised system is budgeted for in our 2017 budget. It will be replaced when funds are available".

Auditor's Comment

The recommendations were not implemented. The issue therefore remains unresolved.

7.21.3. Ownership of Motor Vehicles

We observed that the owners' registration cards of the undermentioned vehicles indicate that the assets were not the property of the Office of the Ombudsman:

Details of the Vehicles	Name of the Owners
ABD 934	Master & Registrar
AFO 946	UNDP
AHJ 545	Ministry of Transport & Aviation

It was recommended that the Office of the Ombudsman should ask the appropriate authority to amend the owner's registration cards of the above mentioned vehicles to reflect the ownership of the Office of the Ombudsman.

Official's Response

The Ombudsman mentioned that the appropriate authorities had been informed and a decision will be taken upon receipt of their response whether to amend the owner's registration card or remove them from the financial statements.

Auditor's Comment

The recommendations were not implemented. The issue therefore remains unresolved.

7.22. ROAD MAINTENANCE FUND ADMINISTRATION-2016

7.22.1. Revolving Loan

Our review of the financial statements and other relevant documentation such as minutes from board meetings, management meetings, as well as loan agreements and other correspondence, revealed that the Administration contracted a 'revolving loan' with a limit of Le50 billion. The loan balance as at 31st December, 2016 was Le33.9 billion. Further examination was done to ascertain whether the Administration has the mandate to contract commercial loans.

In light of this, a thorough review of the Road Maintenance Act was done but we were unable to find such mandate in the Act. Section 16(1)(a-g) of the Act clearly states the various sources of funding for the Road Maintenance Fund.

We also noted from our review that the loan was approved by the Board and further approval was sought from the Ministry of Finance and Economic Development.

This matter was brought to the attention of management during the audit. Management however responded that the RMFA is a 'Body Corporate' and therefore can contract loans. We further reviewed other Acts promulgated by Parliament and observed that the mandate to contract loan was expressly stated in the Acts of some of the other government agencies. We are therefore concerned that the Administration is not mandated by law to contract loan.

An analysis of the loan and its accompanied agreement also showed that as at 31st December 2016, the total paid and accrued interest on the loan was Le1,019,059,337 which creates additional burden on government. It was recommended that management should provide documentary authority giving it the mandate to contract loan. Without such documentary authority, it was recommended that management should desist from contracting any further loans.

Official's Response

The CEO in his response said: "While the RMFA Act, 2010 did not expressly state that the Administration can borrow. The same Act did not also prevent the Administration from borrowing. Part II, Section (2) of the RMFA Act, 2010 states, "The Administration shall be a body corporate having perpetual succession and capable of acquiring, holding and disposing of any property whether movable or immovable, and suing and being sued in its own name and, subject to this Act, of performing all acts as bodies corporate may by law perform". Simply because other Acts of Parliament have expressed that those agencies can borrow, does not in management's view, prevent the Administration from taking out loans, especially when the RMFA Act authorises the Administration to "perform all acts as bodies corporate may by law perform". This view is shared by the Board, Financial Secretary and Minister of Finance as evidenced by their relevant approvals and authorisations.

Having provided all the relevant documents, including the Board's approval and authorisation by the Minister of Finance to the auditors, it is management's view that the audit recommendation on this finding is misleading and disingenuous.

Management further confirms that the Administration did not take out a Le50 billion revolving loan. While initial discussions and documents were based on the Administration's original request of Le50 billion, a final agreement shown to the auditors confirms a loan of Le35 billion. This is reflected in our accounts. The auditors' assertion in their findings is therefore a misrepresentation of the facts".

Auditor's Comment

We note management's comments and wish to further state that our recommendation for management to provide the documentary evidence that mandates it to contract loan or otherwise desist from contracting further loan is not misleading, neither disingenuous. It is our view that the approval granted by the Board and the Ministry of Finance and Economic Development cannot contravene the parent statute, i.e., the RMFA Act, 2010. The facts are clearly stated in the report as management's position was reported in the findings. In this regard, our recommendation cannot be interpreted as dishonest. We maintain that the Act did not expressly grant the Administration the power to contract loans, therefore our recommendation still stands.

We also wish to draw your attention that our findings clearly state that the disbursed loan as at 31st December, 2016 was Le33.9 billion. The agreement that was reviewed during the audit exercise clearly states that the revolving loan had a limit of Le50 billion which was also distinctly reported. This agreement was signed on 16th September, 2016. We are therefore shocked by management's comment that our findings are a misrepresentation of the fact. In fact, our post year review also revealed that an additional loan of Le35 billion was contracted in 2017. Maybe, these two loans have been mixed up by management.

7.22.2. Utilisation of the Road Fund

Section 17(1) of the Road Maintenance Fund Act, 2010 states: *"The Fund shall be used to defray the cost of maintenance of the core road network"*.

Our review of the contract documents, road maintenance expenditure and other related documents revealed that the funds had been used to defray road rehabilitation cost and other non-related road maintenance expenses. In our view, the utilisation of the funds to defray these non-road maintenance related costs, had put huge financial burden on the Administration to contract loans from commercial banks which attract high interest rates. It was recommended that the Administration acts within its legal mandate.

Official's Response

The CEO in his response said: "The auditors appear to have taken a very limited view of the provisions of the RMFA Act, 2010. Section 17 (2) (c), which is an extension of section 17(1), provides that the Fund shall be used "for any other expenditure related to the achievement respectively of the objects for which the Administration and the Authority are established". Part III, Section 9 (2) (d) of the RMFA Act, 2010 provides, as one of the objects / functions for which the Administration is established is to "approve any application from any local council or body for funding from the Fund, of any road-related activity". It is management's view therefore, that rehabilitation works being road-related activities, also qualify for funding from the Fund. Management would like to point out that rehabilitation is another form of periodic maintenance. Management therefore holds the view that funding road rehabilitation activities is within its statutory mandate.

Auditor's Comment

We note management's comments. However, please note that the sections of the Act mentioned in the response were considered during the audit exercise. Consequently, funds disbursed to local councils for road related activities were not queried or disputed.

There is however a major difference between road rehabilitation and road maintenance. It is our view that if the law makers wanted the funds to be utilised for road rehabilitation, that would have been clearly stated in the Act. Included also is the cost of approximately Le 1.1 billion paid towards grading of site for construction of tertiary level hospital at Waterloo, which is not a road related activity. On that note, the issues therefore remain unresolved.

7.22.3. Procurement Procedures not Followed

Section 146(5) of the Procurement Regulations, 2006 states: "Where a contract modification would cause the contract value to be increased by more than twenty-five percent of the original contract value, the additional requirement shall be treated as a new procurement requirement. Where the additional requirements could be obtained from an alternative supplier, the end user shall initiate new procurement proceedings, rather than proceeding with a contract modification".

A review of the Administration's road maintenance expenses revealed that the Administration made payments on a contract that was signed with Benton Villa Limited for the rehabilitation of the Waterloo township roads with an initial contract price of USD16,908,428. We noted that this contract was modified which resulted in an increase in the contract value by USD25,874,298 (153%). In accordance with section 146(5), the procuring agency (SLRA) should have initiated a new procurement proceeding. However, the additional contract was awarded to the existing contractor. Although the Administration was not responsible for the contract modification, it however made payment on a contract which contravened the procurement laws of Sierra Leone. It was recommended that the Administration must prior to making payment on contracts, vet them to ensure compliance with the relevant provisions of the procurement laws and regulations. In the circumstance where breaches are noticed, payment must not be made on those contracts.

Official's Response

The CEO in his response said: "SLRA is responsible to procure contractors and we stand by our response to this query as presented in the 2015 audit report. Our response, as it was the case for last year, still remains the same as follows:

"We believe this is a matter you can take up with the Authority, as this Administration does not procure contractors, nor are we involved in the procurement process of the Authority. In this regard, we are therefore not in any position to hold brief for the Authority".

We note your recommendation, but the Administration did not withhold payment to the contractor, as we reasonably assumed that, procurement rules have been followed in the procurement of their contractor".

Auditor's Comment

We note management's comments. We understand the position of the Administration. A 153% change should have been a reasonable signal or red flag which should have warranted enquiries whether the correct procurement procedures were adhered to for such an increase. This issue still remains unresolved and follow-up will be done during the audit of the Sierra Leone Roads Authority.

7.22.4. Follow-up on Previous Year's Recommendations

During the audit exercise, we followed up on all recommendations made in previous years. A summary of the status of these recommendations is given below:

- *Procurement procedures were not followed for the procurement of various goods and services which amounted to Le89,603,500 and Le107,852,000 for 2014 and 2015 respectively.*
- *Procedures were not followed for the procurement of various goods and services valued at Le149,061,000 for 2015. In the above instances, we noted that expired framework contracts were extended instead of new procurement procedures undertaken.*
- *A review of the Administration's road maintenance expenses revealed that a contract was signed with Benton Villa Limited for the reconstruction of King Jimmy embankment with an initial contract price of Le4,700,098,250.*
The contract was modified which resulted in an increase in the contract value by Le25,820,330,239. In accordance with section 144(5) of the Public Procurement Regulations 2006, the Administration should have initiated a new procurement proceeding. However, the additional contract was awarded to the existing contractor. It was also worth noting that the modification did not relate to the reconstruction of the King Jimmy embankment, but was for the rehabilitation of other feeder roads in the vicinity of King Jimmy.
- *In a review of the road maintenance expenses of the Administration, payments totalling Le13,623,145,256 and Le4,247,571,450 for 2014 and 2015 respectively were made. However, supporting documents such as contract, returns, advanced payment guarantees (APGs), progress reports etc. were not submitted for audit inspection. In addition, payment voucher and supporting documents in respect of payment of Le142,768,470 to SLRA contractors was not submitted for audit inspection for the period 2014.*
- *The Administration signed an MOU with FIMET/BETONVILA Limited for a loan of USD2,000,000. Furthermore, an addendum was made to this MOU increasing the loan to USD5,000,000. It was noted that the Administration did not have the mandate to give out loans to contractors and there is no repayment period in the signed MOU. In addition, there had not been any significant movement in the repayment of the loan as the outstanding amount as at 31st December 2015 was Le24,350,505,000.*
- *The Administration made advanced payments of Le15,823,296,534 and Le50,023,183,186 to its various contractors in 2014 and 2015 respectively for which valid APGs or any other forms of security in respect of these advanced payments were not submitted for audit inspection. This contravenes sections 135(4) and 139 of the Procurement Regulations 2006.*
- *Outstanding amount totalling Le1, 459,968,081 had not been refunded by the BEGEC- TP in respect of terminated contract. The Administration did not disclose that amount as receivables in its financial statements.*

7.23. NATIONAL COMMISSION FOR PRIVATISATION (NCP) - 2017

7.23.1. Cargo Tracking Note (CTN) System Agreement

Article 4.5 of the CTN license agreement between the Government of Sierra Leone and Transport and Ports Management System, West Africa, Sierra Leone (TPMS –WA – SL) provides that: “in the event that the contractor fails to make payment within the time stipulated in the agreement, the contractor should pay NCP/GoSL an interest of 12% which should be compounded quarterly from the date from which same should have been paid until payment is made”. It was however observed that a correspondence from the Commission to the contractor did not take cognisance of this interest. It was also noted that the Commission did not notify the contractor of the low foreign exchange rate at which the Leone payment was converted. It was therefore recommended that the Commission should inform the contractor of all outstanding interests owed as per Article 4.5 of the agreement. The contractor should also be informed that for all future payments in Leones, the Bank of Sierra Leone foreign exchange rates should be used.

Official's Response

The Executive Secretary (ES) in his response said: “The Company has been invited to a reconciliation meeting. During this meeting, a date for a meeting at which the Leone - Dollar conversion and interest rates will be discussed and agreed upon”.

Auditor's Comment

The recommendations were not implemented. The issue therefore remains unresolved.

7.23.2. Late Payment of Concession Fees

Article 6 (II) of the addendum to the Cargo Tracking Note System Contract between the Government of Sierra Leone and Transport and Ports Management System, West Africa, Sierra Leone (TPMS – WA – SL) dated 20th September 2017 provides that the contractor should make full and final payment of all outstanding fees for 2016 on or before 30th September 2017. It was however observed that an outstanding fee of USD300,000 before interest was yet to be settled by the contractor. It was therefore recommended that the NCP should engage the contractor with a view to ensuring compliance with the agreements; or relevant actions taken if the contractor continues to renege on its obligations as required in the agreements.

Official's Response

The ES said that the contractor made some payments in 2018 in settlement of the 2015 balance, and demand letters were forwarded to the contractor for the settlement of the 2016 outstanding amount.

Auditor's Comment

Evidence of the payments made in 2018 were yet to be provided for review. On the other hand, Demand Notices dated 08th December, 28th December and 25th January 2018 sent to the contractor for outstanding fees totalling USD1,184,738 had been reviewed. The issue therefore remains partly unresolved.

7.23.3. Late Submission of Demand Notices for Licence Fees

The agreement between Government of Sierra Leone, Bollore and Nectar Sierra Leone Bulk Terminal Limited provides that license fees should have been paid in October 2017. It was however observed that the Commission did not submit demand notices requesting payment of the said fees. It was recommended that demand notices in respect of fees should be submitted on time.

Official's Response

The ES in his reply said: "The matter is noted and we accept that the individual contracts with these companies have payment due dates which the contractors have not complied with. We confirm that demand notice letters will be forwarded to each of these contractors by early September 2018 as a reminder for 2018 fees due Government".

Auditor's Comment

The recommendations were not implemented. The issue therefore remains unresolved.

7.24. NATIONAL ELECTORAL COMMISSION - 2016

7.24.1. Follow-up on Previous Year's Recommendations

During the audit exercise, we followed up on all recommendations made in previous years. A summary of the status of these recommendations is given below:

- *A review of the HRIS application revealed that no off-site backup option to third party was created within the system to enable the system and server be reloaded with the latest data in the event of a disaster or system crash.*
- *There was no evidence of an approved disaster recovery plan being operational in the Commission.*
- *There was no evidence of a change management policy or documented procedures in place to support changes to the Commission's information system.*

- *The Commission's financial accounting manual did not actually reflect its current practices. The manual provided no guidance material and instructions in respect of payroll and assets in order to provide direction to those processing transactions.*

7.25. JUDICIARY AND LEGAL SERVICE COMMISSION-2017

7.25.1. Revenue Collected not Traced to the Transit Bank Account and CRFA

- A total amount of Le127,796,965 collected by the NRA was not traced to the transit bank accounts at the SLCB and the Bank of Sierra Leone for the period under review.
- The following were also observed:
 - Customised serially numbered bank deposit slips provided were not provided for payments done into the SLCB transit account totalling Le131,931,482 for the months of April, May and June, 2017.
 - The Pademba Road Magistrate and the Fast Track Commercial courts did not have NRA officers assigned to them, as a result court fines were paid to personnel of the Judiciary and Legal Service Commission headquarters, thereby leading to delays in payments.
 - The NRA officer at Ross Road court, who received payment for and on behalf of the court, did not bank the monies collected on a 24 hours basis during the period under review.

The Commissioner for Non-tax Revenue should provide documentary evidence confirming that the said funds were paid into the CRFA; otherwise, the money would be considered to be misappropriated. In addition, the bank deposit slips used by the NRA should be made clear for the auditors to read and arrive at their conclusions. It was further recommended that the Master and Registrar in collaboration with the NRA should ensure that all courts have NRA revenue collection officers stationed at each court. Moreover, the Commissioner of Non-tax Revenue should ensure that all monies collected must be banked within the required timeframe.

Official's Response

The Master & Registrar in responding said: "From a search and review of records, the Authority has established and confirmed Le95,413,835 of amount remitted to the Consolidated Fund at the Bank of Sierra Leone. We are also working hard to track the remaining Le32,383,130 details of which can be communicated as soon as the evidence is available".

Auditor's Comment

- During the verification exercise, documentary evidence was produced which shows that Le95,413,835 was deposited into the CRFA. However a balance of Le32,383,130 could not be verified in the CRFA.
- With respect to the query relating to Pademba Road and the Fast Track Commercial Court, no responses were provided by the NRA. Therefore this issue is unresolved. In addition, no response was provided in relation to the 24 hours collection and banking of revenue on a 24 hour basis as required by law.

7.25.2. Contract Documents not Submitted for Audit Inspection

The auditors observed that documents for a contract awarded to Yeanie's Enterprise for payments made on 10th May and 9th July, 2017 which amounted to Le100 million and Le 150 million respectively were not submitted for audit inspection. It was recommended that the Master and Registrar should provide the contract documentary evidence in the form of a signed contract in respect of the said procurement, otherwise the said funds should be disallowed and surcharged.

Official's Response

The Master & Registrar stated that the contract was now available to the auditors as documentary evidence.

Auditor's Comment

During the audit verification exercise, contract documents were provided for inspection. However, it was observed that the contract was not renewed as it was first signed in 2013, while the contract was to last for a period of twelve months. Therefore this issue remains unresolved.

7.25.3. Follow-up on Previous Year's Recommendations

During the audit exercise, we followed up on all recommendations made in previous years. A summary of the status of these recommendations is given below:

- *The auditors observed that a total amount of Le 2,609,877,216 collected by NRA could not be traced to the transit bank account at the SLCB and the Bank of Sierra Leone CRFA accounts for the period under review. Furthermore, the following issues were observed:*
 - *The Judiciary Department did not maintain pre-numbered pay-in slips issued for payment to NRA collection officers.*
 - *Transit bank pay-in slips were not pre numbered.*
 - *The Department did not maintain cashbooks for some revenue streams.*
- *It was observed that payment made by the department for disbursements totaling Le74,876,000 were without adequate supporting documents such as receipts, invoices, and request from the user's departments.*
- *No segregation of duties between the procurement and stores management, such that the procurement officer is also the storekeeper at the Department.*
- *Fines levied such as, filing in a probate action, signing, settling or approving an advertisement are cost at Le200 and Le 2,500 etc. are minimal as compared to the cost of receipts issued.*

7.26. SIERRA LEONE EXPORT AND IMPORT PROMOTION AGENCY - 2016

7.26.1. Follow-Up on Previous Year Recommendations

The following undermentioned issues were still outstanding

- *The property title deed for head office building at Rokel Street was not made available to the auditors for inspection.*
- *Some assets were still not coded.*
- *There were no fuel and maintenance log-books in respect of motor vehicles and motorbikes. The generator log-book did not have a recorded balance column so we wouldn't know the amount of fuel that was not consumed for the day.*

7.27. SIERRA LEONE BROADCASTING CORPORATION, 2016

7.27.1. No Property Title Deed

The property title deed for the head office building at New England was not made available to the auditors for inspection. It was recommended that management should ensure that the title deed for the building is obtained as soon as possible and made available to the auditors for inspection.

Official's Response

The Director General (DG) said that after series of attempts for the past seven(7) years from the Ministry of Information and Communications, management was still unable to receive a title deed for Head Office building at New England Ville.

7.27.2. No Fixed Assets Register

The Sierra Leone Broadcasting Corporation did not maintain an assets register for the recording of all non-current assets owned by the organisation. It was recommended that the assets register be prepared by the Sierra Leone Broadcasting Corporation. This register should contain all non-current assets held by the Corporation and it should be updated regularly and physical verification should be performed to ensure that it's accuracy on a regular basis.

Official's Response

The DG in his reply said "Management is aware that the asset supervisor was unwell and unable to meet management's requirement period under review. However attempts were made to recruit a trained and qualified asset supervisor immediately after austerity measures".

7.27.3. Asset not Coded

Some SLBC assets such as the air conditioners in the conference room were not coded. It was recommended that management should ensure that these assets are coded as soon as possible.

Official's Response

The DG said that management had ensured that the Corporation's assets were well coded for easy identification and ready for verification.

7.27.4. No Insurance of Assets

The Corporation did not have insurance coverage for its assets. It was recommended that the Corporation's assets be insured.

Official's Response

The DG said that the Corporation did not have insurance coverage for its assets for the period under review. He however noted that modalities had been put in place to ensure assets have insurance coverage up to early 2018.

7.27.5. Improper Cashbook

The analysis of income and expenditure in the cash book was not comprehensive. It was recommended that every expenditure should be adequately described in the Cashbook.

Official's Response

The DG said "Responsible authorities are aware that income and expenditure were not in detailed form during the time of audit. The reason was due to the late arrival of some documents being held by the Anti-Corruption Commission (ACC), but submitted to us shortly after the audit. They are not well detailed and can be verified".

7.27.6. Incomplete Bank Reconciliation Statement

A bank reconciliation statement was not prepared for the year under review for First International Bank (FIB), Sierra Leone Commercial Bank (SLCB) & Bank of Sierra Leone (BSL). It was recommended that bank reconciliation was done on a monthly basis, and evidence shown to ensure that it was checked by the appropriate authority.

Official's Response

The DG said that bank reconciliation statement was prepared for FIB, SLCB and BSL respectively on a monthly basis and were ready for inspection.

7.27.7. Revenue

Although the Marketing Department presented a daily revenue returns to the tune of Le1,505,548,342, the auditors were yet to receive a daily revenue returns from the Finance Department for June and October to agree with the figures presented in the financial statement.

The auditors attempted to reconcile the daily revenue summary and invoices from the Marketing department with the receipt books but noticed that some payments in the receipt books were not captured in the daily revenue summary from the Marketing Department.

The co-locators lists and corresponding agreements of how their various payments were made were yet to be submitted to the auditors. As a result, they could not agree with figures presented in the financial statements for revenue during the audit exercise.

The following were recommended:

- Management should ensure that the daily revenue returns for June & October are made available for our review.
- The Finance Department should always reconcile revenue figures received from the Marketing Department on a daily basis with proper supervision.
- The list of co-locators together with their various agreements on how the payments were made should be made available for verification.

Official's Response

In his reply, the DG said "Management was aware of the no-availability of revenue returns for June and October. This was due to the breakdown on the system that contained the transaction. However, management have retrieved the two months outstanding through the IT officers and they are now agreed and ready for verification.

It was observed that there were payments made through the corporation bank account that did not pass through the Commercial Department and receipts were issued to clients making such payments. The two departments have now agreed to reconcile in a daily basis with proper supervision.

There were issues on the co-locators list such as Orange, Commium, Smart Mobile Company that were co-locating with us as they were aiming to be independent while occupying our premises. However, that issue has been rectified as lease agreement and mode of payment are now prepared and ready for inspection".

7.27.8. Missing Vouchers

Some payment vouchers were missing in the files. It was recommended that management should take immediate action to ensure that the missing vouchers are made available as soon as possible for our review.

Official's Response

The DG said that some payment vouchers which were with the ACC had been retrieved and ready for verification.

7.27.9. No Receipt and Invoices

Some payment vouchers were not supported by receipts and invoices and were not serially filed. It was recommended that evidence of a third party documentation as evidence of payment should be made available for inspection by the audit team.

Official's Response

The DG said that management acknowledged misplacement of some payment vouchers, receipts and invoices. He however noted that those vouchers had been traced, receipts and invoices attached and awaiting verification.

7.27.10. Time Sheet

Though there was a sign out column staff, it was noticed that most staff were not signing out. It was recommended that the Corporation ensured that staff were signing out on the time sheet every working day.

Official's Response

The DG said "management should be aware that some staff were not signing out. This is because of some staff member especially the Media Department staff that normally went out for information (news) within and outside Freetown that sometimes lead to them were not coming back the same day".

7.27.11. No Curriculum Vitae and Application Letter

A review of personnel files revealed that application letters, resignation letters and curriculum vitae were missing in some employees' file. It was recommended that the questionable files be updated with the missing information as soon as possible.

Official's Response

In his reply, the DG said "Management noticed that some personnel files were misfiled. However, those files have been traced with both application and resignation letters intact. They are now ready for inspection".

7.27.12. No Strategic Plan

There was no Strategic Plan for 2016. It was recommended that management should take action to develop a strategic plan for the upcoming years and should be printed and signed by authorised official.

7.27.13. Delay of Fuel Log Book

Fuel Log Book was not made available for audit inspection. It was recommended that management should ensure that the log book is submitted for inspection.

7.28. NATIONAL YOUTH COMMISSION, 2015-2016

7.28.1. No Approved Conditions of Service

An approved staff conditions of service had not been maintained since the establishment of the Commission. It was recommended that the Commissioner should work in consonance with the Board of Directors to ensure that an approved staff conditions of service policy is maintained.

Official's Response

The Commissioner said: "We have noted your queries with great concern and will ensure that NAYCOM Management engaged the Board of Directors for the approval of the conditions of service for staff".

Auditor's Comment

An approved staff conditions of service was yet to be developed. The issue therefore remains unresolved.

7.28.2. Performance Contract not Met

A review of the Performance Tracking Table for 2015 and 2016 revealed that the following objectives were not achieved:

- In spite of the implementation of the internship programme, an internship policy has not been effected due to lack of funds.
- The Youth Skills Development and Enterprise Fund programme is yet to be established.
- The electronic programme and project database had not been maintained.

It was recommended that, government should adequately fund the Commission's activities to ensure that set objectives are fully met.

Official's Response

In his response, the Commissioner said: "Sierra Leone's youth unemployment has been recognised by all stakeholders, even though originally the impact of employment was largely felt by unskilled youth increasingly now, the number of young people unable to find work after obtaining post-secondary and graduate level qualifications is alarming. With its mandate to create jobs and job opportunities for youth in Sierra Leone, the Graduate Internship Programme (GIP) was initiated by the National Youth Commission (NAYCOM) with financial and technical support from the United Nations Development Programme. The GIP facilitated employment for about 770 (520 Male and 250 Females) young university graduates through a four month structured internship within a private, public or third sector organisation within 24 months of graduating. The GIP is aimed at bolstering the employability of young university graduates inspired by three operational principles:

- increase in the number of young people benefitting from productive internship opportunities nationwide;*
- increase in the overall quality of the internship experience so as to enhance the employability of the interns;*
- ensure equal opportunity access to merit based internship positions.*

There were other internship programmes undertaken by tertiary institutions but their lack of coordination resulted in unhealthy competition among the different programmes, with each institution trying to persuade employers that their programme is better than others. There was therefore the need for better coordination through a well structured internship policy. Such a policy has not been rationalised because of the enactment of the National Youth Service Act, 2016. Now with enactment of the National Youth Service it hopefully will be coordinated effectively.

The internship policy will be incorporated into the National Youth Service Act at the time of the review of the National Youth Service Act of 2016 by the Ministry of Youth Affairs and its stakeholders.

The National Youth Commission has developed a framework for the establishment of the Youth Skills Development and Enterprise Fund. The objective of the Fund is to promote employability and employment opportunities for the economic and social empowerment of youth.

The objectives of the framework include the following:

- To build capacity of youth through education and skills training.*
- To provide capacity support to youth structures, organisations and youth-serving agencies involved in employment creation and related activities.*
- To facilitate the provision of capital and business development services for youth enterprises and youth-employing institutions.*
- To raise awareness among youths on self-employment through entrepreneurship skills and small and medium enterprise development.*
- To strengthen and enhance the capacity of state youth development institutions in a bid to enhance programming and policy development.*

The framework outlines the sources of funding, the management and institutional structures, the financial management systems and the proposed intervention areas.

The framework has been submitted to the Ministry of Youth Affairs for consideration and the development of a Cabinet Paper for discussion. The National Youth Commission has been making follow-ups on the processes.

The framework for the electronic programme/project database was designed using the Microsoft Access 2010 framework. The design mechanism made use of the built-in VBA facilities that came with it. It was designed to allow the user to capture, store and manage information relevant to the Youth Coordination Framework.

The tool has a number of functions that will allow NAYCOM to capture and manipulate the information. The tool has the following main functional tabs:

- *Organisation Management.*
- *Additional resources.*
- *Programme Management.*
- *Report Generation.*
- *General Administration.*

Lack of funding made it practically impossible to implement the framework, as the implementation requires funding for the facilitation of the collection of data from the field across the country”.

Auditor’s Comment

Management submitted both the draft framework for the National Youth Empowerment Fund as well as the framework for the electronic programme and project database for verification. However, they are both yet to be implemented and the policy on internship has still not been implemented on a national scale. The issue therefore remains unresolved.

7.29. PRODUCE MONITORING BOARD -2015-2016

7.29.1. Supporting Documents

We noted that adequate records had not been kept for some of the transactions and that only one person was responsible for initiating and authorising transactions.

Official’s Response

The Acting Executive Director said that “Internal control processes and procedures are now in place. Action will be taken immediately to implement internal control processes & procedures, such report will be initiated from departmental heads and submitted to administration for approval and facilitate the purchase by procurement”.

7.29.2. Internal Audit Unit not Established

The Board did not maintain an internal audit department. It was recommended that an internal audit department should be set up to improve upon the quality of day-to-day transactions.

Official’s Response

The Acting Executive Director said: “The internal audit process is supported by the Internal Auditor of the Ministry of Trade & Industry on a quarterly basis. However, we will ensure the immediate recruitment of an internal auditor, to ensure that checks and balances are instituted on a daily basis”.

7.29.3. Filing System

The filing systems of the accounting records of the Produce Monitoring Board were not properly maintained. This anomaly consequently resulted in the loss of certain vouchers. There were also no PV numbers on the payment vouchers and some of these vouchers were also not filed in a sequential order. It was recommended that all financial data including correspondences should be properly filed, and all relevant supporting documents attached to their respective payment vouchers and filed sequentially.

Official’s Response

The Acting Executive Director in his reply said: “We will ensure that as quickly as possible, the accounts department will undertake the refilling of all vouchers in a chronological order and also on an accounts specific basis, meaning that vouchers will be opened for each account to ensure the process of retrieval”.

7.29.4. Statutory Deductions

NASSIT and PAYE contributions were not paid on time to NASSIT and NRA by the organisation on time. It was recommended that the organisation should endeavour to pay NASSIT and PAYE contributions for its employees to the relevant authorities every month.

Official's Response

The Acting Executive Director stated that the Nassit and PAYE were paid on a regular basis. He however noted that when they experience a low revenue turnover they normally put on hold the payment for 1 or 2 months, until revenue flow picks up again and then pay all backlogs.

7.29.5. Board Meetings

During our audit, we observed that there had been no Board meetings for the past two years. It was recommended that a Board of Directors should be established to oversee the organisation.

Official's Response

The Acting Executive Director in his reply said: "This has been our major constraint, making our operations ineffective by not taking actions on policy issue that would propel the institution's growth. However, to safeguard our operations, we regularly revert to the Ministry of Trade and Industry for approval on certain issues that require Board approval. The Board has been operating for four (4) years now without a Board of Directors. This has been brought to the attention of MTI and Parliament on many occasions, but no action has been taken".

7.29.6. Procurement Unit

The Acting Executive Director is also the chair of the Procurement Committee. A scenario of this nature could undermine the independence and autonomy of the Committee. It was recommended that the Acting Executive Director should recuse himself from the Committee. The Company is advised to recruit a more suitable and independent personality to head the Committee.

Official's Response

The Acting Executive Director stated that it was as a result of the low number of senior management staff that comprised the Procurement Committee. He added that when the Board eventually recruits a procurement specialist, new head of the Committee will be appointed.

7.29.7. Employee File

Some employee files were not updated. In addition, passport pictures of some of the employees were not attached to their respective documents. Furthermore, there were some staff whose documents did not match the information on their curriculum vitae. It was recommended that all employees who had not submitted their passport pictures should do so with immediate effect, and those who were required to submit evidence of their qualifications as observed on their CVs should also do so immediately.

Official's Response

The Acting Executive Director in his reply said: "The Produce Monitoring Board has been struggling with the recruitment of experienced and qualified staff to take up key positions with the Board. The biodata of staff will be reviewed immediately to reflect their current positions, with adequate supporting documents".

7.30. KAMBUI PROPERTY HOLDING (S.L.) LTD. - 2016

7.30.1. Material Omissions from the Accounts

Some requirements of the International Financial Reporting Standards (IFRSs) were not complied with by the Kambui Property Holdings. The following were observed:

- Though required by IAS 1, the basis of accounting framework used for preparing the financial statements was not stated.
- Though required by IAS 7- a cash flow statement showing the reasons for changes in cash was not prepared and attached to the financial statement. Thus the final statements were incomplete.
- The 2015 comparatives were not restated in the 2016 financial statements although this was required by IAS 710.
- There was a possible upward revaluation of the land that was not done as required by IAS 16 - Property, Plant and Equipment; even though it was expected that the value of land increases.
- There was inadequate and insufficient disclosure in respect of the finance cost to the tune of Le3,857,1136,000 and loan from shareholders of Le21,840,000,000. The audit team did not receive any document to support this loan. The scope of the audit was thus limited and this could not be verified.

It was therefore recommended that the Finance Office should disclose the accounting framework used and effect the necessary accounting treatments in respect of the other non-compliance issues where IFRSs may have been the basis of preparing the accounts.

7.30.2. Non-Current Assets Wrongly Accounted For

A review of the financial statements and inspection of the investment property revealed that three of the rooms in the property were occupied by the management team of KPHL. Consequently, those rooms should be accounted for under IAS 16 - Property, Plant and Equipment instead of IAS 40- investment property, as was done in the accounts. Moreover, as per 2014 financial statements, the fair value model option, as in IAS 49 was adopted to carry out investment in the books of accounts. However, in the 2016 financial statements, the investment was accounted for as Property, Plant and Equipment as in IAS 16. Had there been any change in accounting estimate, this required a prospective recognition and any material effects in the financial statements disclosure as per IAS 8 (change in accounting policy, estimates and prior period adjustments). It was recommended that the Caretaker Manager should have the necessary adjustments done.

7.30.3. Receipt and Revenue

In documenting the revenue system, it was noted that the processes of collecting, recording, banking and reconciling the bank statement with the cashbook (bank columns) were done by the Finance Officer. This increased the risk of fraud as well as the risk of recognising incomplete revenue in the Statement of Comprehensive Income. Revenue receivable, in the form of rent in arrears was not part of the total revenue recognised in the Statement of Comprehensive Income. Thus revenue was accounted for on cash basis instead of accrual basis. Moreover, casting the bank statement revealed that revenue banked exceeded revenue received by Le169,691,469, as per receipt books. It was recommended that the Caretaker Manager should ensure that the processes of collection, recording, banking and reconciling the revenue accounts were segregated and the above processes including monitoring rent receivable in arrears done regularly.

7.30.4. Bank Reconciliations not done

There was no evidence that bank reconciliations were carried out for the period under review. It was recommended that the Caretaker Manager's monthly bank reconciliation statements should be prepared by the Finance Officer and submitted for audit inspection.

7.30.5. Going-concern uncertainty

KPHL reported net operating losses in 2013, 2014 and 2016 financial statements. The debt capital comprising mainly loans from the parent partner NASSIT was greater than the equity capital which indicated that KPHL was highly-gearred. This gave rise to significant uncertainty about the entity's operational existence for the next 12 months and beyond. Though the parent partner NASSIT, came in to help by way of a loan, this uncertainty can be allayed by NASSIT providing the auditors with a "letter of comfort" which can be regarded as sufficient, reliable and relevant evidence so that the basis of preparing the accounts is considered appropriate. A proper review of this precarious situation could not have been obviously assessed by management. Furthermore, a review of the financial statements showed that dividends had not been paid to shareholders since the commencement of the investment. It was therefore recommended that the Caretaker Manager should ensure that the situation was assessed and a "comfort letter" of assurance of continued support by the parent partner –NASSIT, provided for audit review.

7.31. MEDICAL AND DENTAL COUNCIL SIERRA LEONE – 2016

7.31.1. Management of Fixed Assets

Regular reconciliation between the asset register and general ledger was not performed which could assure the Council that its assets were completely and accurately accounted for. In addition, fixed assets were not tagged with unique identification codes which would enable the council identify the asset recorded in the register.

Official's Response

The Registrar in his reply said "The fixed asset register will be reconciled to the general ledger on a monthly basis and introduce into its operations the areas listed in the recommendation. Also all fixed asset items will be tagged with a unique identification code which will be recorded in the fixed asset register for identification purposes. A physical check will be performed at least once a year and the result documented and reviewed by management".

Auditor's Comment

The issue has not been addressed by the Council.

7.31.2. Accounting and Procedure Manual

The Council did not have an accounting or finance manual. We believe that the preparation of a formal policy and procedures manual would improve and standardise the Council's financial policies and procedures, resulting in consistent accounting and reporting.

Official's Response

The Registrar in his response said: "Because this important manual is not available either at the Ministry of Finance or the Government Bookshop, Council has decided to develop one. This we agree will improve and standardise Council's financial policies and reporting".

Auditor's Comment

The issue has not been addressed by the Council.

7.31.3. Lack of Human Resource Manual

The Council did not have a human resource manual. It was recommended that management should develop a human resource manual or seek the services an expert to develop it.

Official's Response

The Registrar stated that management has a human resource manual which was developed several years ago. He mentioned that it was probably not requested and so was not produced.

Auditor's Comment

The issue has not been addressed by the Council.

7.31.4. Revaluation of Bank Balances

There was no periodic revaluation of bank balances dominated in currencies other than the reporting currency (i.e. Leone). This led to inconsistencies in the balances of cash at bank for the USD accounts. It was recommended that bank balances in currencies other than the reporting currency should be revalued regularly.

Official's Response

The Registrar noted that bank balances in currencies other than the reporting currency will in future be revalued regularly to ensure accurate results in financial reports for decision making.

Auditor's Comment

The issue has not been addressed by the Council.

7.32. NJALA UNIVERSITY 2013-2015

7.32.1. Ineffective Internal Controls

A review of the University's internal control and operating systems revealed that:

- There was no risk assessment process for the identification and management of fraud and fraud related matters.
- Several investigations were carried out but no reports were produced or submitted to the auditors.
- Monthly management reports which include variance analysis of income and expenditure, listing of student fees income receivable (outstanding), details of amounts receivable from the GoSL and details of outstanding liabilities were not submitted for audit purposes.
- The accounting manual used by management in respect of financial matters was outdated. The following were identified:
 - Books were maintained to satisfy the reporting requirement of Public Budgeting and Accounting Act, 1992; an outdated and replaced legislation.
 - The University's accounts were prepared in accordance with the historical cost convention as modified by the revaluation of fixed assets.
 - The University did not use accounting software for the recording and reporting of its financial transactions.
 - Self-financing units should produce quarterly income and expenditure statement and balance sheet by their accounting manual. However, these quarterly statements were not submitted and in addition, examination of records maintained by these units revealed that they have been making loss over the years rather than profit making as intended.

It was recommended that the VC&P in collaboration with the administrators of the University should ensure that:

- An appropriate risk assessment process/ policy for the identification and management of fraud and fraud related matters is designed and effectively implemented.
- Investigation reports and monthly management reports are submitted for audit purpose.
- An updated accounting manual in line with international accounting standards and applicable laws are prepared to manage the financial and accounting matters of the University;
- An accounting software package is installed and used to process and record the various transactions of the University. This could create sanity and accuracy in these accounting reports/records. Accounting software such as Quick Books, Sage Line 50, and Great Plains is hereby suggested for their simplicity and accuracy.
- The self-financing units should produce the quarterly statements and management should also consider outsourcing those units that are making loss over the years to obtain the sufficient funds to help run the University.

Official's Response

The Vice Chancellor and Principal (VC&P) in his reply said the following:

"The Internal Audit programmes will be updated to ensure risk assessment, identification and management.

Investigation reports and monthly management reports are available now for your perusal.

We promise that the monthly management report showing total income received and outstanding fees to be collected (Receivable) will be produced.

The financial manual is currently undergoing review to reflect our current financial practices.

The tendering process for installation of accounting software is ongoing and will be concluded soon.

Quarterly statement for these income generated will be produced as we are currently working on a business plan to make them autonomous".

Auditor's Comment

The recommendations were not implemented. The issues therefore remain unresolved.

7.32.2. Ineffective Internal Audit Unit

A review of the operations of the Internal Audit Department revealed the following:

- The University did not have an Internal Audit Charter that provides details of the scope, responsibilities and purpose of the internal audit unit in the University;
- An approved internal audit plan detailing the planned activities for the department was not submitted for audit;
- The University's internal audit committee did not meet on a regular basis and there was no evidence of resolutions reached by the internal audit committee regarding internal audit reports;
- Key areas of the University's activities such as revenue, disbursement, procurement and cash and bank were not audited by the internal audit department for the period under review;
- There was no evidence of management response to audit queries raised by the internal audit and there were no follow up activities conducted by the internal audit department regarding the queries raised;
- Internal audit working papers detailing how audit tests were performed and conclusions arrived at were not submitted for audit inspection.; and
- Progress reports were not submitted to the internal audit committee providing update on issues raised in the internal audit reports.

It was recommended that the VC&P should ensure the following:

- The University should develop an internal audit charter to guide the internal audit unit.
- The University's audit committee is operational and responsible for approving, monitoring and implementing the audit work plan.

The Head of the Internal Audit Department should also ensure the following:

- That the executions of internal audit assignments are properly planned, documented and supported by sufficient and appropriate audit evidence.
- That the Working Paper Files such as the permanent and current are maintained for all audit assignments conducted by the Department.
- That the University's systems and procedures are regularly reviewed and assessed and the reports in respect of these (including audit recommendations) are presented to the University court.

Official's Response

The VC&P in his reply said the following:

- *"Management has noted the absence of an internal audit charter and have agreed to prepare an audit charter for the University as soon as possible.*
- *Audit plans were prepared but due to the difficulty of audit committee meeting due to frequent strikes at the university; these plans were not approved.*
- *We noted and are aware that the Audit Committee (AC) should meet at least four times per annum but due to the frequent unrest in the University over the years this has not been possible. The internal Auditor in collaboration with the University will ensure regular meetings of AC in future.*
- *Internal Audit had challenges in getting through these activities but with the queries from the external audit, management has resolved that these issues will addressed in the future.*
- *There has been a problem in responding to audit queries making Internal Audit follow up difficult. However it has been resolved the audit queries both internal and external will be responded to and internal audit will make a follow-up on all queries raised.*
- *The concern raised over working paper is noted. However it must also be noted that we are currently operating manual system of audit; though recommendations have been made by the audit committee for the department to be equipped it is yet to be done.*
- *Progress report together with individual audit report has been presented before Audit Committee but frequent unrest in the University made it difficult to follow-up the procedure. It has been a year now the audit Committee itself has not been meeting. We will ensure that the reports will now be presented to the Audit Committee regularly".*

Auditor's Comment

- A draft Internal Audit Charter had been developed but yet to be approved by the Audit Committee. Therefore this issue will be kept in view for next audit.
- A detail Internal Audit plans for the years under consideration 2013, 2014, and 2015 were not provided for audit. Therefore this issue remains unresolved.
- There was no evidence that a single meeting was ever held by the audit committee or a notice of meeting was ever issued out to the committee members. It was doubtful whether the audit committee was really established as no list of the committee members was submitted for verification. Therefore this issue remains unresolved.
- Responses to Internal Audit queries and documents to support internal audit follow –up on audit reports were not provided during the exercise. Therefore this issue remains unresolved.
- Internal audit working papers were still not submitted for verification. Therefore this issue remains unresolved.
- Management response is noted and this issue will be kept in view for subsequent audit.

7.32.3. Ineffective Management of the Budget and Budgetary Control Processes

The following were observed:

- There was no evidence submitted to indicate that the various departments and units participated in the preparation of the 2013 budget as expressed in the accounting manual.
- Evidence of regular reviews of the University's cash flow position was requested but not submitted.
- Variance analysis report of actual revenue as against budget was not prepared, thereby confirming that the University was not assessing cash flow difficulties.
- Guesthouse total estimate for personnel emolument amounting to Le771,971,749, Le 938,219,151 and Le 938,219,151 for the financial years 2013, 2014 and 2015 respectively are inappropriate as the category of personnel used in preparing the estimate cannot be traced from the guest house.
- Overspent budget lines amounted to Le3,972,718,405, Le2,392,187,316 and Le 492,429,862 for the years ended 31st December 2013, 2014 and 2015 respectively.

It was recommended that the VC&P in collaboration with the management of the University should ensure that:

- The various departments are involved in the preparation of the budget process and evidence kept on files;
- Monitoring of actual revenue and expenditure should be done regularly to identify variances that aids decision making;
- In preparing their budget, the input should be in line with the various departments' revenue and cost centres;
- They should prepare realistic budgets that incorporate prevailing economic situation and financial parameters. In addition, the budget must be the basis upon which all expenditure are incurred.

Official's Response

The VC&P in his response said the following:

- *"Memorandums were sent to all heads of department and deans to submit their departmental and school requirements and to participate in the budget committee meetings. However most of these heads did not turn up for the meeting and the deadline for submission was so close that we had no alternative but to forge ahead with the process without their involvement. We promise a participatory process of budgeting in the next financial years.*
- *The aspect of the total estimate for personnel emolument was made regarding the guest house purely going on a private operation to operate as full business entity with its own management team and other functionaries in place. However, we should have given to note on the bottom of that page explaining that we promise in future appropriate explanatory notes will be given.*
- *The funds overspent were as result of not revising the budget prepared for the attention of Ministry of Finance. What was budgeted for was not received and therefore necessitated the revision of the budget in line with what was given in order to avoid over/under spent on the various budget lines. We promise in future the budget will revised to reflect this".*

Auditor's Comment

There were no evidence to suggest that the audit recommendations were implemented. The issues therefore remain unresolved.

7.32.4. Inadequate Control Over the Reporting and Presentation of Financial Information

Review of the University's financial statements and accounting records revealed that statements from the Vice Chancellor and Finance Director were not attached to the draft financial statements. It was recommended that the VC&P should ensure that the statements are attached for verification.

Official's Response

The financial statement has been revised with the necessary adjustments and comparative information and is now available for ASSL's perusal.

Auditor's Comment

Statements from the Vice Chancellor and Finance Director and other explanatory information in the financial statements were still not attached in the revised financial statements. Therefore this issue is unresolved.

7.32.5. Review of Cashbooks and Bank Statements

The following were observed:

- Comprehensive list of all accounts (active and dormant) and list of account(s) opened and closed for the years ended 31st December 2013, 2014 and 2015 were not submitted to the auditors.
- Bank accounts were not disclosed in the draft financial statements for the years ended 31st December 2013, 2014 and 2015 and cashbooks for some of these accounts were not submitted for audit inspection.
- Bank statements were not submitted to the auditors for the period under review.
- Bank statements from the Sierra Leone Commercial Bank did not have cheque numbers to confirm whether the bank reconciliation statements submitted were correct or not.
- Review of the bank confirmation letter received from the Sierra Leone Commercial Bank (SLCB), revealed that some accounts were disclosed by the Bank.
- Bank confirmations were not received for Standard Bank, Union Trust Bank, FI Bank, Eco Bank and Guarantee Trust Bank and bank statements and cashbooks for these accounts (with the exception of UTB- revenue account) were also not submitted to the auditors.
- Cheques totaling Le 374,182,405 were not posted in the cashbook for Bo Campus operating account for the year ended 31st December 2013.
- Cheques totaling Le 215,609,415 and Le183,064,396 were not posted in the cashbook for Njala Campus operating account, cafeteria account and international school for the years ended 31st December, 2014 and 2015 respectively.
- Application letters and certificates were not submitted to the auditors for all short term investment made by the University during the period under review.

It was recommended that the VC&P in collaboration with the Finance Director should ensure the following:

- A comprehensive list of all accounts (active and dormant) and list of account(s) opened and closed for each year should be submitted for audit review.
- All active accounts operated by the University are disclosed in the revised financial statement. Submit cashbooks and bank statements for all outstanding accounts.
- Inform the Sierra Leone Commercial Bank (SLCB) to submit a detailed bank statement and a bank confirmation letter revealing all accounts (active & dormant) operating during the financial years ended 31st December, 2013, 2014 and 2015.
- In addition, inform the other banks to submit the bank confirmation letters.
- Cheques are posted in the respective cashbook and submitted for audit reviews.

- Application letters and certificates for short term investments are submitted for inspection.

Official's Response

The VC&P in his reply said the following:

- *“A comprehensive list of all active and dormant accounts had been prepared and is now fully disclosed in the revised financial statement.*
- *These bank statements are now available for your perusal. We have also asked the bank to make a written representation to explain why cheque numbers were not available on the bank statements which was as a result of the frequent change in their operational software.*
- *These requested statements are now available for review.*
- *The cheques are now posted in the various cash books of both campuses respectively”.*

Auditor's Comment

The issues remain unresolved with the exception of the following that were partly resolved:

- Cashbooks were provided for NU Cafeteria, NU International School and Leave Allowances/public relation advancement. However bank account listed were not disclosed in the revised financial statements.
- Out of the six bank accounts that were not disclosed in the draft financial statements, the University has still not disclosed four in the revised financial statement.
- Out of the list of bank statements not submitted for audit, one of them was still not submitted during verification.
- Cash book from Bo campus were provide and cheque totalling Le 84,404,631 were posted and a total of Le 289,777,775 not been posted in the cash book.

7.32.6. Inadequate Control of the General Processing of Payment Vouchers

Njala University College Secretariat

Payment vouchers and their supporting documents for payments posted in the cashbook, amounting to Le 3,541,465,928, Le 2,575,183,966 and Le 3,878,717,042 were not available for audit inspection for the years ended 31st December 2013, 2014 and 2015 respectively. In addition, payments totaling Le1,556,395,093, Le 651,124,349 and Le 777,353,850 were without adequate supporting documents such as requests, receipts, invoices, delivery notes etc. for the years ended 31st December 2013, 2014 and 2015 respectively.

Njala University College, Bo Campus

Payment vouchers and their supporting documents for payments posted in the cashbook, amounting to Le134,699,200 and Le710,109,300 were not available for audit inspection for the years ended 31st December 2014 and 2015.

Njala University College, Njala Campus

Payment vouchers and their supporting documents for payments posted in the cashbook, amounting to Le 141,238,323 and Le 61,383,215 were not available for audit inspection for the years ended 31st December 2013 and 2014 respectively. In addition, payments totaling Le80,975,500; Le 17,541,000 and Le63,432,500 were without adequate supporting documents such as requests, receipts, invoices, delivery notes, etc. for the years ended 31st December 2013, 2014 and 2015 respectively.

It was recommended that the VC&P in collaboration with the Deputy Vice Chancellors and Finance Director should ensure the relevant supporting documents in respect of the above expenditure are submitted for audit inspection, or the amount of Le14,189,619,266 is refunded immediately.

Official's Response

The VC&P in his reply said "Payment vouchers had been raised together with appropriate supporting documents for various transactions.

The relevant cheques mentioned in the queries have been posted into the cashbook for the financial year 2013 to include all transactions.

We have also made available all supporting documents relating to the items of transaction that has been updated into the cashbook with the exception of two transactions relating to the UNICEF 2013 project for which we are still searching. In our review of the supporting documents for the items of transactions in this section of the Auditor's query, we realized that adequate supporting documents are available for all transactions but are not attached to their respective payment vouchers. This particular fund is not university fund. It was a UNICEF supported project. The money is remitted through the University's account for the project coordinators. The coordinators request and the University prepare cheques for them. All returns are submitted to UNICEF and are then vetted by the auditors of UNICEF. The University therefore in this case serves as intermediary. The payment vouchers are supported by the request letters from the project coordinators.

After reviewing the payment vouchers and the supporting documents for the item of transactions indicated in appendix 3b, we confirmed that all relevant supporting documents were attached to their respective payment vouchers".

Auditor's Comment

Out of the total amount of Le3,541,465,928, payment vouchers totalling Le1,685,605,658 were provided during verification leaving an outstanding amount of Le1,941,240,520 without payment vouchers and their supporting documents. See Appendix 3a. In addition, payment vouchers of Le1,685,605,658 that were provided are without adequate supporting documents. Therefore this issue remains partly unresolved.

Payment vouchers and their supporting documents for payments posted in the cash book amounting to Le2,575,183,966 and Le3,878,717,042 for appendix 3b and 3c respectively were not made available during verification. Therefore this issue remains partly unresolved.

Out of the total amount of Le1,556,395,093 for payments without adequate supporting documents, supporting documents amounting to Le 109,502,500 were submitted during verification leaving an outstanding amount of Le1,446,892,593 without adequate supporting documents. The issue remains partly unresolved.

No supporting documents were submitted during verification for payments totaling Le651,124,349 and Le777,353,850.

Bo Campus

Out of the total amount of Le134,699,200 and Le710,109,300, payment vouchers totalling Le109,499,200 and Le375,126,000 were provided during verification; though some of their supporting documents were inadequate. Outstanding amounts of Le25,200,000 and Le128,456,600 respectively were still without payment vouchers and supporting documents. The issue remains partly unresolved.

Njala Campus

Out of the total amount of Le141,238,323 supporting documents were provided for Le118,413,812 during verification leaving an outstanding amounts of Le 22,824,511 without adequate supporting documents. Therefore this issue was partly unresolved.

Supporting documents totaling Le61,383,215 were not submitted for verification. In addition, payments totalling Le80,975,500; Le17,541,000 and Le63,432,500 were without adequate supporting documents such as requests, receipts, invoices, delivery notes, etc. for year ended 31st December 2013, 2014 and 2015 respectively. Therefore this issue remains unresolved.

7.32.7. Withholding Taxes not Deducted and Paid to the National Revenue Authority

Withholding taxes totaling Le 167,790,844; Le 67,098,834 and Le 69,077,389 for goods and services procured were not deducted and paid to the National Revenue Authority (NRA) for the years ended 31st December 2013, 2014 and 2015 respectively. In addition, withholding taxes amounting to Le260,635,414, Le111,066,045 and Le45,901,442 were deducted at source from the payment for goods, works and services but not paid over to the NRA for the years ended 31st December, 2013, 2014 and 2015 respectively. It was therefore recommended that the VC&P should ensure that withholding taxes of Le721,569,968 are recovered and paid to the NRA and the evidence of payment submitted for audit review.

Official's Response

The VC&P said that arrangements were on course for the settlement of tax obligations.

Auditor's Comment

Receipts of withholding taxes for goods and services procured and from the payment for goods, works and service deducted of Le721,569,968 were not submitted during the verification exercise. The issue remains unresolved.

7.32.8. Procurement Procedures not followed

Njala University College Secretariat

Procurement plans for the years ended 31st December 2013, 2014 and 2015 were not developed by the Njala University. In addition, procurement activities amounting to Le4,059,571,996, Le3,123,494,989 and Le2,088,748,096 were undertaken for the years ended 31st December, 2013, 2014 and 2015 respectively, without adherence to the required procurement procedures. Furthermore, the auditors were unable to verify the basis upon which contractors were selected and whether these contractors were qualified and had the capacity to execute contracts awarded to them to the tune of Le 1,064,316,525, Le 696,017,451, USD12,000 and Le147,778,763 as relevant procurement documents were not submitted for review for the years ended 31st December 2013, 2014 and 2015. Moreover, Request for Quotation procedures were used to procure goods and services totaling Le 502,181,375 and Le 377,660,851 instead of using the NCB procedures for the years ended 31st December 2013 and 2015 respectively.

Njala University College, Njala Campus

Procurement activities amounting to Le 107,261,931 and Le 46,777,626 were undertaken for the years ended 31st December 2013 and 2014 respectively. However, there was no evidence to show whether the required procurement procedures were followed. We were unable to verify the basis upon which contractors were selected and whether these contractors were qualified and had the capacity to execute contracts awarded to them to the tune of Le278,671,419 and Le37,708,100 and Le79,525,500 as adequate procurement documents were not submitted for review for the years ended 31st December 2013, 2014 and 2015.

Njala University College, Bo Campus

Procurement activities amounting to Le183,460,675, Le20,369,000 and Le41,921,000 were undertaken for the years ended 31st December, 2013, 2014 and 2015. However, there were no evidence to show whether the required procurement procedures were followed.

It was therefore recommended that the VC&P in collaboration with the administration should ensure that the following actions are taken:

- The approved procurement plan in support of the procurement undertaken must be submitted for audit reviews.
- All procurement documents that were not produced during the audit are tendered audit inspection, or the amount of Le12,855,465,297 should be refunded immediately.
- The procedure for the “Request for Quotations” was in accordance with Section 45 of the Public Procurement Act 2004.

Official's Response

The VC&P stated that the planning was on course and that monitoring and effective planning will now be enhanced before budget. He added that requested documents were now available for your perusal.

Auditor's Comment

The following issues remained outstanding:

- Procurement plan for the years ended 31st December 2013, 2014 and 2015 were still not made available during verification.
- Documentary evidence was not provided to justify that procurement undertaken totaling Le4,059,571,996; Le3,123,494,989 and Le2,088,748,096 for the year ended 31st December 2013, 2014 and 2015 respectively, were adhered to the required procurement procedures.
- Documentary evidence was not provided to justify whether contractors were qualified for contract awarded totalling Le1,064,316,525, Le696,017,451, USD12,000 and Le147,778,763 for the years ended 31st December 2013, 2014 and 2015.
- No management response was proffered on the issue of Request for Quotation procedures used instead of using the NCB procedures.

Procurement documents were provided to justify that procurement procedures was followed for Le107,261,931 procurement undertaken in 2013. However, no documentary evidence was provided for Le46,777,626 procurement undertaken in 2014. Therefore this issue remains partly resolved.

Documentary evidence was provided to justify that contractors were qualified for contract awarded for Le 278,671,419 in 2013. However, no documentary evidence was provided for procurement undertaken for Le37,708,100 and Le79,525,500 for the years ended 31st December 2014 and 2015. Therefore issues remains partly resolved.

Documentary evidence was provided for procurement undertaken totalling Le183,460,675 in 2013. However, no documentary evidence was provided for procurement undertaken totalling Le20,369,000 and Le41,921,000 for the years ended 31st December 2014 and 2015. The issue remains partly resolved.

7.32.9. Inadequate Control of the Distribution and Use of Fuel

The following were observed:

- Review of the bank statements revealed that payments of fuel totaling Le355,827,033, Le409,694,412 and Le715,000,000 for the years ended 31st December, 2013, 2014 and 2015 respectively were made to TOTAL SL Ltd. by the Njala University. However, there were no relevant supporting documents such as delivery notes, invoices, trans-shipment forms to confirm that orders placed by the University were delivered.
- Review of cashbooks and payment vouchers, revealed that payments totaling Le203,112,415 and Le422,971,794 in respect of fuel payment by the secretariat to the NU filling station were without

payment vouchers and adequate supporting documents for the years ended 31st December 2013 and 2015 respectively.

- Le477,585,720, Le1,775,368,735 and Le587,731,324 in respect of fuel payment by the secretariat to the NU filling station were not supported with adequate documents such as requisition forms for the years ended 31st December 2013, 2014 and 2015 respectively.
- Receipts were not issued for sale of fuel by the Njala University filling station for the period under review.

It was recommended that the VC&P should ensure that the relevant evidence in support of adequate documentation regarding Njala University filling station are for provided for audit review, or the amount Le 3,466,769,988 is refunded immediately.

Official's Response

The VC&P stated that the payment vouchers had been raised and supporting documents were now available for ASSL's perusal.

Auditor's Comment

Payment Vouchers, other supporting documents as well as cash receipts for the sale of fuel at the NU station were still not submitted during the verification.

7.32.10. Inadequate Control of the Management and Security of Assets

The following were noted:

- *The University did not maintain a comprehensive fixed assets register.*
- *The assets register was not regularly updated to include assets acquired, assets disposed or written off.*
- *The University lands in the southern region (Bo and Njala Campuses) were not resurveyed and documented. This raised concerns as several claimants had come forward to challenge ownership of those pieces of land.*
- *There was no binding agreement between the University and the land holding families for the land at Kori chiefdom as the said property was leased to the Government of Sierra Leone in 1956.*
- *Documents to confirm that lease payments were made to the land holding families were not made available to the audit team.*
- *There was no evidence that the old buildings and property owned by the University were not valued when the University was established in 2004.*
- *Title deeds for freehold property were not made available to the audit team for inspection.*
- *Physical inspection of fixed assets revealed that most of the assets at Torwama Bo campus and some assets at the Secretariat were not labelled with unique identification codes, which will confirm ownership of assets.*
- *Proceeds from the sale of vehicles amounting to Le30,800,000 were not disclosed in the financial statement for the years ended 31st December 2014.*
- *Seven (7) vehicles valued at Le 43,000,000 were disposed of. However, there are no receipts or deposit slips to confirm whether payments were made or not.*

It was recommended that the VC&P in collaboration with top management should ensure the following:

- The master inventory register is updated on a regular basis with all assets owned and controlled by the University.
- The lands in Torwama, Bo (Bo Campus) and Mokonde, Kori Chiefdom (Njala Campus) are surveyed.
- A binding agreement is signed between the University and the land holding families in Torwama, Bo and Mokonde, Kori Chiefdom.

- The University contracts a licensed valuer to value all their buildings and property or a modification of opinion will be issued on the University's financial statements.
- All relevant documents for the freehold property are submitted for audit reviews.
- All assets in the various campus and offices are labelled with unique identification codes.
- Sales and profit or loss from the disposal of these assets are disclosed in the financial statements
- All receipts from the sale of the vehicles are submitted for audit reviews, or the amount Le43,000,000 is refunded immediately.

Official's Response

- With the acquisition of licensed software a comprehensive list of assets and updated master inventory register will be maintained.
- (iv) Arrangements are on the way physically labeled these assets at their various locations

Auditor's Comment

Bank deposit slips amounted to Le17,000,000 were provided in respect of sales proceeds for vehicles with registration numbers AEC011 and ABL 041. In addition the auditors physically verified Hyundai Aero tow Bus with registration number AEF 377 valued at Le10,500,000. However the remaining vehicles valued at Le18,700,000 were not accounted for. Therefore this issue is partly unresolved.

The rest of the audit queries remain unresolved.

7.32.11. PAYE and NASSIT Deducted but not Paid

Review of cashbooks and cheques revealed that the amounts of Le910,464,526.98 and Le266,789,221 were paid in respect of staff social security contribution but payment vouchers, schedule of payments and NASSIT returns and receipts were not available for the years ended 31st December 2013 and 2014 respectively. In addition, there were no NASSIT returns and receipts for staff social security contribution amounting to Le 32,300,912 on PV no. 2068 and Cheque no. 2559081 for the year ended 31st December 2015. It was also observed that payments of NASSIT were not made for the period between June and December 2013. It was further observed that PAYE payments without NRA receipts amounted to Le 97,942,715 for the year ended 31st December 2015.

It was recommended that the VC&P should ensure that the relevant supporting documents in respect of the amount paid to NASSIT and NRA are submitted for audit reviews, or the amount of (Le 1,307,497,375) is refunded. In addition, the amount deducted should be paid immediately to NASSIT and NRA and receipt details submitted for audit reviews.

Official's Response

The VC&P mentioned they had solicited with NASSIT to reproduce receipts for the payments in question for audit verification.

Auditor's Comment

Supporting documents were not provided in respect of the amounts paid to NASSIT and NRA for Le1,307,497,375. In addition, receipts were not provided for NASSIT and NRA deducted. Therefore the issues remain unresolved.

7.32.12. Poor Management of Payroll Records

The following issues were observed:

- The University did not assign payroll or pin codes to employees' data for easy identification and computation of monthly salary.

- Payroll related expenditure as per cheque stubs were without payment vouchers and supporting documents amounting to Le 2,736,828,695, Le 330,105,970 and Le 2,582,610,252 for the years ended 31st December 2013, 2014 and 2015 respectively.
- End of service and terminal benefit payments totaling Le 323,649,639 and Le 700,546,115 made without computation of the benefit and authorisation for years ended 31st December 2013 and 2014 respectively.
- There were no payment notification forms for some of the terminal or end of service benefit payments made during the year.
- The date of leaving (that is, whether by resignation, termination, retirement, death etc.) was not indicated in the leavers list for the period under review.
- Some department did not maintain attendance registers during the year.
- There was no evidence to show that staff performance appraisals were done for the period under review.
- The following were also observed from the physical verification conducted:
 - Inconsistencies exist in the date of birth recorded in the University staff list and the date of birth provided during verification.
 - Some of the personnel have either attained retirement age or are above the retirement age.
 - Eighty three (83) personnel were not seen and verified.
 - Some of the personnel are without NASSIT numbers.

It was recommended that the VC&P in collaboration with the Human Resource Manager and Finance Director should ensure the following:

- Pin codes are assigned to personnel on the payroll.
- The payment vouchers and supporting documents are for inspection, or the amount (Le5,649,544,917) is refunded.
- Benefit and authorisation are for inspection, or the amount (Le1,024,195,754) is refunded.
- Consistent application of the provisions in the staff conditions of service.
- Personnel attendance register developed for all the department and units in the University
- Performance appraisals of all personnel in the University are provided.

Official's Response

The VC&P said that the requested records and issues to be addressed were now available and for review.

Auditor's Comment

The following issues remain unresolved:

- Pin codes were still not assigned to personnel as at the time of the verification.
- Payment vouchers were not submitted.
- Authorised benefits computation was not submitted and verified.
- Dates were still not included in the leavers list.
- Attendance registers were not maintained for all departments or divisions in the university.
- Performance appraisals were not submitted for verification.
- Inconsistencies still exist in staffs' dates of birth.
- The university has started terminating the service of personnel that have attained the retirement age.
- Out of the 83 personnel that were not seen initially, 54 were verified and the remaining 29 personnel were not seen for physical verification.
- Some of the personnel were still without NASSIT numbers.

7.32.13. Ineffective IT Control Environment

- The University did not have any form of disaster recovery or continuity plan in place in the event of mass loss of data.
- There were no appropriate back-up procedures in place aimed at ensuring data were easily recovered in the event of data loss.
- The University did not have an offsite back-up system and there was no documented back-up procedure in place to ensure that daily back-up of data were done and verified.
- Updated antivirus software was not installed on all computers used by the University. In addition, computers were not marked.

It was recommended that the VC & P should monitor the ICT Director to ensure that:

- Installation of the sever hosting the Accounting Software is carried out immediately.
- A disaster recovery and business continuity plan is compiled and put in place by the Council
- A robust maintenance plan is developed and implemented for the regular maintenance of computers and other electronic devices.
- Computers owned and controlled by the University are marked with durable identification codes.

Official's Response

The VC&P noted that the installation of a big server to host accounting software is on the way. In addition, plans are on the way to acquire back-ups and installation of disaster recovery programs.

Auditor's Comment

The University ICT Disaster recovery or Business continuity plan has been developed and updated in September 2018. A server has been acquired and is currently used centrally. However the main server that has not got a licensed anti-virus installed in it, is located inside the IT research office and is accessible to students and other researchers.

The University has now got an offsite back up system. However a licensed anti-virus is yet to be installed to protect data from malicious virus. Furthermore, an Anti-virus software has been acquired by the university. However, it was not enough to be installed on all computers. The issues are therefore partly resolved.

7.32.14. Areas of Concern

- There were limited rooms at the hostel for students in both Njala and Bo campuses. Most of the students were renting apartments within the community close to the campuses.
- Physical inspection of the community health centre revealed the following:
 - There was a lack of cooling system in the dispensary unit.
 - There was poor electricity supply, no standby generator in the health centre
 - There were no standard delivery beds and delivery kits in the maternity unit.
 - The toilet facilities in the health centre were deplorable
- Physical inspection of the Njala University filling station revealed the following:
 - The pumping machines in the station were not working.
 - Fuel was indirectly pumped out of the tank.
 - Naked cables were exposed around the fuel station and there were no fire extinguishers in the station. In considering the environment of Njala campus, this may result in massive fire that may damage University property and human life.

- Physical inspection of the power station revealed the following:
 - There was lack of necessary safety tools and gears for staff to undertake repairs.
 - There were no fire extinguishers in the station.

It was recommended that the VC&P in collaboration with senior administrators should ensure improvement in the facilities and the environment and should provide the necessary equipment for the smooth running of the community health centre, Njala University filling station and power station.

Official's Response

The VC&P said that management has resolved to meet various stakeholders including Ministry of Health, EGTC, EDSA and the Total Management, to collaborate with them in order to improve the status of the various units, ie, Community Health Centre, Power House and the Filling Station.

Auditor's Comment

Evidence of collaboration with other stakeholders was not provided to justify that the provision of necessary equipment for the smooth running of the community health centre, NU filling station and power station. The issue therefore remains unresolved.

7.33. NJALA UNIVERSITY REVENUE AUDIT 2013-2016

7.33.1. Inadequate Controls Over the Collection of Application Fees

A review of application forms revealed the following:

- Photocopied application forms were sold to students applying for admission into the University.
- Photos of students were not attached to some application forms.
- Some students' application forms were not signed by the Dean of Schools for the specific course/program they applied for.
- Some application forms were not pre-numbered or referenced.
- Some application files lacked vital information such as results of applicants, birth certificates of applicants and receipts.
- Various application forms sold were not recorded in the application sales ledger; therefore the auditors could not confirm whether all the application forms received were sold through the university's finance department.
- Application forms were sold for Le150,000 by the University even though the standard price for application forms were Le250,000 for undergraduate and Le300,000 for post graduate for the years under review.
- Application forms for 2013/2014 academic year were not submitted for audit purposes.
- Differences were identified between total application fees recorded as per receipt books and estimated application fees based on first year students admission lists. The University could not account for the difference which totalled Le384,295,000 over the four years under review (2013-2016).

It was recommended that the VC&P should ensure the following:

- Application forms received from applicants are adequately supported with all the relevant documentation before they are accepted for processing.
- That all application forms sold are adequately accounted for and regularly reconciled.
- That all application forms are sold at the stipulated prices according to the University's procedures.
- Application forms for the 2013/2014 academic year are submitted to ASSL for verification.

- The Finance Director should provide reasons for the differences identified, or the said amount is refunded.

The University should design a process through which application forms can be downloaded from its website free of charge and students should only pay application processing fee through the bank when the forms are returned to the university.

7.33.2. Inadequate Controls Over the Collection of Revenue

Outstanding balances were identified in respect of year one students for all the years under review. This was contrary to the University's policy which requires that all first year students must pay 100% of tuition fees upon admission. Total outstanding fees amounted to Le791,042,421 over the three years audit period (Le233,744,000, Le299,865,677 and Le490,943,000 for the years 2013, 2014 and 2015 respectively). Further review revealed that these fees were still outstanding as there was no evidence to confirm that the university had collected these outstanding fees.

A review of the accountable document register revealed the following:

- 86 receipt books were distributed but not signed upon receipt by the various departments in 2015.
- Additional 50 receipt books were delivered to the Dean of Schools during 2013. However, none of those receipt books were submitted for audit purposes.
- 15 receipt books were delivered to the Radio Station in 2013 but none was submitted for audit inspection.

The following were recommended:

- The policy that all first year students must pay 100% fees upon admission must be strictly adhered to and all outstanding balances recovered from students.
- All receipts books must be signed for by responsible department staff upon receipt of receipt books.
- The Finance Director should collect the total of 65 receipt books and submit to ASSL for verification.

7.33.3. Inadequate Controls Over the Recording of Revenue

The auditors could not determine at what point in time revenue for fees was recognised in financial statements as general ledgers were not submitted for audit. There were also poor controls over the recording of revenue, as the University did not maintain proper fees registers detailing the amount of fees collected and date of collection for all the years under review (2013-2016). The auditors could therefore not ascertain the completeness of fees collected under the various fee streams and determine the cut-off between the academic year and the financial year. It was recommended that the VP&C must ensure that the University maintains general ledgers for all revenue streams and that adequate cut off procedures are in place to identify the accounting year into which revenues collected will be recognised.

7.33.4. Inadequate Controls Over the Banking of Revenue

The following were observed:

- Bank statements for the 2016 fees account held at the Union Trust Bank were not submitted for audit
- Bank statement submitted for fees account held at the Sierra Leone Commercial Bank (|SLCB) was not detailed, as names of payees were not displayed in the bank statements.
- A single account was used to bank revenues for all fees paid between 2013-2015. Therefore, we could not determine the revenues collected as per bank statement under each revenue stream.

- Daily reconciliations between revenue collected and revenue banked was not conducted for the years under review.

It was recommended that the VP&C should ensure that bank statements obtained from banks have the necessary details that will aid in the reconciliation process and that separate banks accounts are used for key revenue streams.

7.33.5. Lack of Information to Support Figures Reported in the Financial Statements

Revenue generated from fees and reported in the financial statements for 2013-2015 were not supported with general ledgers, and / or schedules. In addition, there were no schedules to support revenue reported as exchange gains in the financial statements of Bo and Njala campuses for the years ending 31st December, 2013-2015. It was recommended that the VP&C must ensure that all the schedules for the various revenue streams are provided for audit verification.

7.33.6. Documents not Submitted for Audit Inspection

The following documents were not submitted:

- Bank statements for 2015 and 2016 Accommodation accounts
- Revenue schedules to support figures reported in the financial statements.
- Request letters for the printing of receipt books.
- A list of applicants for the years under review.
- Sales register for 2015 application forms.
- Delivery notes detailing the amount of receipt books printed and delivered to the finance office.
- Cashbooks for fees account for 2013 to 2016.

It was recommended that the VP&C must ensure that all the above documents are submitted for audit verification.

Auditor's Comment

Responses were not issued for recommendations proffered by the auditors. The issues therefore remain unresolved.

7.34. EASTERN POLYTECHNIC – 2017

7.34.1. Procurement Procedures not followed

Standard procurement documents in the form of three requests for quotation were not submitted for goods totalling Le380,595,740. In addition, documents for a contract between Eastern Polytechnic and Concern Security Agency was not made available for audit inspection even though Le257,400,000 had already being paid to the Agency. It was recommended that the Principal should ensure that the relevant documents were provided and that the public procurement rules and regulations are strictly adhered to.

Official's Response

The Principal in his response said: "The documents were not located during the audit. These documents are now available for verification. There had been no formal contract between the College and CSA. However, preparation of the contract document is in progress and will be forwarded in due course".

Auditor's Comment

Three pro-forma invoices were produced for procurement valued at Le380,595,740. However, there was no contract between the Eastern Polytechnic and Concern Security. Therefore this issue remains partly resolved.

7.34.2. Management and Security of Furniture and Equipment

Inadequate Control over the Management of Furniture and Equipment

There was inadequate control over the management of furniture and equipment. The following were observed:

- The college's fixed assets register was not updated for the year under review. Fixed assets acquired at a cost of Le222,160,250 were not recorded in the fixed assets register.
- The fixed assets register presented for audit purposes was not adequately prepared as relevant information such as the cost and current status of the assets were not recorded in the register.
- Certain assets owned by the college were not coded.
- The internal auditor instead of the storekeeper was in charge of the assets register.

It was recommended that the principal should ensure the following:

- That verification of furniture and equipment owned and controlled by the college are carried out regularly.
- The master inventory register is appropriately updated in accordance with the above regulation.
- Assets owned and controlled by the college are marked with durable identification codes.

Official's Response

The Principal stated that updating of the master register was in progress and regular verification of assets will now be done. He added that assets in the Renewable Energy Department had been coded.

Auditor's Comment

The master inventory register was not updated with the newly acquired assets worth Le222,160,250 and relevant information such as cost and status were not included in the assets register. The issues were therefore remains unresolved.

Environmental Issues

The following issues were observed:

- The blackboards were not in good working condition.
- Toilet facilities for students were inadequate.
- Electricity was a serious challenge as the standby generator was not in good working condition.
- The UNAMSIL Building did not have a drainage system and toilet facilities.
- Due to destruction of the campus during the war years, the Bunumbu campus lacked basic facilities such as offices, library, adequate lecture rooms, an amphitheatre, hostels and facilities for extracurricular activities. The Bunumbu College Hospital was dilapidated and non functional.
- The college guesthouse lacked basic amenities like proper beds and did not have running water.
- The college was not protected by a perimeter fence.

It was therefore recommended that the Principal should ensure that the UNAMSIL Building was properly rehabilitated and all environmental problems highlighted were immediately rectified.

Official's Response

The Principal mentioned that during the financial year under review, the college experienced serious financial constraints. He however noted that issues will be addressed as the financial status of the college improved.

Auditor's Comment

It was noted during the verification that the audit recommendations were not implemented. The issues therefore remain unresolved.

7.34.3. Management's Failure to Respond to Internal Audit Queries

Internal audit reports submitted for review were not supported by working paper files. Moreover, the Internal Auditor was engaged in operational responsibilities of maintaining, instead of reviewing the fixed assets register. There was no evidence of management's response to Internal Audit queries as well as follow-up made by the Internal Auditor. It was recommended that the Internal Auditor should ensure that working paper files were always maintained for all internal audit work and the college's Internal Audit Committee should also ensure that internal audit queries were immediately responded to, and that copies of full audit reports are made available for inspection.

Official's Response

The Principal in his reply said: "The college administration had always treated internal audit queries with seriousness and such queries had always been discussed at management meetings. This has helped to reduce the number of queries raised by the external auditors. However, in future, written responses will be made as required".

Auditor's Comment

It was noted during the verification that the audit recommendations were not implemented. The issues therefore remain unresolved.

7.35. PUBLIC FINANCIAL MANAGEMENT IMPROVEMENT AND CONSOLIDATION PROJECT (PFMICP)-2017

7.35.1. Statutory Deductions not Paid to the National Revenue Authority

Pay-As-You-Earn (PAYE) taxes on staff salaries which amounted to Le964,042,250 was neither deducted, nor paid to NRA. This contravened Section 3 (1&2) of the Income tax Act, 2000. This anomaly was reported in previous audit recommendations, but the Project Management Team had since not acted on such audit recommendations. It was recommended that the Project Director should ensure that the aforementioned amount is paid to NRA.

Official's Response

The Project Coordinator (PC) in his response said: "The employment status of the PFMICP staff is one of a contract for service and not a contract of service. A contract for service involves a client – independent contractor relationship subject to a limited timeline, in our instance one year. It is quite distinct from a contract of service which is an employer – employee relationship with protective legislation in respect of contracts and benefits.

PFMICP consultants are paid a lump sum monthly composite fee not subject to other benefits, and should thereby be categorised under part IV of the first schedule for resident contractors under the Income Tax Act of 2000 (section 117) which stipulates that a 5.5% withholding tax deduction from their composite fees and not PAYE.

Withholding taxes payable for the period under review is USD26,489.10 (see attached). Even though withholding taxes on regular staff is a portfolio issue and had been discussed with the Bank several times, there is need to have a formal position from the Bank on this issue across the portfolio for World Bank financed projects, which we trust the newly constituted Project Fiduciary Management Unit will settle. However, the project has communicated to its consultant staff that taxes will be deducted from consulting fees henceforth from July 2018 when new contracts will be issued to consultants even though their fees were negotiated net of taxes".

Auditor's Comment

Management's response was noted. However, the issue remains unresolved.

7.35.2. Underpayment of Withholding Tax

Withholding taxes to be deducted from supplier's payments was calculated at 5% of invoiced price, instead of 5.5% that was supposed to have been deducted from payments made. This was an under deduction and subsequently the amount of USD5,551.58 paid to NRA was underpaid by 0.5 %.

Official's Response

The PC in his response said: "According to the laws of Sierra Leone, the Income Tax Act 2000 amendment of First Schedule provides a rate of 5% withholding tax for payment to contractors. The PMU complied with the deduction and payment of 5% withholding taxes on payments for contractor's goods and services to NRA for the period under review. However, deduction of 5.5% was only acted upon in May 2017 when the information was obtained by the PMU as the new increased tax rate. Subsequent to this all payments were subject to the 5.5% tax deduction".

Auditor's Comment

The outstanding balance is yet to be settled with NRA, therefore the issue remains unresolved.

7.35.3. Slow Implementation of the Annual Work Plan & Budget

Review of the annual work plan and budget (AWP&B) revealed that of a total budget of approximately USD19 million for the period under review, actual disbursement was approximately only USD2 million which amounted to 11% of the total budget. A similar review last year showed that out of a budget of USD17million only USD4 million was disbursed. It is likely that both budgets were either too ambitious, or there were impediments in the way of the implementation of the annual work plan activities. It was recommended that the Project should ensure that set timelines were met so that the objectives of the Project will be achieved. In addition, management should ensure that its planned activities and budget lines were realistic and achievable in a manner that would enable staff deliver in time on the Project's objectives.

Official's Response

The PC in his reply said "The audit findings views disbursement based on the arithmetical aspect of budget vs actual without taking into considerations other significant factors as listed below.

- *Within the AWP are activities which the procurement process spans within two calendar years and as such disbursement may not reflect in the period under review.*
- *Several high disbursement budget activities were cancelled due to reasons such as the customization and deployment of ITAS software budgeted at a cost of \$ 5.2 Million and other completed procurement packages such as the bulk purchase of all computers and accessories as per beneficiary request amounting to \$322,100.00*
- *The AWP also included activities budget as a whole in relation to its expected lifespan rather than the expected annual outlay. It was reasoned that disclosing the total value of the activity was necessary since the annual outlay could not be easily determined at the time of budgeting. Such activities include customization and deployment of Asycuda World in which the total funding ceiling was valued at \$ 2,194,234.00 and of which \$877,693 was paid as 1st installment within the period under review and the balance committed for disbursement to UNCTAD in subsequent years.*
- *The IFMIS activities at a total budget of \$5,993,860 could not be adequately utilised due to the unavailability of an IFMIS Project Manager.*
- *Some completed activities had actual costs below budgeted amounts.*
- *There are also activities for which request for no-objection was made but were rejected by the WB".*

Auditor's Comment

Management response noted. However, the issue remains unresolved.

7.35.4. Follow-Up on Previous Year's Recommendations

During the audit exercise, we followed up on all recommendations made in previous years. A summary of the status of these recommendations is given below:

- *Our review of the AWP&B revealed that the total budget for the period under review was approximately USD17 million. However, the actual disbursement was approximately USD4 million which is only 24% of the total budget. Further review revealed that the non-implementation of some activities in the annual work plan occasioned the slow disbursement of funds.*
- *Withholding taxes on staff consultancy fees amounting to USD 21,616 were not deducted and paid to NRA.*

7.36. DECENTRALISED SERVICE DELIVERY PROJECT II - 2017

7.36.1. Non-deduction and Payment of Statutory Tax

Section 3(1) of the Income Tax Act of 2000 and Section 15 of the Finance Act of 2016 stipulate that income tax should be levied on every person who has chargeable income for the period of assessment. However, the project failed to deduct income tax totalling Le 534,736,750 from payments made to contract staff. This is in violation of these acts. It was recommended that the Programme Coordinator in consultation with the Financial Management Specialist should ensure the following:

- That income tax is deducted as stipulated in the Income Tax Act of 2000 and the Finance Act of 2016.
- That the income tax totalling Le 534,736,750 is deducted from contract staff and paid to the NRA.

Official's Response

The Project Coordinator in his reply said: "Non deduction of withholding tax on consultancy fees for project staff has been a practice since IRCBP. However, this will be further discussed with the Bank to have a clear position on it for all the World Bank funded/administered projects in the country going forward. Deduction of withholding tax will be made when this is finalised".

Auditor's Comment

The issue still remains unresolved as the recommendation had not been implemented.

7.37. REHABILITATION AND COMMUNITY-BASED POVERTY REDUCTION PROJECT (RCPRP) - 7 MONTHS PERIOD ENDING 31st JULY 2017

7.37.1. Understatement of Salaries and Allowances

Review of the statement of receipt and payment by category revealed the following:

- Salaries and allowances, and terminal benefits totalling USD23,653 and USD281,923.87 respectively were incorrectly charged under category I which is mainly for civil works instead of category VII which was for salaries and allowances.
- Salaries and allowances totalling USD3,898 were incorrectly charged under category II which was mainly for vehicles and equipment instead of category VII which was for salaries and allowances.
- Salaries and allowances totalling USD63,216 were incorrectly charged under category V which was mainly for technical assistance, instead of category VII which was for salaries and allowances.
- Allowances totalling USD541 were incorrectly charged under category VIII which was mainly operating cost instead of category VII.

It was recommended the Financial Controller should reclassify these amounts into the correct category to reflect the fair presentation of the financial statements.

Official's Response

The Project Coordinator in his reply said: "Management notes the comment of the auditors. The RCPRP has three different financing agreements. The first two agreements have category for salary and allowances, whilst the third (RCPRP++) didn't have any category for salary and allowances. Following the no-cost extension of one year, a reclassification recommended for these transactions would not be possible as the other finance agreement under which these transactions were charged has no category for salaries and allowances".

Auditor's Comment

The audit recommendation was not implemented as the amount was not reclassified. The issue is unresolved.

7.37.2. Fixed Assets Register not Updated

From the review of the project fixed assets register, the following were observed:

- *Motor vehicles*

Of 19 motor vehicles, only 11 were verified, leaving eight not provided for audit verification. In addition, we verified one vehicle: Great Wall (with registration no. ADL 176) that was not included in the fixed assets register.

- *Motor cycles*

Of 29, only 1 derelict motorbike (Chassis No.: MB625BF1291C48498) with no engine was verified leaving, 28 unverified. Details of three motorcycles were recorded under office equipment category rather than motorcycle category.

- *Office Equipment*

The project had 396 various types of office equipment, such as: computers and accessories, air conditioners, printers, universal power supplies, filing cabinets, etc. However, a staff was not assigned to the audit team to facilitate the physical verification exercise. For some office equipment, the asset codes were not recorded in the fixed assets register.

- *Office Furniture*

The project had 423 various office furniture such tables, chairs, shelves, etc. However, a staff was not assigned to the audit team for the physical verification exercise. Moreover, for some of the office furniture, the asset codes were not recorded in the fixed assets register. For some furniture verified, the asset codes on them were not recorded in the fixed assets register.

It was therefore recommended that the officer-in-charge of fixed assets should make available these fixed assets for audit verification.

Official's Response

The Project Coordinator said: "Management wishes to reiterate and confirm that the vehicles were on field visit with the design mission of a new project. On the issue of the motorbikes, NPCU is informing auditors that they are all packed at various district offices where they were used by staff. The office equipment and furniture are all in the respective location in the District Offices. All these assets are available for verification".

Auditor's Comment

The eight motor vehicles, office equipment and furniture in the NPCU were verified. However, management's responses regarding some of the assets and 28 motorcycles in the DPCU's were still outstanding.

7.37.3. Advance to Staff and Partners not Recovered

A review of the draft financial statements for the seven months ended 31st July 2017 revealed that advance to staff and partners totalling USD6,389 had not been retired and expensed even though the project had come to an end. In addition, terminal benefits had been paid to all staff including the concerned staff without the deduction of advances paid to them. It was recommended that the Acting Financial Controller should ensure that advance to staff and partners are recovered with immediate effect.

Official's Response

The Project Coordinator noted that management had ensured that all these outstanding advances had been retired as at close of the project of 30th September 2017. He mentioned that the documents were available for verification.

Auditor's Comment

Retirement details for the amount advanced to staff totalling USD6,389 were not submitted for verification. The issue is therefore unresolved.

7.37.4. Follow-Up on Previous Year's Recommendations

During the audit exercise, we followed up on all recommendations made in previous years. A summary of the status of these recommendations is given below:

▪ Construction of ward offices

Completion certificates were not issued to the contractors in respect of ward offices alleged to have been completed.

▪ Assets not marked

- *Physical verification of project fixed assets in the District Project Coordinating Units (DPCU) revealed that newly bought fixed assets were not marked with the project's unique identification codes.*
- *Inventory lists of assets were not attached on the doors of offices where assets are located, in contravention of the provisions in the Finance and Administrative Manual that state list of items in any location should be affixed to the door.*

▪ Long outstanding reconciling items

Review of bank reconciliation statement revealed that long outstanding reconciling items were still visible in the bank reconciliation statement.

▪ Long outstanding payables

- *Amount showed as payables in the financial statement included long outstanding debt of \$12,501.27 and \$30,114 owed to SCPGASP and ASREP respectively.*
- *It was worth noting that ASREP was completed in 2013 and that amount was not paid and was still reported in the financial statement of the project.*

▪ Review of Information Technology

Review of the information technology infrastructure of the project revealed the following weaknesses:

- *There was no business continuity or disaster recovery plan in operation, to identify, reduce and manage risks from significant IT breakdowns.*
- *The project has not established an appropriate IT security policy document.*

- Regular backups taken from all data are not stored in a safe place, e.g., post office safe deposit box instead of backup data being stored at the residence of the head of IT.
- The website is not uploaded regularly to inform users about the activities of the project.
- The TORMACHE software procured to assist in the monitoring of procurement actions and status could not performed the task for which it was acquired, and it is almost impossible to interface the TOMPRO software used by the account division.
- Passwords are not changed periodically (at least every 3 months).

▪ **Accounts Prepared Using Microsoft Excel**

The financial transactions of the project were processed using the TOMPRO accounting software. We however observed that the financial statements provided for audit purpose were prepared using Microsoft Excel.

▪ **Government Counterpart Contributions**

Government counterpart contributions were estimated but not disclosed in the financial statements.

From the review of RCPRP Financing Agreement, Government of Sierra Leone (GoSL) was to contribute USD3,620,000 to cover taxes and duties and other programme implementation costs, including supervision. It was however observed that the GoSL had made in-kind contributions in the form of tax and duties exemptions, fixed assets contributions, supervision, etc. but those had been estimated but not disclosed in the financial statements of the project.

▪ **Completion Certificates not Issued**

Section 321 of the IFAD Financial and Administrative Procedure Manual states: "For large contracts, the supervising engineer (either from a contracted engineering bureau or from a technical MAFFS department) in charge of the monitoring and supervision of the works also issues certificates of completion to certify the amount of works completed".

The audit team reviewed payments for ward offices and feeder roads. Even though final payments had been made, certificate of completion had not been issued to certify the amount of works completed.

▪ **Understatement of Salaries and Allowances**

Our review of the statement of receipt and payment by category revealed that salaries and allowances totalling USD174,518 was incorrectly charged under category I which was mainly for civil works instead of category VII which was for salaries and allowances.

▪ **Long Outstanding Receivables**

A total of USD35,864 receivables are still outstanding as at 31st December 2016.

▪ **Fertiliser account**

Supporting documents for deposits totalling L£401,456,000 and withdrawals totalling L£ 475,320,000 from the fertiliser accounts were not submitted for audit inspection.

▪ **IFAD Approval not provided**

A review of the fertiliser account revealed that proceeds from the sale of fertilisers were used to set up a rice processing company called Ripmco. Further inquiries from the NPCU revealed that approval had not been granted by IFAD. Moreover, it was noted that this issue was highlighted by the IFAD supervision mission report from 6th – 24th March 2017, noting that the following documents were requested by the supervisory team:

- The signed agreement by MAFFS and the Ministry of Finance or from the Steering Committee that allow transfer funds from Agricultural Development Fund account to a private company account.
- Agreement from MAFFS and IFAD about the legal consideration about identification of beneficiaries of assets.

- The 2016 annual activity report about the operation of Ripmco.
- The 2017 Business Budget and Work Plan.
- Official employees' contracts.
- The validated final version of Ripmco's business plan.

At the request of those documents during the audit, only the bank statement was submitted to the audit team.

7.38. REVITALISING EDUCATION DEVELOPMENT PROJECT (REDISL) – 2017

7.38.1. Non Deduction of Withholding Taxes

Payments were made for various activities for which withholding taxes which amounted to USD14,808 were neither deducted, nor paid to NRA. In addition, a review of the project's cashbooks and sample of payment vouchers revealed that withholding taxes deducted totaled USD26,026, but evidence of payments of these taxes to NRA were not submitted for audit inspection. The Project Coordinator in consultation with the Financial Management Specialist should ensure the following:

- That withholding tax was deducted as stipulated in the Income Tax Act of 2000 and the Finance Act of 2016.
- That the various 5.5% withholding taxes which amounted to USD14,808 are deducted from payments made to suppliers and contractors and paid to the NRA.
- That the receipt in support of withholding taxes paid, which amounted to USD26,026 is submitted for audit inspection.

Official's Response

The Project Coordinator in his reply said: "These were payments made for workshops, meetings and reimbursable (air tickets, hotels, per diems etc.) to consultants. Going forward however, we will ensure that for all future payments for such activities, taxes will be deducted from payment made to staff or consultants.

Withholding taxes were deducted from all suppliers' invoices and paid to the National Revenue Authority. Final payments made in 2018 did not fall within your current scope. All receipts, schedule of payments and certificates are available for verification".

Auditor's Comments

Evidence of deductions from payments to suppliers and contractors and the subsequent payment of such deductions to NRA were not made available for audit verification. Therefore, the issue remains unresolved. Of the total withholding tax of USD26,026, NRA receipts and spreadsheets representing USD22,830 were submitted and reviewed, leaving a balance of USD3,195. The issue remains partially resolved.

7.38.2. Construction of Buildings

Verification conducted on the construction of pre-primary schools for early child learning revealed the following:

- Construction work on the pre-primary school in Bumpeh, Pujehun District was incomplete and had been abandoned by the contractor.
- The roof of the pre-primary school in Sahun, Pujehun District was damaged.
- Construction work on the ECD Model Centres had been completed. Furniture for the Centres had been supplied, but the facility had not been handed over to the college administration at the time of the audit.

It was recommended that the Project Coordinator in collaboration with the supervising engineer should ensure that the contractor completes the construction of the Bumpeh-Pujehun Pre-primary School and

repair the damaged roof of the Sahun, Pre-primary School. In addition, plans should be instituted to facilitate the prompt transfer of the ECD Model Centres to the college administration.

Official's Response

The PC said that they will follow-up with the council engineers and contractors to ensure that the anomalies were rectified.

Auditor's Comment

No evidence was submitted to substantiate the completion of the construction of the school in Bumpeh, Pujehun District and the repair of the damaged roof of the pre-primary school in Sahun even though full payment had been made to the contractor. Therefore the issue remains unresolved.

7.39. WEST AFRICA REGIONAL COMMUNICATIONS INFRASTRUCTURE PROGRAM - 2016

7.39.1. Funds Received from NATCOM Paid into the Project's Special Account

It was observed that USD486,493 was transferred by the National Telecommunications Commission (NATCOM) into the project's special account in respect of international gateway funds instead of through the Ministry of Information and Communication's main account; contrary to Section 5.5 of the Project Implementation Manual (PIM) which specified that a special account should be opened mainly for project funds and to undertake project activities. It was recommended that the Project Coordinator should provide reasonable explanation supported by documentary evidence why the project's account was used for purposes other than those intended.

Official's Response

The Project Coordinator in his response said: "We acknowledge this as a one-time occurrence which I the Project Coordinator objected to despite the reasons which had prompted the Ministry of Information (MOIC) to effect such transactions. Further, it should be noted that the Project Coordinator had no fiduciary control over any MOIC designated funds. Both the Permanent Secretary and the MOIC's Accountant are signatories to the project dedicated accounts. In fact, they were opened prior to the employment of the project implementation staff who were merely consultants/contractors".

Auditor's Comment

Management's response is noted. The issue however remains unresolved, as the Project Implementation Manual was not strictly adhered to.

7.39.2. Construction of Cubicles for Fibre Optic Cables Countrywide

Our review of the records for the above contract revealed that the contract was awarded to Base Construction Services on 3rd March, 2015 for a contract sum of USD200,000. The funds received from NATCOM in respect of the international gateway were used to finance this activity. Analysis of the contract revealed significant lapses in the procurement process. These lapses are summarised below:

- We noted that tendering procedures were not followed in the award of the contract to Base Construction Services. In this regard, records including, advertisement (both local and international), structural design, bills of quantities, procurement and evaluation committees' minutes, etc. were not submitted to the audit team for review in order to ascertain how Base Construction Services was selected for the contract.
- The standard contract agreement issued by the National Public Procurement Authority for mandatory use by all procuring entities was not used. As a result, the signed contract was vague without the inclusion of the general and specific terms of the contract and the schedule of requirement stating where the constructions were to be carried out. Moreover, we noted that the Solicitor-General's advice was not sought during the formation stage of the contract.

- The audit team was unable to carry out physical inspections or verifications of the eight cubicles that were purported to have been constructed at the various locations. Additionally, there was no mention of construction sites of these cubicles in the contract.
- As this was a construction contract, it was expected that the service or advice of the Ministry of Works or a consulting firm should have been sought to help in the design, monitoring and supervision of the project. However, evidence of the involvement of the aforementioned parties was not submitted to the auditors for review. Instead, the team was provided with a certificate of completion duly signed by the Accountant and the Permanent Secretary. It is of grave concern that these officials do not have the technical know-how in dealing with construction contracts.
- It was worth noting that the project was suspended at the time of signing the contract. Further to this, the Annual Work Plan and Budget (AWPB) for 2016 showed that the activity was not included in the AWPB.

It was recommended that with immediate effect, steps should be taken to recover the amount in question.

7.39.3. Undisclosed Bank Account

During a review of the bank confirmation received from the Sierra Leone Commercial Bank (SLCB), it was observed that the project maintained two bank accounts with the SLCB. However, no disclosure of account was made in the financial statement. Furthermore, discussions held with the accountant revealed that the project had closed the bank account but evidence of closure was not submitted for audit review. The Project Coordinator should therefore submit the evidence of closure of the said bank account as well as details of account balance as at date of closure.

7.39.4. Fixed Asset Not Coded

Fixed assets acquired to the tune of USD3,281 were not marked with durable identification codes. There is a risk that these assets may be converted into personal use. It was recommended that the Accountant should ensure that all the project assets are coded.

7.39.5. Payments without Supporting Documents

Payment vouchers and relevant supporting documents for amounts totalling USD8,086 and USD30,000 in respect of World Bank and NATCOM funds respectively were not submitted for audit review. It was recommended that the Accountant should refund these amounts into the project account and evidence of payment submitted for audit inspection.

Official's Response

The Project Coordinator said that due to unavoidable circumstances, the project Accountant who was also the MOIC's Accountant, was unable to present these documents. He however noted that the documents were now available for inspection.

Auditor's Comment

The supporting documents were not submitted for verification. The issue remains unresolved.

7.39.6. Payment Vouchers without Adequate Supporting Documents

The following were observed:

- After inspection of the payment vouchers, it was observed that some of the payment vouchers amounting to USD368,783 and USD48,516 for World Bank and NATCOM funds respectively, were without adequate supporting documents such as approved request, certificate of work done, invoice, receipt, etc.
- An amount of USD201,144 was reported as NATCOM support to the Ministry. However, we observed that the payment instructions were made in the name of individuals working for the project who collected the monies and then paid to the Ministry in cash. The nature of the

support was not captured on the payment vouchers. Returns were also not submitted to the audit team which could have been used to determine the actual purpose for which these funds were withdrawn. It was recommended that the Accountant should submit the relevant supporting documents for audit inspection.

Official's Response

The Project Coordinator said that due to unavoidable circumstances, the project Accountant who was also the MOIC's Accountant, was unable to present these documents. He however noted that the documents were now available for inspection.

Auditor's Comment

- From the total amount of USD368,783 relating to project funds, documents were submitted to substantiate the payment of USD94,259 leaving USD274,524 outstanding.
- A review of the supporting documents submitted to account for funds provided by NATCOM, revealed that the activities undertaken were doubtful. In some instances, the same receipts were submitted to justify activities undertaken in different parts of the country. In other instances, receipts were issued even before request and payment vouchers were raised and goods received.

7.39.7. Withholding Tax not Paid to NRA

Withholding taxes which totalled USD9,986 and USD10,889 in respect of World Bank and NATCOM funds respectively were not deducted and paid to the NRA from payments made to suppliers for goods and services as specified by Section 117(4) of the Income Tax Act, 2000 as amended by section 36 of the Finance Act, 2016. It was recommended that complete and accurate calculations of withholding tax be made and the full amount paid to NRA.

7.39.8. Payments Made directly to Individual Rather than to Suppliers or Service Providers

The sums of USD136,441 and USD212,060 in respect of funds from World Bank and NATCOM respectively were paid directly to individuals instead of suppliers or service providers. It was recommended that the Project Coordinator give adequate explanation for this occurrence; and that the project desist from such practices. It was also recommended that all further payments be addressed in the name of the supplier or service provider and not individuals.

Official's Response

The Project Coordinator in his response said: "Payments were made to MOIC staff for funds meant as support to the MOIC and, for the PIU as a consequence of running against time 31st July Project Closing date), unlike in the past five years".

Auditor's Comment

The justification given for making payments directly to staff of the project and Ministry is unacceptable as stringent financial management procedures were not followed. The issue is therefore unresolved.

7.39.9. Consultancy Fees Paid Without "No Objection" from the World Bank

During the period of March 2014 to September 2015, the project was suspended. It was however observed that consultancy fees totalling USD18,000 was paid to project staff for the period July to September 2015 without "No Objection" from the World Bank. It was recommended that the Project Coordinator should ensure that the "No Objection" from the World Bank is submitted for audit review; otherwise, the whole amount should be accounted for by the responsible officers.

Official's Response

The Project Coordinator said: "These salaries were paid during the project suspension period. The financing agreement

between the World Bank and the Government of Sierra Leone placed an obligation on the MOIC to ensure that the PIU was maintained throughout the project's life. The PIU was in office at that time working towards the lifting of the suspension. The World Bank is aware of it".

Auditor's Comment

Management's response was noted. However, the "No Objection" from the World Bank was not provided. The issue therefore remains unresolved.

7.39.10. Non Submission of Quarterly Project Progress Reports

Section 3.4 of the Project Implementation Manual and the terms and conditions of service, stipulate that one of the project coordinator's responsibilities is to prepare and submit quarterly project progress reports to the Ministry of Information and Communication and the World Bank. These reports were not made available for audit review.

Auditor's Comment

No response was received for this query. The issue therefore remains unresolved.

CHAPTER VIII - SCHOOL AND VOCATIONAL INSTITUTIONS

TABLE OF CONTENT

MAIN POINTS.....	341
8.1. NON-SUBMISSION OF DOCUMENTS FOR AUDIT INSPECTION	341
8.2. PAYROLL AND HUMAN RESOURCES MANAGEMENT	342
8.3. INADEQUATE CONTROL OVER REVENUE AND RECEIPTS	342
8.4. MONTHLY BANK RECONCILIATIONS NOT PREPARED	343
8.5. PROCUREMENT PROCEDURES NOT FOLLOWED	344
8.6. DISBURSEMENT PROCEDURES NOT ADEQUATELY FOLLOWED.....	344
8.7. POOR FIXED ASSET MANAGEMENT	346

MAIN POINTS

What We Examined

This year, we have continued our focus on audits of schools on high risk areas. By risk we mean, the possibility of something undesirable happening at some time in the future that could have a negative impact should it occur. For each school selected, we examined a test sample of payroll, revenue, assets management and expenditure transactions. Our audit objective was focused on evaluating the adequacy of internal controls in the collection of fees and on expenditure from those sums which served as a platform for effective school operations as well as procedures. We also sought to determine whether applicable laws, policies and regulations had been complied with and whether the systems and practices were adequate to exercise a reasonable level of internal control over operating activities.

Why It Is Important

It is self-evident that the citizens of Sierra Leone value education for their children and themselves. Education is needed for the advancement of society and poverty reduction. It is a building block for economic development. Sierra Leoneans are greatly concerned about what they perceive to be poor performance by students in government schools. They are more than a little concerned too about the value for money reflected in the performance of the school system as a whole. Government policy and the expenditure of significant public funds to get the desired results is a reaction to the wishes of the people. If it is important for them, it is also important for ASSL.

What We Found

Our reviews showed that the MEST has done very little to ensure that corrective action is taken to address administrative and financial management issues in the secondary school system. Basic procedures not observed are as follows:

- Non-submission of documents for audit inspection.
- Ineffective human resource management.
- Inadequate control over revenue and receipts.
- Monthly bank reconciliations not prepared.
- Procurement procedures not followed.
- Disbursement procedures not adequately followed.
- Poor fixed assets management.

In future years, we will continue to review the situation and we would hope to see evidence of improvement.

8.1. NON-SUBMISSION OF DOCUMENTS FOR AUDIT INSPECTION

Section 18 (1) (a) of the Education Act 2004 requires the manager of a school to keep such records, statistics and accounts, to make such returns and report to the Ministry at such times, in such manner, as may be prescribed by the Minister. This requirement was not met as some schools failed to submit accountable documents for audit review.

The following were observed:

- Contract documents for government supplies, to the Government Secondary School for Boys, Magburaka and Government Secondary School for Girls, Mathora, for a contract sum of Le1,086,809,500 and Le999,970,000 respectively, were not made available for audit inspection.
- Similarly, salary voucher were not submitted by three schools for audit inspection. The estimated value of the salary paid was Le142.6million. This indicated poor records management.

Table 8.1 Salary Vouchers not Submitted for Audit Inspection	
Name of School	Amount (Le)
Our Lady of Guadalupe Secondary School-Lunsar	107,611,830.00
Marampa Islamic Secondary School-Lunsar	8,869,227.00
Missionary Church of Africa Secondary School-Magburaka	26,125,263.00
Total	142,606,320.00

8.2. PAYROLL AND HUMAN RESOURCES MANAGEMENT

Poor Maintenance of Staff Personal Files

A review of the staff personal files revealed that personnel files of some teachers lacked vital information such as; appointment letters, academic credentials/certificates, signed and approved employment data (ED) forms, birth certificates, etc.

Section 18 (1) (a) of the Education Act 2004 also requires the manager of a school to keep a register of teachers employed, showing the particulars of such teachers. In some instances, we experienced worse situations where personnel files were not maintained for teachers. Personnel information not maintained by the school may lead to inappropriate or misleading information of teachers. It was recommended that relevant personnel information must be adequately managed.

In spite of our recommendations in previous audit reports, schools still continue to retain the services of unapproved teachers. It was also observed that staff appraisals were yet to be effectively carried out in most of the schools audited.

Unclaimed Salaries

There was no evidence proving that unclaimed salaries for three schools, amounting to Le83.6 million, were paid back to the CRF. Nor was there evidence indicating these monies were paid to the intended beneficiaries. There is a risk salaries may be made to non-existing beneficiaries.

Table 8.2 below identifies schools for which unclaimed salaries were not paid into the CRF.

Table 8.2 Unclaimed Salaries	
Name of School	Amount (Le)
Government Technical Institute	16,837,939.00
Freetown Secondary School for Girls (JSS)	40,837,832.00
Bureh Secondary School – Mange Bureh	25,790,741.00
Total	83,466,512.00

8.3. INADEQUATE CONTROL OVER REVENUE AND RECEIPTS

The following were observed during a review of controls over schools management of revenue and receipt:

i. Fees Collected not Banked

Section 40 (1) of the FMR, 2007 states that: “The vote controller is personally responsible for ensuring that adequate safeguards exist and are applied for the assessment, collection of and accounting for such

revenues and other public monies relating to their departments or offices”. Contrary to this provision, money totalling Le703.1million was collected but not banked. It was put into immediate use by the school administration.

Table 8.3 Revenue/Fess not Banked/Accounted For	
Name of School	Amount (Le)
Freetown Secondary School for Girls (JSS)	22,360,060.00
United Muslim Association Junior Secondary School – Kenema	20,551,000.00
Lokomasama Secondary School-Port Loko	63,960,0000.00
Maforiki Agricultural Islamic Sec School Port Loko	2,317,453.00
Sierra Leone Muslim Brotherhood Junior Secondary School- Makeni	1,814,000.00
Bo Government Secondary School	16,456,000.00
Total	703,098,513.00

ii. Receipts not Issued in the Collection of School Fees

A review of the receipt books and bank statements revealed that receipts were not issued for school fees collected which amounted to Le31.8million. This practice facilitates fraud and corruption. The Principal should undertake proper supervision and review to ensure that proper receipts are issued immediately tuition fees and other funds are collected and copies of these are properly safeguarded for reference, audit purposes and other investigations. School authorities should ensure that receipt books used in the collection of the above amount are presented to ASSL for inspection.

Table 8.4 Receipts not Issued for School Fees	
Name of School	Amount (Le)
Badrudeen Islamic Junior Secondary School – Kenema	22,460,445.00
Luke’s Commercial Junior Secondary School – Kenema	5,575,000.00
Luke’s Commercial Senior Secondary School – Kenema	3,791,416.00
Total	31,826,861.00

iii. Arrears of School Fees

Sections 40 (1) and 52 (1) of the FMR, 2007 emphasise the need for the vote controller to exercise adequate control over the assessment and collection of revenue.

Section 45(3) of Education Act, 2004 states: “A pupil in respect of whom any of the prescribed fees are due or are owed may be refused admission or re-admission, as the case may be, to any school, or if he has been readmitted, may be excluded from school until all the prescribed fees due up to the date of such exclusion have been paid.” There were arrears of fees for the period under review. This may undermine the school’s planned commitments. The principal should ensure that for each school term, a deadline is set for the payment of fees and disciplinary action taken against defaulters.

8.4. MONTHLY BANK RECONCILIATIONS NOT PREPARED

A number of schools audited did not perform regular bank reconciliations during the period subject to audit. It is critical that institutions reconcile their books of accounts regularly. This ensures that

accounting entries recorded in the cashbook, represent all transactions carried out, and that amounts recorded are correct. Failure to reconcile the bank accounts is a poor practice that renders unreliable the cash balance recorded in the cashbook, the reporting of revenue and expenditure. It is critical that the schools perform bank reconciliations at the end of each month. All differences should be fully investigated, explained and, where necessary, the appropriate corrections are made.

8.5. PROCUREMENT PROCEDURES NOT FOLLOWED

Procurement without Three Requests for Quotations (RFQs)

RFQs in support of payments made, amounting to Le151million as provided for in section 45 of the Public Procurement Act, 2016 for procurement below Le60 million were not made available for inspection. There is a risk that procurement may not have been open and competitive. The Principal should ensure that the RFQs are submitted for verification. In future, the choice of procurement methods must be appropriate and procurement must be subjected to open and competitive selection/bidding in accordance with the Public Procurement Act, 2016 and the necessary procurement documents should be retained for audit and internal reference purposes.

Table 8.5 below identifies schools that did not adequately follow procurement procedures.

Table 8.5	
Procurement Procedures not Adequately Followed	
Name of School	Amount (Le)
Young Women Christian Association	41,536,000.00
Ahmadiyya Muslim Secondary School- Blama	5,058,000.00
Badrudeen Islamic Junior Secondary School – Kenema	10,232,000.00
United Muslim Association Junior Secondary School – Kenema	2,635,000.00
Government Senior Secondary School – Kenema	3,145,000.00
Government Junior Secondary School – Kenema	1,230,000.00
Queen of The Rosary Junior Secondary School – Bo-	52,236,500.00
Namya Islamic(JSS) – Bo	34,960,000.00
Total	151,032,500.00

8.6. DISBURSEMENT PROCEDURES NOT ADEQUATELY FOLLOWED

i. Payments without Supporting Documents

Section 73(1) of the FMR, (2007) states that: “All disbursements of public money should be supported by an appropriate payment voucher and other relevant documents”. Supporting documents for payments made by school authorities, totalled Le163.4 million were not presented for audit inspection during 2017. As these documents were not made available, there is a risk that these payments were made for goods or services not actually delivered. In addition, it is impossible to conclude whether these payments had followed the proper procedures as laid down in law. It was recommended that all supporting documents in relation to these transactions should be submitted to the ASSL for inspection. In future, all supporting documents must be attached to PVs and retained for audit purposes.

ii. Payments without Adequate Supporting Documents

Other disbursements totalling Le83.3million were undertaken for which some supporting documents were submitted. However, the nature of these supporting documents was insufficient to fully substantiate the payments. For example, some payments were not supported by receipts, invoices, delivery notes and

other relevant documentation, as well as payment vouchers. It was therefore recommended that the institutions concerned should submit the relevant supporting documents to the ASSL. In future, all supporting documents should be retained and made available for audit inspection.

Table 8.6 identifies schools that did not adequately follow disbursement procedures.

Table 8.6 Disbursement Procedures not Adequately Followed		
Name of School	Payment without Supporting Documents	Payments without Adequate Supporting Documents
	(Le)	(Le)
Freetown Secondary School for Girls (JSS)	71,065,791.00	12,189,000.00
Freetown Secondary School for Girls (SSS)		3,751,100.00
Our Lady of Guadalupe Secondary School-Lunsar		17,976,000.00
Marampa Islamic Secondary School-Lunsar		11,650,000.00
Missionary Church of Africa Secondary School-Magburaka		2,900,000.00
Sierra Leone Muslim Brotherhood Secondary School- Bo		4,751,000.00
St. Andrew's Junior Secondary School-Bo		30,047,000.00
Alhadi Islamic Junior Secondary School-Makeni	1,000,000.00	
Alharkan Islamic Muslim Junior Secondary School –Makeni	800,000.00	
Sierra Leone Muslim Brotherhood Junior Secondary School- Makeni	3,540,000.00	
Sierra Leone Muslim Brotherhood Senior Secondary School –Makeni	5,007,000.00	
Missionary Church of Africa Secondary School-Magburaka	79,587,000.00	
Namya Islamic (JSS) – Bo	11,090,000.00	
Bo Government Secondary School	2,355,973.	
Total	163,355,764.00	83,264,100.00

iii. Withholding Taxes not Deducted and Paid to National Revenue Authority (NRA)

An amount of Le12.2million in withholding were not deducted and paid to NRA as specified by section 117(4) of the Income Tax Act 2000. All principals of secondary schools should ensure that withholding taxes are deducted properly and paid to NRA. The amounts identified during the audits should be recovered and paid to NRA. Evidence of payment should be forwarded to the ASSL for verification, and the Commissioner of Income Tax should take the necessary action in ensuring that these taxes are immediately collected and paid over to the NRA. The Government of Sierra Leone relies on tax revenue to finance key public services. Failure to properly and fully deduct, collect and remit withholding taxes reduces available government revenue and ultimately, reduces the level and quality of public service received by citizens.

Table 8.7 below identifies schools that did not deduct withholding taxes and Paid to NRA.

Table 8.7 Withholding Taxes not Deducted and Paid to NRA	
Name of School	Withholding Taxes not Paid to NRA
	(Le)
Freetown Secondary School for Girls (JSS)	400,000.00
Bureh Secondary School – Mange Bureh	992,690.00
Our Lady of Guadalupe Secondary School-Lunsar	2,145,145.00
Queen of the Rosary Junior Secondary School – Bo	1,028,025.00
Namya Islamic-JSS– Bo	2,048,000.00
St. Andrew's Junior Secondary School- Bo	1,008,300.00
St. Andrew's Senior Secondary School-Bo	4,603,850.00
Total	12,226,010.00

8.7. POOR FIXED ASSET MANAGEMENT

A number of schools audited did not maintain fixed assets registers and, in some cases, assets did not have unique identification numbers for easy identification. This contravenes section 231(1) of the FMR 2007. Failure to maintain a fixed asset register makes it virtually impossible to maintain adequate control over assets held. Fixed assets registers should be introduced immediately and the school authorities must ensure that the location and state of all assets are checked on a regular basis, and evidence of such should be documented. In addition, with immediate effect, all assets should be marked with unique codes.

APPENDIX

(ESTIMATED CASH LOSSES FOR THE YEAR ENDING 31ST DECEMBER 2017)			
MDA	Details	Page Ref.	Cash Loss (Le)
Ministry of Finance and Economic Development-2017	Withholding taxes not deducted and paid to the NRA.	115	7,100,000
Ministry of Education, Science and Technology, Kenema – 2017	Outstanding payments to two schools for school feeding.	125	24,067,824
Ministry of Education, Science and Technology, Bombali District-2016	Fuel records not produced for the utilisation of fuel.	126	27,750,000
Ministry of Education, Science and Technology, Kono – 2015-2016	Unjustified use of fuel (Le20,721,000 and Le22,722,500)	127	43,443,500
Government Hospital Bo-2017	Two deceased staff still on payroll.	132	7,500,000
Government Hospital Tonkolili – 2016	Theatre fees not accounted for. (Le15,382,500 and Le15,513,600)	144	30,896,100
	Essential drugs from DSDP not accounted for.	145	30,000,000
Government Hospital, Makeni-2017	Revenue not accounted for.	146	160,038,000
	Staff who had exceeded the statutory retirement age still on payroll.	151	13,794,650
Government Hospital Makeni -2016	Overpayment to a cleaning company.	151	202,827,000
Government Hospital Pujehun- 2017	Revenue collected not deposited into bank and no justification for its utilisation.	155	13,514,000
	Fuel not accounted for.	155	59,700,000
Government Hospital Port Loko - 2015-2016	Receipt books not made available for audit inspection.	157	14,705,000
	Revenue not banked but used without supporting documents.	157	51,951,138
	Revenue not accounted for. (Le165,692,800 and Le43,440,000)	157	209,132,800
	Expenditure without supporting documents.	158	7,686,250
	Fuel not accounted for. (51,706,250 and 17,883,750)	158	69,590,000
Primary Health Care, Bombali – 2017	Payments without supporting documents.	160	95,767,000

(ESTIMATED CASH LOSSES FOR THE YEAR ENDING 31ST DECEMBER 2017)			
MDA	Details	Page Ref.	Cash Loss (Le)
	Expenditure incurred and overstated during the period under review.	160	10,240,000
	No distribution lists for drugs.	161	110,000,000
Periphiral Health Center, Port Loko - 2015-2016	Cost recovery drugs not accounted for.	162	52,582,500
District Health Management Team, Bo -2017	Cashbook and supporting documents not produced for inspection.	163	214,861,253
	Drugs not brought to account.	164	49,531,425
District Medical Health Team, Pujehun- 2017	Disbursements without supporting documents.	171	1,406,003,007
	Payments without supporting documents.	171	3,536,222,297
	No supporting documents for the utilisation of fuel.	171	60,036,500
Ministry of Agriculture, Forestry and Food Security- 2017	Fuel unaccounted for.	172	85,106,750
	Excess allocation of 7,695 litres of fuel.	172	46,170,000
	Excess allocation of 8,073 litres of fuel.	172	48,438,000
Ministry of Agriculture, Forestry and Food Security, Pujehun- 2017	Cash distributed to unregistered Farmer Base Organisations.	184	180,000,000
Ministry of Fisheries and Marine Resources -2017	Cash withdrawals without supporting documents.	192	188,197,500
	Withholding taxes not deducted and paid to the NRA.	194	3,520,300
Ministry of Social Welfare, Gender and Children's Affairs, Bo – 2016	Salaries not accounted for.	195	55,200,000
Ministry of Social Welfare, Gender and Children's Affairs, Kenema- 2015 – 2016	Non retirement of allocations.	198	107,949,000
Ministry of Social Welfare, Bombali- 2015-2016	Fuel not accounted for.	199	9,472,500
Provincial Secretary's Office, Northern Region –2016	Withholding taxes not deducted and paid to the NRA.	200	7,270,000
	Fuel not accounted for.	200	481, 921,540
Justice Sector Coordination Office-2017	Procurement documents not presented for audit inspection.	201	44,658,370
Office of Administrator And Registrar General- 2017	Revenue collected but not traced to the CRFA.	209	17,112,000

(ESTIMATED CASH LOSSES FOR THE YEAR ENDING 31ST DECEMBER 2017)			
MDA	Details	Page Ref.	Cash Loss (Le)
Sierra Leone Correctional Services, HQ- 2017	Proceeds from the sale of bid documents not accounted for.	221	23,400,000
Sierra Leone Correctional Service, North – 2016	Dietary supplies not accounted for.	226	2,454,091,150
	Fuel unaccounted for.	227	39,375,000
Rokel Commercial Bank- 2016	Payment without supporting documents.	241	11,200,000
National Revenue Authority - 2015-2016	Tax on Terminal Benefits not paid. (Le27,879,657 and Le 3,533,262)	248	31,412,919
National Social Security And Insurance Trust -2015	Contract awarded for a value more than the bid price.	250	876,718,613
Sierra Leone Road Transport Corporation - 2011 - 2013	Bus Hire Income receipts and other supporting documentation not presented for audit inspection.	258	509,661,500
	Expenditure without supporting documents. (Le269,786,761, Le581,280,595 and Le 487,940,507)	258	1,339,007,863
National Minerals Agency-2016	Revenue collected by the NMA not transferred to the CRFA.	264	11,687,908,525
Sierra Leone Telecommunications Company Limited- 2015-2016	Taxes not deducted and paid to the NRA. (Le66,005,147 and Le85,575,383)	276	151,580,530
Judiciary and Legal Service Commission-2017	Revenue collected not traced into the CRFA.	302	32,383,130
Njala University- 2013-2015 <i>College Secretariat</i>	Payments without supporting documents. (Le1,941,240,520, Le2,575,183,966, Le3,878,717,042, Le651,124,349 and Le777,353,850.)	318	9,823,619,727
Njala University- 2013-2015 <i>Bo Campus</i>	Payments without supporting documents. (Le25,200,000 and Le128,456,600)	318	153,656,600
Njala University- 2013-2015 <i>Njala Campus</i>	Payments without supporting documents.	317	61,383,215
	Withholding Taxes not deducted and paid to the NRA.	319	721,569,968
	Motor vehicles not accounted for.	322	18,700,000
	Supporting documents not provided in respect of the	322	1,307,497,375

(ESTIMATED CASH LOSSES FOR THE YEAR ENDING 31ST DECEMBER 2017)			
MDA	Details	Page Ref.	Cash Loss (Le)
	amounts paid to NASSIT and NRA.		
GRAND TOTAL			37,211,085,979