

Transmittal Letter



December, 2020

The Clerk
Sierra Leone House of Parliament
Tower Hill
Freetown

Dear Sir,

In accordance with Section 119 (4) of the 1991 Constitution of Sierra Leone, I have the pleasure and honour to submit my report on the Accounts of Sierra Leone for the financial year ended 31st December, 2019.

Yours faithfully,

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

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LIST OF ABBREVIATIONS AND ACRONYMS

ACC	-	Anti-Corruption Commission
AFROSAI-E	-	African Organisation of Supreme Audit Institutions - English-speaking countries
AGD	-	Accountant General Department
ASSL	-	Audit Service Sierra Leone
BSL	-	Bank of Sierra Leone
CA	-	Chief Administrator
CAM	-	Compliance Audit Manual
CBIPSAS	-	Cash Basis International Public Sector Accounting Standards
CF	-	Consolidated Fund
COVID-19	-	Corona Virus Disease, 2019
CSOs	-	Civil Society Organisations
DAO	-	District Agriculture Officer
DFID	-	Department for International Development
DHMT	-	District Health Management Team
DMO	-	District Medical Office(r)
EDSA	-	Electricity Distribution and Supply Authority
EGTC	-	Electricity Generation and Transmission Company
EIA	-	Environment Impact Assessment
EPA	-	Environment Protection Agency
FAM	-	Financial Audit Manual
FAR	-	Fixed Assets Register
FMR	-	Financial Management Regulations
FTT	-	Foreign Travel Tax
GM	-	General Manager
GoSL	-	Government of Sierra Leone
GPFS	-	General Purpose Financial Statements
GST	-	Goods and Services Tax
HRMO	-	Human Resources Management Office
IAS	-	International Accounting Standards
ICB	-	International Competitive Bidding
ICT	-	Information, Communication and Technology
IFMIS	-	Integrated Financial Management Information System
IFRS	-	International Financial Reporting Standards
IPAM	-	Institute of Public Administration and Management
IHPAU	-	Integrated Health Project Administration Unit
INTOSAI	-	International Organisation of Supreme Audit Institutions
IPSAS	-	International Public Sector Accounting Standards
ISSAIs	-	International Standards of Supreme Audit Institutions
LPO	-	Local Purchase Orders
MOF	-	Ministry of Finance
MDAs	-	Ministries, Department and Agencies
MS	-	Medical Superintendent
MTNDP	-	Medium Term National Development Plan

NATCOM	-	National Telecommunications Commission
NCB	-	National Competitive Bidding
NCP	-	National Commission for Privatisation
NMA	-	National Minerals Agency
NPPA	-	National Public Procurement Authority
NRA	-	National Revenue Authority
NTB	-	National Tourist Board
PAC	-	Public Accounts Committee
PAYE	-	Pay-As-You-Earn
PFMA	-	Public Financial Management Act
PPR	-	Public Procurement Regulations
PS	-	Permanent Secretary
RDTs	-	Research Development and Trainings
SAI	-	Supreme Audit Institution
SDGs	-	Sustainable Development Goals
SLP	-	Sierra Leone Police
RFQ	-	Request for Quotations

AUDITOR-GENERAL'S STATEMENT



We have over the years conducted audits on a wide range of services and programmes delivered by ministries, department, government agencies and other institutions in the broader public sector.

We have identified areas that need improvement and have taken great care to make practical recommendations based on our audit findings. Recommendations are a critical part of our audit reports. Their implementation is important to drive positive improvements in the cost-effective delivery of programmes and services for Sierra Leoneans. The audit process seeks input and agreement on these recommendations from senior management in the MDAs we audit, prior to the finalisation of the reports.

Management believes that identifying issues and providing recommendations is only the first step. The real work begins when those responsible, take action to put our recommendations into practice. It is for this reason that a key part of our work is to follow up on recommendations made in past audits, in order to assess the progress made on our previously recommended actions.

The outbreak of COVID-19 has had a negative impact on all activities across the country. The emergence of the virus in Sierra Leone like in other African countries has created a situation engulfed with a mix of several consequences such as; the lockdowns, social-distancing, closure of borders, disruptive changes to private businesses, fear and stigmatisation which have affected households and economic activities.

The COVID-19 pandemic has not only negatively impacted businesses, but has also considerably impeded the work of the ASSL. In this 2020 financial year, a considerable number of our planned audits were not completed. As an organisation, we have instituted measures aimed at protecting our staff, whilst at the same time ensuring optimum productivity. Most of our audit clients however maintained half workforce capacity, following government's directive to cut down on the number of staff coming to the offices nationwide during this period. This resulted in delays and unavailability of audit clients to provide requisite information for the audits.

The pandemic also prevented my staff from benefiting from much-needed face-to-face continuous professional development trainings.

Amidst this dismal situation, the ASSL staff were able to consolidate the knowledge acquired in the 2019 integration audits and from the introduction of new audits methodologies as dictated in the Financial Audit Manual (FAM) and Compliance Audit Manual (CAM). These frameworks were used in evidence gathering, data analysis, identification of a deeper audit scope, and most importantly, they also enhanced to a greater extent, the capacity of our staff in carrying out specialised audits.

We have established an Information Technology Audit Unit which will seek to evaluate the information systems within MDAs and the safeguards available to protect these systems.

Furthermore, we continued with our inclusive approach during the development of the ASSL Strategic Plan 2021-2025. Questionnaires developed along various thematic areas were used to guide the discussions with civil society organisations, MDAs and other stakeholders. It is my firm belief that the

contributions of these stakeholders will help shape a more inclusive strategic plan, which will serve as a requisite for public sector oversight bodies.

Management would like to recognise the Government of Sierra Leone for its sustained commitment to reforms within the public sector. We acknowledge the role played by the PAC for the continued public scrutiny of our reports and those of other oversight bodies. Their support is critical to ensuring the achievement and sustainability of audit outcomes.

The ASSL remains firmly committed to making positive contributions in overcoming the obstacles to prudent financial management and control. We will continue to make ourselves available and provide proactive insights into the root causes of weak internal control environments.

The engagements will include timely feedback on, and inputs into the adequacy of the assurance provided by all stakeholders.

We would also want to acknowledge development partners who have continued to show interest in the solidification of the operational competence within the ASSL.

Management extends its sincere thanks and appreciation to all ASSL staff for the continued devotion to their duties and responsibilities against all odds.

EXECUTIVE SUMMARY

This executive summary provides an overview of the main features of each chapter in this report. Where necessary, further comments are added so that on a whole, the summary is a standalone document that precisely mirrors the contents of Parts I, II and III. It is laid out in the same order as the chapters in the annual report. Interested readers looking out for more detailed information can only go to the individual chapters.

The Role of the ASSL

Being the supreme audit institution of Sierra Leone, our constitutional mandate is to ensure that public funds are utilised lawfully and effectively towards service delivery. That is to say, we are the guardian of Sierra Leone's public purse and economic security. We audit and report on the stewardship provided by the Government over monies received, whether from taxpayers, donors or others, and related expenditure from these funds in a professional, ethical and transparent manner.

We substantiate to a reasonable level of assurance that public monies are used by the Government, in the manner proposed by Parliament, through independent professional audits. We assess how and whether these funds are being clearly and accurately reported by the Government and how they are used in terms of economy, efficiency and effectiveness. We report to Parliament in the first instance, but also to the citizenry of Sierra Leone and other stakeholders.

PUBLIC ACCOUNTS

Audit of the General-Purpose Financial Statements (GPFS) of the Consolidated Fund (CF)

The PFMA of 2016 is meant to provide for effective management of public finances by the national and local governments. In the preparation of the GPFS, we comply with Section 87 of the Act. 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 (MOF) in accordance with Section 119(2) of the 1991 Constitution of Sierra Leone.

The financial statements communicate government's accountability to taxpayers through the Legislature and civil society, on how well it has exercised its stewardship of the public purse. The primary objective of auditing the financial statements is to provide the users 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 rendered an **unqualified audit opinion** on the 2019 GPFS. This reveals consistency from the last two years when I also issued unqualified opinions. The opinion is based on my professional judgement after evaluating the evidence gathered during the audit of the GPFS, and indirectly, on the findings of the many other audits undertaken throughout 2020 on transactions carried out in 2019.

Over the years, we have not only reported on the primary causes of poor audit outcomes, but have also made recommendations for improvement. The implementation of recommendations needs to be improved.

We found issues on controls over revenue, expenditure, public debts, cash and bank, procurement of goods and services that continue to attract public attention. A summary of these matters is set out below:

Revenue

Export Levy on Timber Revenue Valued in Line with Legislative Directives

The method of valuation for timber products prior to exportation was not in accordance with Section 3 of the Finance (Amended) Act of 2018. Instead of using cubic meters as required by law, 20-foot shipping containers were used as unit of measurement. Based on the ASYCUDA data from the Customs Department, a total of 2,201,024.88 cubic meters valued at US\$5.5billion was exported. Revenue of US\$25.7 million was recorded in the GPFS, thereby leaving a difference of US\$5.48 billion. According to the Ministry of Finance, the discrepancy is due to an error in the drafting of the Finance Act (Amended) of 2018, but the necessary correction will be done in the Finance Act of 2021.

Anomalies in the Banking of Revenue

Some airlines and their agents purported to have paid Foreign Travelling Taxes (FTT) amounting to Le3.2 billion into the Zenith Bank and Standard Chartered Bank accounts, our review found that such amounts were not reflected in the bank statements, even though receipts were issued to the taxpayers.

The Sierra Leone Maritime Administration did not provide receipt books for audit purposes, for January to June, 2019. A comparison between revenue recorded in the cashbook which amounted to Le61.29 billion and revenue as per bank statement which amounted to Le41.5 billion, resulted in a difference of Le19.79 billion not banked.

Anomalies with the Payment of Tax Liability

We noted from our sampling that majority of taxpayers were State-Owned Enterprises (SOEs) with tax liabilities totalling Le34.22 billion. These SOEs failed to make payments in 2019. In addition, some taxpayers did not make complete payments of their GST liabilities, resulting in a net variance of Le9.82 billion as underpayment in the Valued-Added Tax Information Processing System (VIPS). Management of the NRA has written to these taxpayers with regard to their outstanding tax liabilities. Some of these SOEs are in the process of having a debt swap agreement.

Recalculation of corporation tax liability revealed a variance of Le3.13 billion between taxes paid and taxes calculated. This was done on the chargeable income reported in the financial statements without evidence of additional taxes (5th instalments) paid by taxpayers.

There are still outstanding debts of Le5.7 billion that have been long overdue for payment for 2011 to 2018. Of this amount, the custom team was unable to identify debtors who had debts amounting to Le351.7 million. The NRA had disclosed several of these debtors in publications of newspapers.

Import GST Wrongly Claimed by Taxpayers

An assessment between the ASYCUDA World and the VIPS in respect of import GST, showed that import GST (VAT 2) transactions totalling Le400.37 million (as reported in the VIPS) were not traced to the ASYCUDA World. In addition, variances totalling Le21.8 billion were identified between the records posted in the ASYCUDA World and the VIPS in respect of import GST. Letters were sent by the management of the NRA, notifying taxpayers about tax liabilities and information relating to import GST.

Revenue not Supported by Documentation

During 2019, revenue which totalled Le30.7 billion (Le 1.7 billion, Le13.8 billion and Le15.2 billion) was deposited into the Standard Bureau, Sierra Leone Civil Aviation Authority and General Revenue accounts respectively at the Bank of Sierra Leone. There was no evidence to determine the accuracy and completeness of these amounts in the accounts. In addition, 21 operators with outstanding

balances in the debtor's register totalling Le88.17 billion were purported by NATCOM to be on a payment plan, which is in contravention of Section 12(e) of the Finance Act of 2019. The approved payment plan was also not submitted.

Lack of Evidence and Understatement of Revenue Arrears

Our audit procedure to ascertain the existence and accuracy of revenue arrears (relating to Domestic Tax Department and Customs of approximately Le286.34 billion) disclosed in the GPFS was restricted to creditor confirmation because of insufficient information presented for audit scrutiny. We did not receive confirmation for arrears which amounted to Le278 billion (97.4% of total arrears) from taxpayers. We also noted that arrears totalling Le169.95 billion and US\$2.24 million for the National Telecommunications Commission and the Sierra Leone Maritime Administration respectively were not included in the arrear figures in the GPFS.

Expenditure

Expenditure without Regulation/Policy

Funds totalling Le1.6 billion were withdrawn from the Consolidated Fund account at the Bank of Sierra Leone to defray the cost of funeral expenses of some senior government officers who had passed away. These funds were without any regulation, policy or other legal instruments to justify the stated disbursements. 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. In addition, top-up allowances totalling Le3.1 billion were paid to staff in grades 2 to 7 in the Ministry of Finance without regulation or authorisation. In the absence of a legal instrument, such disbursements are considered ineligible.

Expenditure not Supported by Relevant Documentary Evidence

Transactions totalling Le2.26 billion were not supported by the relevant documentary evidence such as payment vouchers, contracts, receipts, and delivery notes. In addition, allowances amounting to Le3.77 billion were paid to employees without adequate supporting documents such as arrear processing forms, approved salary amendment letters, request letters, and recalculation sheets. In the absence of the records and documentation, the purpose for which the expenditure was incurred could not be ascertained and it is possible that these payments may have been misclassified in the GPFS.

Taxes on Rent Allowances not Paid into the Consolidated Fund

We observed that 10% withholding tax was deducted instead of applying the correct PAYE tax deduction percentage (30%) from rent allowances paid to employees and consultants resulting in an under deduction of Le1.08 billion. This may have led to the loss of much needed government funds.

Public Debt

Misstatement of External Debt Information in the General-Purpose Financial Statement

External confirmation in respect of public debts were received for Le13.86 trillion (94.76%) out of Le14.33 trillion reported in the GPFS, leaving a balance of Le765.79 billion (5.24%) unconfirmed. We noted from confirmation letters sent by external creditors, that debts totalling Le13.05 billion were not seen in the revised Disbursed Outstanding Debts (DOD). In addition, a net variance totalling Le149.88 billion was noted between the DOD disclosed in the GPFS and confirmation letters received from external creditors.

Cash and Bank

Cancellation of Obsolete Cheques

We reviewed a minute paper dated 16th June, 2020 written by the Principal Deputy Financial Secretary to the Financial Secretary, requesting for the Minister's approval for the cancellation of obsolete cheques amounting to Le207 billion. We noted that the necessary adjustments have been made on the GPFS. We did not receive for verification, the revised arrears clearance strategy, letter of cancellation of all contracts and responses to the letter of cancellation of contracts from the contractors and suppliers.

Procurement of Goods and Services

Irregularities with the Procurement of Goods and Services

We observed that procurement activities totalling Le21 billion were not captured in the procurement plans of both the Ministry of Transport and Aviation and the Ministry of Water Resources. In addition, contracts were not advertised and letters of regret were not sent to unsuccessful bidders for procurement activities undertaken by the Ministry of Transport and Aviation, using an open competitive bidding method for the period under review. We also observed that conditions/clauses in the contracts between the Ministry of Energy and EMCO Construction and Logistics were not followed for the supply of electricity in Bo and Kenema cities.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Government of Sierra Leone as at 31st December 2019, its financial performance and its cash flows for the year then ended in accordance with Cash Basis IPSAS.

Emphasis of Matters

Export Levy on Timber Revenue Valued in Line with Legislative Directives

The method of valuation for timber products prior to exportation was not in accordance with Section 3 of the Finance (Amended) Act of 2018. Instead of using cubic meters as required by law, 20-foot shipping containers were used as unit of measurement. Based on the ASYCUDA data from the Customs Department, a total of 2,201,024.88 cubic meters valued at US\$5.5billion was exported. Revenue of US\$25.7 million was recorded in the GPFS, thereby leaving a difference of US\$5.48 billion. According to the Ministry of Finance, the discrepancy is due to an error in the drafting of the Finance Act (Amended) of 2018, but the necessary correction will be done in the Finance Act of 2021.

Significant Internal Control Deficiency – Lack of Reconciliation of Revenue Cashbooks with Revenue Transit Accounts
Reconciliations were not carried out between the cashbooks maintained by finance officers of the NRA in respect of the various revenue departments and the transit banks.

In 2019, some airlines and their agents purported to have paid FTT to the tune of Le 3.2 billion into the Zenith Bank and Standard Chartered Bank accounts, but these amounts were not reflected in the bank statement, even though receipts were issued to the taxpayers. This matter is currently being investigated as a possible fraud.

Prior Year Adjustments

I draw attention to Note 33 of the GPFS which describes the prior year adjustments made to closing bank balances for the year ended 2018 due to cancellation of unpaid cheques printed in prior years such as grants to institutions and advance payment for goods and services that were yet to be delivered.

Lack of Evidence and Understatement of Revenue Arrears

I draw your attention to Note 6 and Appendix 2 in the financial statements, which describe Domestic Arrears.

Our audit procedure to ascertain the existence and accuracy of revenue arrears (relating to Domestic Tax and Customs Departments of approximately Le286.34 billion) disclosed in Note 6 and Appendix 2 of the GPFS was restricted to creditor confirmation because of insufficient information presented for audit scrutiny. We did not receive confirmation for arrears which amounted to Le278 billion (97.4% of total arrears) from taxpayers. We also noted that arrears totalling Le169.95 billion and US\$2.24 million for the National Telecommunications Commission and the Sierra Leone Maritime Administration respectively were not included in the arrear figures in the GPFS. I am therefore unable to ascertain whether it is free from material misstatement.

My opinion is not modified in respect of this matter.

Other Matters

Expenditure without Any Regulation/Policy

Funds totalling Le1.6 billion were withdrawn from the Consolidated Fund account at the Bank of Sierra Leone to defray the cost of funeral expenses of some senior government officers who had passed away. These funds were without any regulation, policy or other legal instruments to justify the stated disbursements. In addition, top-up allowances totalling Le3.1 billion were paid to staff in grades 2 to 7 in the Ministry of Finance without regulation or authorisation.

Taxes on Rent Allowances not Paid into the Consolidated Fund

We observed that 10% withholding tax was deducted instead of applying the correct PAYE tax deduction percentage (30%) from rent allowances paid to employees and consultants of MDAs resulting in an excess deduction of Le1.08 billion.

PERFORMANCE AUDIT

The performance audit carried out by Supreme Audit Institutions (SAIs) is an independent, objective and reliable examination of whether government undertakings, programmes, systems and activities are performed in accordance with the principles of economy, efficiency and effectiveness.

These audits are categorised as ‘special reports’ under Section 66(4) of the Government Budgeting and Accountability Act of 2005. 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 and effectiveness are achieved in the use of public funds.

Two performance audit reports issued to Parliament by the ASSL this year (2020) are: Rehabilitation and Closure of Mines by the National Minerals Agency and Environmental Protection Agency and Follow-up on Anti-Malaria Interventions by the National Malaria Control Programme. The main observations follow under each activity examined.

Rehabilitation and Closure of Mines

The following were observed:

Environmental Management Planning

- A total of 46 large and small-scale mining licence holders were reviewed. Of that total (46), 10 were issued with EIA licences before acquiring mining licences. Twenty (20) were however granted

mining licences before acquiring EIA licences and 16 never acquired EIA licences in contravention of Sections 108 (a) and 98 (a) of the Mines and Minerals Act of 2009. This was as a result of lack of collaboration and coordination between the NMA and the EPA.

- The NMA did not ensure exploration licence holders acquired EIA licences.
- The EPA did not have any role in the monitoring of artisanal miners because the Mines and Minerals Act of 2009 is silent on the EPA's role regarding artisanal miners.
- Examination of 25 EIA licences revealed that only seven submitted closure plans to the EPA. The remaining 18 EIA licences were not supported by closure plans.
- Several closure plans included the projected costs for their mine closure activities. The actual funds were not set aside for the implementation of those closure plans.

Implementation of Mines Rehabilitation and Closure Plans

- The EPA and the NMA were not ensuring that mining companies adhere to their closure plans as there were still areas left un-rehabilitated by these companies.
- The monitoring reports on the activities of mining companies disclosed that the EPA was not enforcing the requirement of the regulation as there was no evidence to show that fines were levied on mineral right holders who were not implementing their closure plans.
- From the seven mining companies that submitted closure plans, only two had submitted updated closure plans for the period under review. The plans did not include any update on financial assurance as prescribed by law.
- A review of the monitoring plans and reports submitted by the EPA revealed that the environmental activities of mining licence holders (i.e. large-scale, small-scale and exploration companies) were not monitored according to their plans.
- In 2014, 34 monitoring reports did not cover the monitoring of mine rehabilitation and closure activities. According to personnel of the NMA, most of the plans were not achieved due to lack of funds.
- A review of the monitoring fee cashbook revealed that those fees were utilised for purposes other than monitoring.
- During the audit, no environmental management report had been submitted to the NMA. Personnel of mining companies mentioned that they were not aware that they should be submitting reports to the NMA on an annual basis.

Rehabilitation of Abandoned Mining Sites

- There was no national strategy for the rehabilitation of mined-out areas at the time of the audit.
- An amount of Le788,850,000 was collected in all the regions by the NMA for the rehabilitation of mined-out areas of artisanal miners between January 2014 and December 2018. Evidence to indicate that these fees were used by the NMA to rehabilitate artisanal mined-out areas was not made available for inspection.

Anti-Malaria Interventions by the National Malaria Control Programme

The following were observed:

- Monitoring and follow-up on malaria patients was not effective due to inadequate staffing within the health centres and the wide span of the population catchments. They mostly relied on the community health workers and volunteers to monitor and follow-up on their patients. As such, the completion and effectiveness of treatment could not be confirmed.

- Artemeter + Lumefantrine is administered to patients whether the Rapid Diagnostic Test (RDT) of malaria is positive or negative, and is administered based on the signs and symptoms of a patient, since the RDT cannot show below 300 malaria parasites.
- We noted that there were shortages of RDTs in health care facilities due to the high influx of patients with fever suspected to be malaria.

CASH LOSSES

Losses in respect of cash and store irregularities identified in the course of our audit amounted to Le177.5 billion. These losses are in respect of the GPFS (NRA) Local Councils (LCs), Public Enterprises (PEs), Ministries, Department and Agencies (MDAs) as indicated in Table 1.1 below:

Category	
Table 1.1 Summary of Cash and Store Losses	
GPFS	47,514,074,659.00
LCs	5,284,363,489.24
Pes	59,263,547,058.87
MDAs	65,515,141,588.41
Total	177,577,126,795.52

The GPFS of the Consolidated Fund shows the financial performance of the Government of Sierra Leone for the financial year ended 31st December, 2019. The figures in Table 1.2 below reveal cash losses relating to transactions of the NRA as follows:

- Foreign Travel Taxes and other forms of revenue generated not deposited at the Bank of Sierra Leone.
- Under-assessed GST revenue

Table 1.2 General-Purpose Financial Statements	
Details	Amount (Le)
Revenue not banked	25,317,376,874
Under assessment of GST revenue	22,196,697,785
Total	47,514,074,659

LOCAL COUNCILS

The annual financial statements for 22 local councils were submitted for audit before, or after the legislative deadline of 31st March, 2020.

Significant matters were identified in the audit examination. These matters revealed a cash loss of Le5.28 billion relating to the following categories:

- Revenue arrears
- Non-payment of statutory obligations
- Unsupported payments
- Over expenditure of budget lines and unapproved expenditure
- Payment of sitting fees and other allowances to absentee councillors

The main composition and analysis of these losses are summarised in Table 1.3 below

Table 1.3 Analysis of Cash Irregularities on the Activities of Local Councils	
Detail	Amount (Le)
Sitting fees and transport allowances paid to absentee councillors or for meetings not held	362,720,000.00
Ineligible expenditure	298,622,333.00
Irregularities in the collection and accounting for own-source revenue	258,960,000.00
Withholding taxes not overpaid to NRA	944,722,451.24
Fuel not accounted for	1,973,108,843.00
Payments without supporting documents	874,031,772.00
Fixed Assets not accounted for	75,127,500.00
Payroll irregularities	466,770,590.00
Short supply of items procured	30,300,000.00
Total	5,284,363,489.24

The audit outcomes are expanded upon in a more detailed form in the individual council reports submitted to Parliament.

We also noted that, in spite of our recommendations in previous reports, LCs were still not in compliance with the procurement laws and regulations during 2019. Significant procurement irregularities identified relate to the following categories:

- Non-submission of procurement documents
- Procurement plans not approved by the relevant authority
- Procurement splitting to avoid the National Competitive Bidding method
- Relevant information not included in the Request for Quotations (RFQ) document
- Irregularities in the bidding process
- Contract terms not fully met
- Procured items not fully delivered

Additionally, we undertook a compliance audit on the Management of Safe Drinking Water in rural communities in selected districts. Despite significant progress over the years, some communities within the selected districts still lack access to safe and sustainable drinking water supply.

Our review showed the following underlying factors:

- Inadequate funding for the provision of safe drinking water within the selected districts
- Lack of logistics for water quality management
- No effective planning and coordination of water management activities in the selected districts
- Inadequate staffing in the Rural Water Sector

PUBLIC ENTERPRISES, COMMISSIONS AND DONOR FUNDED PROJECTS

Across all the Public Enterprises and Commissions, several cash irregularities were observed, giving rise to a loss of Le59.2 billion. The significant matters identified in the audit examination fall into the following areas:

- Unexplained expenditure
- Unsupported payments
- Statutory deductions not paid
- Revenue not paid in to the CF

The main composition and analysis of these losses are summarised in Table 1.4 below

Table 1.4	
Public Enterprises and Commissions	
Details	Amount (Le)
Irregularities in revenue management	1,071,471,189.78
Fuel not accounted for	193,786,750.00
Irregularities in assets management	1,434,104,385.55
Payroll Irregularities	27,572,338,101.55
Payment without supporting documents	21,641,621,928.10
Withholding taxes or GST not paid over to NRA	7,350,224,704.57
Total	59,263,547,058.87

Payments for goods, works and services, amounting to Le7.8 billion were without adequate supporting documents. This could be attributed to management's failure to observe the stated regulations in the utilisation of public funds.

MINISTRIES, DEPARTMENT AND AGENCIES

We estimate that there have been losses in cash and stores amounting to Le65.5 billion. As in previous years this has occurred for a number of reasons, some inter-related and overall strongly suggest that public financial management has room for improvement in all MDAs. These include:

- Payroll Irregularities
- Payment without supporting documents
- Unapproved Payments
- Imprest not Retired
- Unrecovered funds
- Irregularities in Accounting for Revenue
- Stores and Assets Management irregularities
- Fuel Not brought to Account
- Withholding taxes not paid over to NRA
- Irregularities in Procurement Activities

The main composition and analysis of these losses are summarised in Table 1.5 below

Table 1.5 Ministries, Department and Agencies	
Detail	Amount (Le)
Payroll irregularities	6,066,989,608.96
Payment without supporting documents	47,490,944,857.35
Imprest not retired	3,939,575,735.00
Unrecovered funds	271,120,451.10
Irregularities in accounting for revenue	26,856,150.00
Stores and assets management irregularities	3,293,799,835.00
Fuel not brought to account	3,448,365,320.00
Withholding taxes not paid to NRA	520,030,103.00
Irregularities in procurement activities	457,459,528.00
Total	65,515,141,588.41

We additionally continue to observe material breach in the procurement laws and regulations. Of grave concern is the aspect of procurement splitting. MDAs were deliberately splitting procurement activities into smaller portions, and using the Request for Quotations method instead of the National Competitive Bidding. All these were geared towards avoiding competition in the procurement process which would have given a greater value-for-money.

INTRODUCTION

Citizens' confidence in public institutions can be restored through the use of scarce resources in ways that maximise value-for-money and delivering of quality results. To effectively fulfil this role, citizens also need reliable evidence on which policy instruments and programmes work, and which do not. The Audit Service Sierra Leone (ASSL) as a public sector external auditor, performs an important function in supporting the roles of those charged with governance in public sector organisations and other stakeholders in respect of oversight, insight and foresight.

The ASSL in its oversight role has continued to assess every stage of the policy cycle - from policy formulation to policy implementation and evaluation. It has continued to use its expertise to provide insight into the trends, overlaps and gaps that exist horizontally across MDAs and vertically within services. In the area of foresight, the ASSL assesses the country's preparedness to tackle future challenges in the country's fiscal landscape.

Brief History of the ASSL

The Audit Act of 1962 set out the external audit regime in Sierra Leone. It gave the mandate for the setting up of an external audit department (Audit Department), charged with the responsibility of auditing all government entities. This law was later repealed by the Audit Service Act of 1998, which paved the way for the establishment of the Audit Service Sierra Leone, an independent institution, in line with international best practice.

This 1998 Act ultimately gave way to the Audit Service Act of 2014. This includes sections that elaborate on the functions and powers of the Auditor-General, terms and conditions of service of staff of the ASSL, and the exemption of ASSL staff from the Public Service Commission. There are also several other provisions to enhance the powers and independence of the Auditor-General in the performance of her functions.

The ASSL continues to maintain its presence in the provinces (South, East and North) and the Western Area of the country. The construction of our headquarters at Tower Hill has recently recommenced after an eight-year break. Its completion will enable us to house all staff in Freetown, which will in turn enhance an effective and efficient service delivery.

Over the years, the Auditor-General has focused on improving the quality and timeliness of audit reports as the core input to hearings conducted by the Public Accounts Committee (PAC) in Parliament. In order to sustain these gains, the ASSL has exposed its staff to series of trainings; both locally and internationally. These trainings have had considerable impact on the skill levels of the staff and has enhanced their knowledge in public sector auditing. There has also been an increase in the professional capacity of the office. The ASSL has also benefitted from support provided by peer institutions and other international donors, in the areas of IT, Environmental and Extractive Industry audits.

Our Mandate and Independence

Section 119 of the 1991 Constitution of Sierra Leone, and Sections 11 and 12 of the Audit Service Act of 2014 mandate the Auditor-General to audit and report to Parliament on the Public Accounts of Sierra Leone and all public offices including the courts, the central and local government administrations, universities and public institutions of like nature, and any public corporations or other bodies established wholly and partly by an Act of Parliament.

Section 12 (2c) of the Audit Service Act of 2014 requires the Auditor-General to conduct value-for-money and other audits to ensure that efficiency and effectiveness are achieved in the use of public funds. Following the enactment of the Public Financial Management Act of 2016, vote controllers of entities mentioned in Section 86 (3) are required to submit the financial statements of their institutions within three months after the accounts of a financial year are closed at the end of a complementary period mentioned in Section 44.

The Auditor-General is then required to audit and report to Parliament on the accounts of these entities within nine months upon receipt of their accounts. Although in the recent past the Consolidated Fund account has been submitted on time, the Auditor-General has experienced some limitations in performing her functions due to the non-preparation, late and non-submission of accounts by some entities.

In addition, Section 119 (6) of the 1991 Constitution of Sierra Leone deals exclusively with the independence of the Auditor-General in the discharge of her responsibilities. This section 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.”

Independence is a characteristic that is fundamental if a Supreme Audit Institution (SAI) is to attain higher organisational performance, and this we value and stoutly defend.

Section 35 (2) of the Audit Service Act of 2014 also 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 provision has been designed to guard our staff against external threats. Notwithstanding this, sanctions including heavy fines or imprisonment have also been provided for against staff for ethical breaches. In addition to constitutional protection of our independence as a supreme audit institution, we are further covered by Section 19 of the same Act which states:

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

An advisory Board has also been constituted to cushion the impact of this exemption, under Section 3 as follows:

“... 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.”

Furthermore, there has been a ground-breaking achievement of the repeated support by the United Nations in particular via the General Assembly Resolutions A/66/209 (2011) and A/69/228 (2014) and the adoption of the Mexico Declaration on the Independence of Supreme Audit Institutions (2007); laying out eight basic pillars of a SAI's independence.

Our Vision

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

Our Mission

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

Below are the core values that underpin the work of all staff 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 with.
- Impartiality - we are unbiased and politically neutral.
- Objectivity - we always ensure to avoid any actual or perceived conflict of interest in the work we do.
- Independence - as an organisation, we work independently of the Government.

Compliance with INTOSAI Auditing Standards

The ASSL is the Supreme Audit Institution of Sierra Leone with the sole responsibility of promoting the efficiency, accountability, effectiveness and transparency of public financial administration through our audits of all government entities. This is geared towards the achievement of the Sustainable Development Goals (SDGs). We are an active member 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).

Details of this Report

The Auditor-General's 2019 Annual Report is divided into Parts I, II and III. Part I gives an overview of the Auditor-General's Opinion on the Public Accounts of the Government of Sierra Leone. Part II focuses on Performance Audits and the audit of Local Councils, whilst Part III looks at Public Enterprises, Commissions, Donor Funded Projects and Ministries, Department and Agencies.

Plain Language

Our approach has been the use of plain language since 2010. This is in the interest of conciseness and clarity in order to simply communicate the true picture of the condition of public financial management in Sierra Leone, as well as our views on what needs to be improved upon.

Main Points

This report is dedicated to the citizens of Sierra Leone, donors and civil society organisations, and most importantly, to our elected representatives in Parliament. We are however mindful of the fact that not all of our readers would wish to get into the details of each chapter. We have therefore included a summary of the contents of each chapter titled 'Main Points'.

In this, we have set out three basic matters:

- **What We Examined** – We describe what the audit looked into, and in some cases, what we did not look into.
- **Why It Is Important** – We make a case for the relevance and significance of an area or issue of interest.
- **What We Found** – This looks into the most significant findings of the audit. The intention of ‘Main Points’ is to clearly convey quickly and accurately the key message(s) arising from our work, as described 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.

Progress Made So Far

As most of our audit clients are progressively becoming digitalised in their operations, the INTOSAI community is encouraging its members to move with the times in order to stay relevant. It is in this vein that we have established an Information Technology Audit Unit which will seek to evaluate the information systems within MDAs and the safeguards available to protect these systems.

It is worth noting that 47% of public enterprises submitted their financial statements on time as compared to 51% who submitted late. Only 2% did not submit their financial statements for audit purposes. It is hoped that in the near future, our efforts in this regard will yield full dividend.

External consultants have always taken the lead in the development of our strategic plans over the years. It is with pride that we report that our Strategic Plan 2021-2025 is being developed in-house by a steering committee comprising senior management and divisional heads. Despite the limitation posed by COVID-19, we engaged civil society and other stakeholders during the development of our Strategic Plan through online platforms.

We have completed three performance audits each for the past two years consecutively and have submitted two performance audit reports which were nominated for the AFROSAI-E annual performance audit report competition.

After an eight-year break, work has recommenced on our building project and we look forward to its successful completion within the shortest possible time.

Challenges and the Way Forward

The Medium-Term National Development Plan (MTNDP) has as one of its major objectives under transparency and accountability, the requirement for specialised audit reports to be produced annually by the ASSL. To meet this requirement, appropriate resources should be provided to meet the operational and training needs in specialised audit areas. Access to information and submission of financial reports for audit purposes should also be enhanced.

The COVID-19 pandemic did not only bring limitations to some of our planned audits but also our engagements with civil society organisations. Moving forward, we plan to focus on using participatory audits as a mechanism to enhance the impact of our work through meaningful engagements with civil society organisations. In order to improve on the performance of the public sector and successfully implement the United Nations 2030 Agenda; the rule of law, integrity, economic growth, social justice

and equity are required. As a partner in development, the ASSL will continue to promote good governance, better public financial management and transparent, accountable and responsible use of public funds.

Our Relationship with the Public Accounts Committee

The ASSL has continued to provide technical support to the PAC during its public scrutiny of audit findings and recommendations. Committee members are briefed prior to and supported during the hearings.

The ASSL in return has continued to enjoy considerable support from the PAC. The outbreak of COVID-19 however limited the PAC's scrutiny of our 2018 Annual Report which started in August 2020 and has continued to date.

A Word of Thanks

The management of the ASSL takes this opportunity to acknowledge the dedication of our employees who, through their contributions, have enabled the ASSL to continue maintaining its professionalism. Finally, a note of gratitude goes to the PAC, ministers and public officials, who in one way or the other have contributed to the work of the ASSL.

It is with considerable pride that we present the Auditor-General's Annual Report 2019.

PART I

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

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MAIN POINTS

What We Examined

Section 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 the International Public Sector Accounting Standards (IPSAS) and the Public Financial Management Act of 2016. The annual financial statements also 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 18 to 20 of this report.

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 of 2014. Section 16 of the PFM Act of 2016 further mandates the Auditor-General to audit the annual financial statements 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.

Domestic Revenue

The Government revenue collected in 2019 increased by 23% from Le4,581.3 billion in 2018, to Le5,643.8 billion. The audit covers revenue from Goods and Services Tax, Corporation Tax, Foreign Travel Tax, Petroleum, Timber, Importation and Non-Tax Revenue from selected MDAs. Many of the key revenue streams are operated on a self-assessment system, with individuals and businesses completing their own returns and making the relevant payment on tax liability. Our focus was to check the controls in respect of the assessment, banking and reporting of revenue and compliance with the various tax laws and regulations by taxpayers and MDAs.

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. Our audit procedures to confirm the completeness and accuracy of debts recorded in the public account involved the requesting of confirmations from external creditors and obtaining roll forward schedules detailing the movement of individual debts during the year. In addition, we compared the Disbursed Outstanding Debts (DODs) disclosed in the General-Purpose Financial Statement, with those in the books of the creditors and reports from the Commonwealth Secretariat Debt Recording Management Systems (CSDRMS).

Expenditure

Government expenditure in 2019 increased by 7%, from Le5,438 billion in 2018 to Le6,410 billion. Expenditure comprised wages, salaries and employees' benefits (Le2,415 billion) use of goods and services (Le1,979 billion), transfers and grants (Le383 billion), and other recurrent payments (Le39 billion). The total amount spent on wages, salaries and employees' benefits in FY 2019 was

27% higher than the amount spent in FY 2018 (Le1,905 billion) and the total amount spent on goods and services in FY 2019 was 38% higher than the amount spent in FY 2018 (Le1,432 billion).

We selected a sample of goods and services transactions in selected ministries from the Integrated Financial Management Information System (IFMIS) on a risk basis, and examined the underlying supporting documentation. We also conducted compliance audits on procurement activities undertaken by these selected MDAs. We also examined allowances given to selected employees for the relevant supporting documents and related applicable laws.

Why It Is Important

The General-Purpose Financial Statements (GPFS) of the Consolidated Fund shows the financial performance of the Government of Sierra Leone for the financial year ended 31st December, 2019. 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 operates a centralised treasury function that accounts for monies collected by the National Revenue Authority (NRA) and administers cash expenditure incurred by all Ministries, Department and Agencies (MDAs) with the exception of government business entities during the financial year.

The amounts allocated to MDAs are not controlled by the MDAs but are used 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 expended for the benefit of the MDAs during the period under review.

The enactment of the PFMA of 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. The enactment of the PFM Act of 2016 provides for the implementation of the Treasury Single Account, with the PFM Regulations of 2018 giving clear procedures on its implementation. The Fiscal Management and Control Act of 2017 gives the power to the Minister of Finance to consolidate revenue of key agencies. As a result, revenues from the Petroleum Regulatory Agency, Petroleum Directorate, Road Maintenance Fund Administration, Environmental Protection Agency, National Telecommunications Commission and the Sierra Leone Maritime Administration were paid into the Consolidated Fund.

The preparation of the annual financial statements of the Consolidated Fund in compliance with Section 87 of the PFMA of 2016 is also significant. These financial statements are also an expression of the Government's accountability to Parliament and civil society organisations on how well it has exercised its responsibilities as the custodian of the public purse on behalf of the citizens. 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.

1.1. SUMMARY OF SIGNIFICANT FINDINGS ON THE AUDIT OF THE GENERAL-PURPOSE FINANCIAL STATEMENT OF THE GOVERNMENT OF SIERRA LEONE

Revenue

Anomalies in the Banking of Revenue

During 2019, some airlines and their agents purported to have paid FTT to the tune of Le3.2 billion into the Zenith Bank and the Standard Chartered Bank accounts. These amounts were however not reflected in the bank statements, even though receipts were issued to the taxpayers. Management of the NRA commented that this matter is currently under investigation as a possible fraud.

The Sierra Leone Maritime Administration did not provide receipt books for January to June, 2019 for audit purposes. A comparison between revenue recorded in the cashbook which amounted to Le61.29 billion and revenue as per bank statement which amounted to Le41.5 billion, resulted in a difference of Le19.79 billion not banked. A management response was not received for this issue during the audit process.

Export Levy on Timber Revenue not Valued in Line with Legislative Directives

Section 3 of the Finance Act (Amended) of 2018 stipulates that: "An exporter of timber or timber product shall prior to exportation pay to the National Revenue Authority a timber royalty of US\$2,500 on every cubic meter of such timber or part thereof." We observed that the Leadway Trading Company (SL) Limited used 20-foot containers as unit of measurement instead of cubic meters as required by Section 3 of the Finance Act (Amended) of 2018.

The ASYCUDA data from the Customs Department revealed that a total of 2,201,024.88 cubic meters was exported, which translates to a recomputed revenue of US\$5.5 billion. Revenue of US\$25.7 million was recorded in the GPFS, resulting in a difference of US\$5.48 billion.

The Ministry of Finance in their response stated that Section 3 of the Finance Act (Amended) of 2018 amended Section 25 of the Forestry Act of 1988 thus: "Intending only to replace the export levy amount of US\$1500 and the phrase 'cubic meters' by US\$2500 and '20-foot container', respectively. The draft inadvertently omitted the word 'twenty' from the original and did not also replace the phrase 'cubic meter' with '20-foot container'." They stated that an amendment would be made in the Finance Act of 2021 to address the error.

It is our professional view that value-for-money is not optimised in the assessment and collection of export levy on timber as a standard levy is applied to all the varieties of timber products. We recommend that export levy should be computed on the volumes of logs or wood products exported at a rate per unit specified for each species, class or grade, or as ad valorem (percentage of value) rates. See page IX

Anomalies with the payment of Tax Liability

We noted from our sampling that majority of taxpayers were State-Owned Enterprises (SOEs) with tax liabilities totalling Le34.22 billion. These SOEs failed to make payments in 2019. In addition, some taxpayers did not make complete payments of their GST tax liabilities, resulting in a net variance of Le9.82 billion as underpayment in the Value-Added Tax Information Processing System (VTIPs).

Management of the NRA has written to these taxpayers with regard to their outstanding tax liabilities. Some of these SOEs are however in the process of having a debt swap agreement.

Recalculation of corporation tax liability revealed a variance of Le3.13 billion between tax paid and taxes calculated. This was done on the chargeable income reported in the financial statements without evidence of additional taxes (5th instalments) paid by taxpayers.

There are still outstanding debts of Le5.7 billion that have been long overdue for payment for the period 2011 to 2018. Of this amount, the custom team was unable to identify debtors who had debt amounting to Le351.7 million. The NRA had disclosed several of these debtors in publications of newspapers.

Import GST Wrongly Claimed by Taxpayers

An assessment between the ASYCUDA World and the VTIPS, in respect of import GST, revealed import GST (VAT 2) transactions totalling Le400.37 million as reported in the VIPS could not be traced to the ASYCUDA World. In addition, variances totalling Le21.8 billion were identified between the records posted in the ASYCUDA World and the VIPS in respect of import GST. Letters were sent by the management of the NRA, notifying taxpayers about tax liabilities and information relating to import GST.

Revenue not Supported by Documentation

During 2019, revenue which totalled Le30.7 billion (Le1.7 billion, Le13.8 billion and Le15.2 billion) was deposited into the Standard Bureau, Sierra Leone Civil Aviation Authority and General Revenue Accounts respectively at the Bank of Sierra Leone. There was no evidence to determine the accuracy and completeness of these amount in the accounts. In addition, 21 operators with outstanding balances in the debtor's register totalling Le88.17 billion were purported by NATCOM to be on a payment plan, which is in contravention of the said provision. The approved payment plan was also not submitted. We did not receive any management response on these issues during the audit process.

Lack of Evidence and Understatement of Revenue Arrears

Our audit procedure to ascertain the existence and accuracy of revenue arrears (relating to Domestic Tax Department and Customs of approximately Le286.34 billion) disclosed in the GPFS was restricted to creditor confirmation because of insufficient information presented for audit scrutiny. We did not receive confirmation for arrears which amounted to Le278 billion (97.4% of total arrears) from taxpayers. We also noted that arrears totalling Le169.95 billion and US\$2.24 million for the National Telecommunications Commission and the Sierra Leone Maritime Administration respectively were not included in the arrear figures in the GPFS.

Expenditure

Expenditure without Regulation/Policy

Funds totalling Le1.6 billion were withdrawn from the Consolidated Fund account at the Bank of Sierra Leone to defray the cost of funeral expenses of some senior government officers who had passed away. These funds were without any regulation, policy or other legal instrument to justify the stated disbursements. 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 and allowances paid to staff.

In addition, top-up allowances totalling Le3.1 billion were paid to staff in grades 2 to 7 in the Ministry of Finance without regulation or authorisation. In the absence of a legal instrument, such

disbursements are considered ineligible. This may create suspicion that government's much needed funds have been misappropriated.

Expenditure not Supported by Relevant Documentary Evidence

Transactions totalling Le2.26 billion were not supported by the relevant documentary evidence such as payment vouchers, contract, receipts, delivery notes, etc.

In addition, allowances amounting to Le3.77 billion were paid to employees without adequate supporting documents such as arrear processing forms, approved salary amendment letters, request letters, recalculation sheets, etc. In the absence of the records and documentation, the purpose for which the expenditure was incurred could not be ascertained and it is possible that these payments may have been misclassified in the GPFS.

Taxes on rent allowances not paid into the Consolidated Fund

Section 23 (1) of the Income Tax Act of 2000 and Section 11 of the Finance Act of 2019 show the correct tax deduction from allowances paid to employees.

We observed that 10% withholding tax was deducted instead of applying the correct PAYE tax deduction percentage (30%) from rent allowances paid to employees and consultants resulting in an under deduction of Le1.08billion. This may have led to the loss of much needed government funds.

Public Debt

Misstatement of External Debt Information in the General-Purpose Financial Statements

External confirmation in respect of public debt was received for Le13.86 trillion (94.76%) out of Le14.33 trillion reported in the GPFS, leaving a balance of Le765.79 billion (5.24%) unconfirmed. I was unable to perform other audit procedures to gain assurance over the remaining unconfirmed balance. From the confirmation letters received from external creditors, we observed that debt totalling Le13.05 billion was not seen in the revised DOD. In addition, a net variance totalling Le149.88 billion was noted between the DOD disclosed in Appendix 9 of the GPFS and confirmation letters received from external creditors. Therefore, I am unable to ascertain whether it is free from material misstatement.

Cash and Bank

Cancellation of Obsolete Cheques

We reviewed a minute paper dated 16th June, 2020 written by the Principal Deputy Financial Secretary to the Financial Secretary, requesting for the Minister's approval for the cancellation of obsolete cheques amounting to Le207 billion. We noted that the necessary adjustments have been made on the GPFS. We did not receive for verification, the revised arrears clearance strategy, letter of cancellation of all contracts and responses to the letter of cancellation of contracts from the contractors and suppliers.

Procurement of Goods and Services

Irregularities with the Procurement of Goods and Services

We examined a sample procurement on goods, works and services in the Ministry of Energy, the Ministry of Transport and Aviation and the Ministry of Water Resources to check whether they are in accordance with the National Public Procurement Act of 2016 and its Regulations of 2008. We observed that procurement activities totalling Le21 billion were not captured in the procurement plans of both the Ministry of Transport and Aviation and the Ministry of Water Resources. In addition, contracts were not advertised and letters of regret were not sent to unsuccessful bidders for

procurement activities undertaken by the Ministry of Transport and Aviation, using an open competitive bidding method for the period under review.

We also observed that the conditions/clauses in the contract between the Ministry of Energy and EMCO Construction and Logistics were not followed for the supply of electricity in Bo and Kenema cities.

1.2. AUDITOR-GENERAL'S OPINION ON THE GENERAL-PURPOSE FINANCIAL STATEMENT OF THE CONSOLIDATED FUND

Opinion

I have audited the GPFS of the Consolidated Fund for the year ended 31st December, 2019. These financial statements comprise the Statement of Cash Receipts and Payments of the Consolidated Fund, Statement of Comparison of Budget and Actual Revenue and Expenditure, Statement of Cash Position for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Government of Sierra Leone as at 31st December 2019 and (of) its financial performance and its cash flows for the year then ended in accordance with Cash Basis IPSAS.

1.3. EMPHASIS OF MATTERS

Export Levy on Timber Revenue Valued in Line with Legislative Directives

I draw the attention to Note 11 in the financial statement, which describes details of revenue received from other departments.

The method of valuation for timber products prior to exportation was not in accordance with Section 3 of the Finance (Amended) Act of 2018. Instead of using cubic meters as required by law, 20-foot shipping containers were used as unit of measurement. Based on the ASYCUDA data from the Customs Department, a total of 2,201,024.88 cubic meters valued at US\$5.5billion was exported. Revenue of US\$25.7 million was recorded in the GPFS, thereby leaving a difference of US\$5.48 billion. According to the Ministry of Finance, the discrepancy is due to an error in the drafting of the Finance Act (Amended) of 2018, but the necessary correction will be done in the Finance Act of 2021.

My opinion is not modified in respect of this matter.

Significant Internal Control Deficiency – Lack of Reconciliation of Revenue Cashbooks with Revenue Transit Accounts

Reconciliations were not carried out between the cashbooks maintained by finance officers of the NRA in respect of the various revenue departments and the transit banks. In addition, there was no process by which the amount of non-tax revenue assessed by revenue collecting MDAs, was reconciled to the revenue collected by the NRA. This constitute a major internal control deficiency as it is possible that there may be leakages between the NRA books and records in the Consolidated Fund. In 2019, some airlines and their agents purported to have paid FTT taxes to the tune of Le3.2 billion into the Zenith Bank and the Standard Chartered Bank accounts, but these amounts were not reflected in the bank statements even though receipts were issued to the taxpayers. This matter is currently being investigated as a possible fraud.

My opinion is not modified in respect of this matter.

Prior Year Adjustments

I draw your attention to Note 33 of the GPFS which describes the prior year adjustments made to closing bank balances for the year ended 2018 due to cancellation of unpaid cheques printed in prior years such as grants to institutions and advanced payment for goods and services that were yet to be delivered.

Lack of Evidence and understatement of Revenue Arrears

I draw your attention to Note 6 and Appendix 2 in the financial statements, which describe Domestic Arrears.

Our audit procedure to ascertain the existence and accuracy of revenue arrears (relating to Domestic Tax Department and Customs of approximately Le286.34 billion) disclosed in Note 6 and Appendix 2 of the GPFS was restricted to creditor confirmation because of insufficient information presented for audit scrutiny. We did not receive confirmation for arrears which amounted to Le278 billion (97.4% of total arrears) from taxpayers. We also noted that arrears totalling Le169.95 billion and US\$2.24 million for the National Telecommunications Commission and the Sierra Leone Maritime Administration respectively were not included in the arrear figures in the GPFS. I am therefore unable to ascertain whether it is free from material misstatement.

My opinion is not modified in respect of this matter.

1.4. OTHER MATTERS

Expenditure without Any Regulation/Policy

Funds totalling Le1.6 billion were withdrawn from the Consolidated Fund account at the Bank of Sierra Leone to defray the cost of funeral expenses of some senior government officers who had passed away. These funds were without any regulation, policy or other legal instrument to justify the stated disbursements. 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 and allowances paid to staff. In addition, top-up allowances totalling Le3.1 billion were paid to staff in grades 2 to 7 in the Ministry of Finance without regulation or authorisation. In the absence of a legal instrument, such disbursements are considered ineligible. This may create suspicion that government's much needed funds have been misappropriated.

Taxes on Rent Allowances not paid into the Consolidated Fund

We observed that 10% withholding tax was deducted instead of applying the correct PAYE tax percentage from rent allowances paid to employees and consultants. Section 23(1) of the Income Tax Act of 2000 and Section 11 of the Finance Act of 2019 show the correct tax treatment of allowances paid to employees. Failure to deduct the correct tax from employee income resulted in an excess of Le1.08 billion being paid to employees and consultants of MDAs. This may have led to the loss of much needed government funds.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with requirements of the PFM Act of 2016 and hereby comply with the Cash Basis IPSAS 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 entity's ability to continue as a going concern, 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 of overseeing the entity's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about 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 my opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with the International Standards for Supreme Audit Institutions will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards for Supreme Audit Institutions (ISSAI), I exercise professional scepticism throughout the audit. I 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 my 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 use of appropriate accounting policies 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 related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw your attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. Future events or conditions may however 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.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significant in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my audit report, unless law or regulation precludes

public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report. This is because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Lara Taylor-Pearce MBA, FCCA, FCA (S.L.) (Mrs.)
AUDITOR-GENERAL

1.5. GENERAL-PURPOSE FINANCIAL STATEMENT (GPFS)

STATEMENT A

STATEMENT OF CASH RECEIPTS AND PAYMENTS OF THE CONSOLIDATED FUND FOR THE YEAR ENDED 31ST DECEMBER 2019

Amounts in millions of Leones

	Note	FY 2019	FY 2018
REVENUE AND GRANT RECEIPTS			
Domestic Revenue			
<i>Income Tax Receipts</i>	6	1,855,171	1,612,501
<i>Goods and Services Tax (GST) Receipts</i>	7	1,037,093	886,383
<i>Customs and Excise (C & E) Receipts</i>	8	1,313,905	1,008,542
<i>Mineral Resources</i>	9	236,488	222,773
<i>Fisheries</i>	10	143,005	124,216
<i>Other Departmental Receipts</i>	11	941,496	652,552
<i>Road User Charges</i>	12	116,664	74,371
Total Domestic Revenue Receipts		5,643,823	4,581,339
Receipts from Foreign Grants (Direct Budgetary Support - Grants)			
<i>HIPC Debt Relief Assistance</i>	13	11,689	13,371
<i>Other Grants and Aid</i>	14	220,938	226,284
Total Direct Budgetary Support Grants		232,627	239,655
TOTAL REVENUE AND GRANTS RECEIPTS		5,876,450	4,820,994
EXPENDITURE PAYMENTS			
Recurrent Operations			
<i>Wages, Salaries and Employee Benefits</i>	15	2,414,641	1,904,851
<i>Use of goods and services</i>	16	1,978,609	1,432,337
Transfers and Grants			
<i>Grants to Tertiary Educational Institutions</i>	17	148,984	214,892
<i>Transfers to the Road Fund</i>	18	8,338	30,920
<i>Transfers to Local Councils</i>	19	198,140	139,773
<i>Other Grants</i>	20	27,487	43,256
Other Recurrent Payments	21	38,805	37,041
Interest Payments			
<i>Financing Costs – Domestic Interest Payments</i>	22	885,632	811,464
<i>Financing Costs – External Interest Payments</i>	23	93,972	92,197
Total Interest Payments		979,604	903,661
Total Recurrent Expenditure Payments		5,794,608	4,706,732
Domestic Capital/Development Expenditure	24	529,281	620,892
Arrears Payments	25	86,263	109,996
TOTAL EXPENDITURE PAYMENTS		6,410,152	5,437,620
CASH SURPLUS/(DEFICIT), INCLUDING GRANTS		(533,702)	(616,626)
FINANCING ITEMS			
<i>External Borrowing (Loans)</i>	26	644,880	237,225

STATEMENT A

STATEMENT OF CASH RECEIPTS AND PAYMENTS OF THE CONSOLIDATED FUND FOR THE YEAR ENDED 31ST DECEMBER 2019

Amounts in millions of Leones

	Note	FY 2019	FY 2018
External Debt Amortization	27	(466,653)	(357,882)
Domestic Borrowing (Net)	28	427,619	720,679
Privatization Receipts	29	0	2,307
Staff Loans and Advances (Net)	30	494	191
Other Items (Net)			
<i>Returned Payments</i>		7,518	16,488
Total Other Items (Net)		7,518	16,488
OVERALL CASH SURPLUS/(DEFICIT)		80,155	2,383
Cash Balance at 1st January 2019	31	(1,090,869)	(1,093,253)
Cash Balance at 31st December 2019	31	(1,010,715)	(1,090,869)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity's financial statements were approved on 31st March 2020 and signed by:

Richard S. Williams
Accountant General
Government of Sierra Leone
Date: 31st March 2020

STATEMENT B
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL REVENUE AND
EXPENDITURE FOR THE YEAR ENDED 31ST DECEMBER 2019

Amounts in millions of Leones

		FY 2019		FY 2018
	Budget Estimates	Actual	Surplus/ (Shortfall)	Actual
Domestic Revenue				
Income Tax Receipts	2,017,842	1,855,171	(162,671)	1,612,501
Goods and Services Tax (GST) Receipts	1,088,459	1,037,093	(51,366)	886,383
Customs and Excise (C & E) Receipts	1,450,601	1,313,905	(136,696)	1,008,542
Mineral Resources	228,786	236,488	7,702	222,773
Fisheries	105,589	143,005	37,416	124,216
Other Departmental Receipts	896,744	941,496	44,752	652,552
Road User Charges	125,445	116,664	(8,781)	74,371
Total Domestic Revenue	5,913,466	5,643,823	(269,643)	4,581,339
Total Direct Budgetary Support Grants	1,063,829	232,627	(831,202)	239,655
Total Revenue and Grant Receipts	6,977,295	5,876,450	(1,100,845)	4,820,994
EXPENDITURE PAYMENTS				
Wages, Salaries and Employees Benefits	2,400,301	2,414,641	(14,340)	1,904,851
Use of goods and services	2,129,911	1,978,609	151,302	1,432,337
Transfers and Grants				
Grants to Tertiary Educational Institutions	178,000	148,984	29,016	214,892
Transfers to the Road Fund	125,445	8,338	117,107	30,920
Transfers to Local Councils	191,890	198,140	(6,250)	139,773
Other Grants	57,050	27,487	29,562	43,256
Other payments	66,484	38,805	27,679	37,041
Total Non-Interest Recurrent Expenditure Payments	5,149,081	4,815,004	334,077	3,803,071
Capital/Development Expenditure	901,186	529,281	371,905	620,892
Financing Costs – Domestic Interest Payments	936,681	885,632	51,049	811,464
Financing Costs – External Interest Payments	97,879	93,972	3,907	92,197
Arrears Payments	8,157	86,263	(78,106)	109,996
Total Expenditure Payments	7,092,984	6,410,152	682,832	5,437,620
Cash Surplus/(Deficit) from operations	(115,689)	(533,702)	(418,013)	(616,626)

STATEMENT B
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL REVENUE AND
EXPENDITURE FOR THE YEAR ENDED 31ST DECEMBER 2019

Amounts in millions of Leones

	FY 2019	FY 2018
Budget Estimates	Actual	Actual
External Borrowing (Loans)	644,880	237,225
External Debt Amortization	(466,653)	(357,882)
Domestic Borrowing (Net)	427,619	720,679
Privatization Receipts	0	2,307
Staff Loans and Advances (Net)	494	191
Other Items (Net)	7,518	16,488
Net Financing Flows	613,857	619,009
Overall Cash Surplus/(Deficit)	80,155	2,383

STATEMENT C
STATEMENT OF CASH POSITION AS AT 31ST DECEMBER 2019

Amounts in millions of Leones

	As At 31st December 2019	As At 31st December 2018	Change in Balances
CONSOLIDATED FUND			
CASH AND CASH EQUIVALENTS			
Treasury Ways & Means Advances Account	192,909	75,746	117,162
Strategic Petroleum Fund Account	2,017	2,017	0
General Revenue	0	14	(14)
Road Maintenance Fund (RMFA)	58,597	10,050	48,547
Timber Export Levy	0	3,740	(3,740)
Cargo Tracking	28,620	0	28,620
Anti Curr	15,078	0	15,078
Departmental Bank A/C	195,322	92,772	102,551
TOTAL CASH AND CASH EQUIVALENTS	492,544	184,340	308,204
OVERDRAFTS HELD AT BANK			
Treasury Main Account	(330,831)	(42,024)	(288,807)
Other Charges Account	(679,644)	(730,561)	50,917
Salaries Account	(198,188)	(181,011)	(17,177)
Pensions Accounts	(44,377)	(71,395)	27,018
Infrastructure Development Fund	(182,588)	(182,588)	0
Departmental O/D	(67,631)	(67,631)	0
TOTAL BANK OVERDRAFT HELD	(1,503,258)	(1,275,209)	(228,049)
NET CASH AND BANK BALANCES - CONSOLIDATED FUND	(1,010,715)	(1,090,869)	80,155

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

1.6. NOTES OF EXPLANATION AND ELABORATION TO THE PUBLIC ACCOUNTS

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

1. General Information

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

The unaudited 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, 2019 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 expenditure incurred by all (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 2019 are those expended by the Treasury 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. The list for entities included in the accounts is provided in Appendix 1.

In effect, the Annual Financial Statements of the Consolidated Fund of the Government of Sierra Leone include the results of transactions and financial operations of all its MDAs 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 of 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, is Ministerial Building, George Street, Freetown, Sierra Leone. Website: www.mof.gov.sl, email: agd@mof.gov.sl and info@mof.gov.sl.

2. Summary of Significant Accounting Policies

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

a. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with the requirements of the Public Financial Management (PFM) Act of 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 twelve months starting on 1st January and ending on 31st December 2019, as specified in Section 1 of the PFM Act of 2016.

d. Receipts

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

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

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

e. Interest Received

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

f. Government Business Activities

Cash receipts from trading activities shall be recorded as 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 as '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 categorised 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 recognised in the Statement of Cash Receipts and Payments accordingly either as receipts or payments.

j. Cash and Cash Equivalents

Cash and cash equivalents comprise cash at hand and cash in 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. Should circumstances occur (including an emergency) where either an imprest/advance is given out close to the financial year end or an imprest/advance already given could not be accounted for, such an imprest/advance (or balance outstanding) shall be treated as cash equivalent since there shall be no proof that such funds have been utilised.

1. Budget

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

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

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

m. Contingencies

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

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

n. Unpaid (Outstanding) Commitments

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

3. Authorisation Date

The unaudited financial statements were authorised for issue on 25th March 2020 by Mr. Jacob Jusu Saffa, Minister of Finance of the Government of Sierra Leone.

4. The Approved National Budget

The approved national budget is developed on the same accounting basis (cash basis), same classification basis, and for the same period (from 1st January to 31st December 2019) as for the financial statements. The Appropriation Act for FY2019 was adopted and passed into law by Parliament in November 2018. Following that, the Appropriation Act for FY2019 was signed into law by the President in December 2018. This is Government Budget and Statement of Economic and Financial Policies for FY, 2019 with the theme “Fiscal Consolidation for Human Capital Development”. The key objectives for the 2019 government budget include the pursuing of fiscal consolidation to ensure fiscal and debt sustainability, accelerate investments in human capital in order to improve the wellbeing of current and future generation. It also focuses on the expansion of social protection programmes to mitigate the impact of the liberalisation of fuel prices to ensure inclusive growth and poverty reduction.

The total amount of approved appropriation from the Legislature for FY2019 is Le5,534,641 million representing Wages, salaries and employees benefits Le2,400,601 million, use of goods and services Le2,099,779 million, devolved functions Le184,241 million, development expenditure Le2,144,932 million, public debts charges Le1,500,554 million and contingency fund Le30,133 million.

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 of 2016 require that the Annual Financial Statements of the Consolidated Fund be prepared and submitted within three months of the end of a financial year, separate from those of budgetary and sub-vented agencies, and other entities of the central government. Section 89 of the PFM Act of 2016 further requires that the Accountant General should prepare and submit to the Auditor-General the Annual Financial Statements of the 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 FY 2019 amounted to Le1,855,171 million (Le1,612,501 million – FY2018). The summary details of the income tax receipts are presented in the table below:

Income Tax Receipts (In millions of Leones)				
	Budget Estimates FY 2019	Actual FY 2019	Surplus/ (Shortfall) FY 2019	Actual FY 2018
Corporate Tax	462,359	0	(462,359)	
Personal Income Tax	1,524,240	1,544,635	20,395	1,355,026
PAYE- Government Employees		266,137	266,137	203,269
Withholding Tax-Govt. Contractors		39,805	39,805	33,939
Withholding Tax-Free Health Care		4,594	4,594	2,911
Other Personal Income Tax	31,243		(31,243)	0
Foreign Travel Tax				17,357
Total Income Tax Receipts	2,017,842	1,855,171	(162,671)	1,612,501

The total amount of Domestic Revenue (Tax) Arrears as at 31st December, 2019 amounted to Le286.34 billion (Le265.9 billion - FY 2018). Further details are presented in Appendix 2 - Statement of Domestic Revenue Arrears.

7. Goods and Services Tax (GST) Receipts

The total amount of Goods and Services Tax (GST) receipts collected during the FY 2019 amounted to Le1,037,093 million (Le886,383million - FY2018). The summary details of the Goods and Services Tax receipts are presented in the table below:

Goods and Services Tax (GST) Receipts (In millions of Leones)				
	Budget Estimates FY 2019	Actual FY 2019	Surplus/ (Shortfall) FY 2019	Actual FY 2018
Import GST	635,670	1,037,093	401,423	886,383
Domestic GST	452,789	0	(452,789)	0
Total GST Receipts	1,088,459	1,037,093	(51,366)	886,383

8. Customs and Excise (C & E) Receipts

The total amount of Customs and Excise (C & E) Receipts collected during the FY 2019 amounted to Le1,313,905 million (Le1,008,542 million - FY 2018), with further details shown below:

Custom and Excise (C & E) Receipts (In millions of Leones)				
	Budget Estimates FY 2019	Actual FY 2019	Surplus/ (Shortfall) FY 2019	Actual FY 2018
Import Duties	812,473	939,760	127,287	764,821
Petroleum Fuel Oil Excise Duty	590,006	374,128	(215,878)	229,916
Other Excise Duties	48,122		(48,122)	
Duty Waiver Income		17	17	13,805
Total C & E Receipts	1,450,601	1,313,905	56,836	1,008,542

9. Mineral Resources

The total receipts from mineral resources for FY2019 amounted to Le236,448 million (Le222,773 million - FY2018), with further details shown below:

Mineral Receipts (In millions of Leones)				
	Budget Estimates FY 2019	Actual FY 2019	Surplus/ (Shortfall) FY 2019	Actual FY 2018
Royalty on Rutile	62,345		(62,345)	
Royalty on Bauxite	14,983		(14,983)	
Royalty on Diamond and Gold	60,638	5,264	(55,374)	27,704
Royalty on Iron Ore	8,390		(8,390)	
Licences	82,430		(82,430)	
Miscellaneous		231,223	231,223	195,069
Total Mineral Receipts	228,786	236,488	7,702	222,773

10. Fisheries

The total receipts from fisheries for FY2019 amounted to Le143,005 million (Le124,216 million – FY2018), with further details shown below:

Fisheries Receipts (In millions of Leones)				
	Budget Estimates FY 2019	Actual FY 2019	Surplus/ (Shortfall) FY 2019	Actual FY 2018
Reg'n Artisanal Fish Vessels	105,589	100,767	(4,822)	94,919
Freight Levy Maritime		42,239	42,239	29,297
Marine Resources Fines			0	
Total Fisheries Receipts	105,589	143,005	37,416	124,216

11. Other Departmental Receipts

The total amount of Other Departmental Receipts collected during the FY 2019 amounted to Le 941,496 million (Le652,552 million - FY 2018), with further details shown below:

Other Departmental Receipts (In millions of Leones)				
	Budget Estimates FY 2019	Actual FY 2019	Surplus/ (Shortfall) FY 2019	Actual FY 2018
Issuance of National ID Cards		0	0	1
Passports - New Issues	108,946	12,185	(96,761)	10,253
Pharmacy Board Licence		4,056	4,056	3,462
Rent Received from Gov't Qtrs.		191	191	252
Strategic Petroleum Income		11,474	11,474	7,621
Petroleum Directorate		2,647	2,647	40,489
Forest Produce Licences	165	28,684	28,519	9,696
Export Licences		196,047	196,047	66,221
GSM Licence		0	0	117
EPA Monitoring Fees		32,336	32,336	20,850
Standards Bureau	100	2,496	2,396	
NATCOM	141,344	165,192	23,848	155,700
SLRSA		57,628	57,628	
SLCAA	50	67,972	67,922	
Misc. Receipts	646,139	360,588	(285,551)	337,892
Total Other Departmental Receipts	896,744	941,496	44,752	652,552

The total amount of Miscellaneous Receipts of Le360,588 million for FY 2019 (Le337,892 million – FY2018) comprises, as follows:

MISC RECEIPTS - FY2019			
MDA Code	Description	FY 2019 Le' m	FY 2018 Le' m
105	Ministry of Political and Public Affairs	2,213	0
107	Ministry of Local Govt. and Rural Development	2,685	1,884
110	Secretary to the President	10,520	19,676
112	Office of the Vice President	6,919	7,413
117	Cabinet Secretariat	146	0
118	The Judiciary	1,576	1,596
120	High Court	1,981	2,664
122	Human Resource Management Office	186	81
124	Law Officers Department	7,934	2,704
127	Ministry of Planning and Economic Development	3,008	391
128	Ministry of Foreign Affairs and International Coop.	22,828	6,495
129	Ministry of Finance	74,350	35,227
130	National Revenue Authority (NRA)	100,945	152,376
132	Accountant General's Department	18,116	9,046
133	Ministry of Information and Communications	1,103	344
141	Government Printing Department	466	226
201	Ministry of Defence	2,985	19,726
205	Ministry of Internal Affairs	0	554
206	Sierra Leone Police	39,352	33,158

MISC RECEIPTS - FY2019

MDA Code	Description	FY 2019 Le' m	FY 2018 Le' m
207	Sierra Leone Correctional Services	5,099	0
208	National Fire Authority	134	439
211	Immigration Department	0	404
301	Ministry of Education Science and Technology	6,391	6,506
302	Ministry of Sports	49	554
303	Ministry of Tourism and Cultural Affairs	2,976	390
304	Ministry of Health and Sanitation	26,729	15,528
305	Ministry of Social Welfare Gender and Children Affairs	507	2,265
306	Ministry of Lands Country Planning and Environment	2,337	548
310	Ministry of Youth Affairs	1,372	1,635
401	Ministry of Agriculture, Forestry and Food Security	1,938	4,422
402	Ministry of Fisheries and Marine Resources	209	1
403	National Minerals Agency	580	1,031
404	Ministry of Transport and Aviation	70	46
406	Ministry of Energy	844	1,441
407	Ministry of Labour and Social Security	333	971
408	Ministry of Works Housing and Infrastructure	5,176	2,712
409	Ministry of Trade and Industry	26	5
411	Road Maintenance Fund	372	413
412	National Telecommunications Commission (NATCOM)	5,575	0
414	Ministry of Water Resources	2,558	4,875
415	Sierra Leone Maritime Administration	0	50
420	Miscellaneous Services	0	32
Total		360,588	337,829

12. Road User Charges

Receipts collected from Road User Charges totalled Le116,664 million (Le74,371million – FY 2018).

Road User Charge Receipts (In millions of Leones)

	Budget Estimates	Actual	Surplus/ (Shortfall)	Actual
	FY 2019	FY 2019	FY 2019	FY 2018
Road User Charges	125,445	116,664	(8,781)	74,371
Total Road User Charge Receipts	125,445	116,664	(8,781)	74,371

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

13. HIPC Debt Relief

The total amount of debt relief granted in FY 2018 under the Highly-Indebted Poor Countries (HIPC) programme was Le11,689 million (Le13,371 million – FY 2018), with details as shown below:

HIPC Debt Relief Assistance (In millions of Leones)

	Budget Estimates FY 2019	Actual FY 2019	Surplus/ (Shortfall) FY 2019	Actual FY 2018
IFAD		6,126	6,126	7,634
EEC		5,563	5,563	5,737
Total HIPC Debt Relief Assistance	0	11,689	11,689	13,371

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

The total amount of foreign (external) grants received during FY 2019 was Le220,938 million (Le226,284 million – FY 2018), with details as shown below:

Other Grants and Aid (In millions of Leones)

	Budget Estimates FY 2019	Actual FY 2019	Surplus/ (Shortfall) FY 2019	Actual FY 2018
UK DFID	654,813		(654,813)	
EU State Building Contract		220,938	220,938	225,485
Grants from the ECOWAS Commission			0	
Other Grant and Aid	409,016		(409,016)	799
Total Other Grants and Aid	1,063,829	220,938	(842,891)	226,284

The European Union gave a direct budgetary support of €20.9 million (net), representing Le223,236 million (Le225,485 million – FY 2018), under the third State Building Contract. This however took into account the exchange rate fluctuation of the previous year's disbursement of Le2,298 million amounting to the net receipt of Le220,938 million. The macroeconomic eligibility criteria are considered as fulfilled on the basis of:

- i. the adoption and demonstrated commitment towards fiscal consolidation which also includes the accounting and financial reporting of all MDAs disbursement accounts and
- ii. the new IMF ECF programme adopted on 30th November, 2018.

15. Wages, Salaries and Employees' Benefits

The total amount of Wages, Salaries and Employees' Benefits paid during FY 2019 was Le2,414,641 million (Le1,904,851 million – FY 2018), excluding wages and salaries arrears payments of Le33,084 million (Le30,152 million – FY 2018) 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 2019	Actual FY 2018
2111 Basic Salaries	1,261,212	1,083,832
2112 Salary Grants	402,247	351,218
2114 Travelling Claim to Retirement	151	223
2121 Transport Allowance	69,922	32,227
2122 Medical Allowance	15,870	16,145
2123 Rent Allowance	52,857	35,905
2124 Telephone Allowance	0	6
2126 Domestic Servant Allowance	77	104
2127 Fuel Allowance	90	155

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

		Actual FY 2019	Actual FY 2018
2128	Risk Allowance	28,130	2,542
2130	Clothing Allowance	279	267
2131	Responsibility Allowance	174	87
2132	Remote Allowance	36,421	0
2133	Acting Allowance	5,831	3,142
2136	Travel Bonus	132	15
2139	Other Allowances	37,942	330,399
2140	Late Allowance	20	21
2142	Taxation Allowance	25	0
2145	Entertainment Allowance	657	0
2149	Leave Allowance	62,383	48,408
2152	Special Acting Allowance	141	14
2153	Representation Allowance	132	0
2155	Children Allowance	955	0
2156	Education Allowance	189	0
2158	On Call Medical Allowance	42,771	0
2181	Emp Cont To Social Security Pen	184,056	30
2182	Gratuities	151,261	0
2183	Pensions	48,384	0
2184	Death Gratuities	11,530	0
2194	Adj Sal & All'Ces-Sal Grants	0	111
2195	Adj Sal & All'Ces-Allowances	0	0
2199	Unallocated Personnel Exp	801	0
Total Wages, Salaries and Employee Benefits		2,414,641	1,904,851

Further details on wages, salaries and employee benefits paid by the Government during FY2019 are available in Appendix 2 below, analysed by MDA.

16. Use of Goods and Services

Use of Goods and Services expended during the financial year totalled Le1,978,609 million (Le1,432,337 million – FY 2018) and these include such items as stationery, communications, water and sewage, fuel and lubricants for vehicles, fuel for generators, etc. Details of use of goods and services expended during the financial year being analysed by object code are presented below:

Use of goods and services (In millions of Leones)

		Actual FY 2019	Actual FY 2018
2211	Local Travelling	6,881	5,314
2212	Overseas Travelling	40,432	29,229
2221	Electricity	2,533	2,547
2222	Water	2,533	256
2223	Telephone & Other Comm.	2,039	5,447
2241	Office & General	882,504	659,094
2242	Stationery	5,061	7,067
2243	Official Recpt., Entert. & Hospitality	700	171
2244	Office Cleaning	1,252	752
2245	Office Stores/Supplies	40,496	24,076
2246	Computer Running Costs	1,700	1,553

Use of goods and services (In millions of Leones)

		Actual FY 2019	Actual FY 2018
2251	Advertisements	-60	860
2252	Publications	399	128
2253	Printing (General)	416	219
2255	Public Relations Expenses	371	343
2261	Building Maintenance	7,773	4,781
2262	Machinery & Equip. Maintenance	221	191
2264	Vehicle Maintenance	3,771	3,577
2265	Generator Running Cost	168	549
2266	Insurance-Building	0	0
2267	Insurance-Motor Vehicles/Cycle	22	76
2270	Rice for Officers & Other Rank	14,772	-3,518
2271	Licence-Motor Vehicles/Cycles	0	0
2272	Medical Consumables	23	0
2291	Bank Charges	7,780	21,885
2292	Misc. Operat'l Expenses	37,568	62,708
2293	Honoraria & Other All'Ces	40	0
2294	Freight/Port Charges	3	46,844
2295	Subs/Membership Dues-Local	0	261
2296	Subs/Membership Dues-Int.	0	0
2311	Recruitment	0	570
2312	Training Local	2,783	-161
2313	Training Overseas	7,499	6,750
2314	Local Conferences	4,245	621
2315	Professional Fees/Consultancy	19,187	6,466
2317	Legal Expenses	0	4
2318	Medical Expenses	18,353	7,715
2321	Uniforms/Protective Clothing	966	1,414
2322	Textbooks	73,893	52,417
2323	Teaching & Learning Materials	18,635	22,163
2324	Diets & Feeding	59,206	36,896
2325	Drugs & Medical Supplies	21,847	-526
2328	Fuel & Oil (Vehicles)	58,251	45,737
2332	Essential Drugs	0	11,474
2333	Medical Supplies	65	0
2334	Other Consumables	547	
2338	Other Fire Prevention Expenses	0	1,555
2341	Rent for Office Accommodation	5,055	5,566
2342	Rent for Residential Accommodation	1,183	308
2344	Rates	2,491	0
2345	'Exp. on Presidential Household	0	0
2346	State House & Pres. Lodge Exp.	4,798	0
2351	Research Expenses	877	116
2361	Social Events	0	16
2364	Sports Competitions	16,330	11,220
2365	Fuel for Emergency Power	92,649	29,634
2383	Official Receptions/Hosp	395	0
2385	Diplomatic Corp Activities	868	465
2389	Other Service Activity Expenses	0	0
2392	State Security Expenses	249	7,427

Use of goods and services (In millions of Leones)

		Actual FY 2019	Actual FY 2018
2393	Agricultural Expenses	24,808	1,610
2394	Agricultural Input	-75	10,788
2398	Unallocated/Contingency	0	14,587
2411	Current Grants Gen. Govn. Bodies	413,887	237,609
2417	Grants Subject Ass. In Sec. Sch.	0	0
2423	Youth Development Prog.	303	0
2613	Furn, Office Equip., Safes	11,225	10,978
2614	Computers and Ancillary Equip	2,179	2,268
2615	Vehicles	56,539	31,629
2618	Medical Equipment	0	0
2619	Science Equipment	-2,200	0
2621	Feasibility Study, Proj. Design	218	0
2624	Bicycles and Tricycles	100	0
2631	Plant, Equip & Machinery	0	173
2632	Const'n / Reconst'n of Buildings	642	437
2633	Rehabilitation Of Buildings	1,212	0
Total Use of goods and services		1,978,609	1,432,337

Further details are available in Appendix 4, comparing the Budget Estimates and Actual Expenditure Payments at the MDA level and providing spending analysis by object code. Further details are available in Appendix 4, comparing the Budget Estimates and Actual Expenditure Payments at the MDA level and providing spending analysis by object code.

17. Grants to Tertiary Educational Institutions

The total amount expended during the financial year on grants to tertiary educational institutions was Le148,984 million (Le214,892 million – FY 2018). This amount includes university fee subsidies totalling Le94,661 million (Le124,686 million – FY 2018). The remaining amount of Le54,323 million (Le90,206 million – FY 2018) was distributed to the tertiary educational institutions.

18. Transfers to the Road Maintenance Fund

The total amount accounted for as Road User Charges and transferred to the Road Maintenance Fund under the control of the Road Maintenance Fund Administration (RMFA) was Le8,338 million (Le30,920 million – FY 2018), considering the fact that the bulk of the transfers made to the fund for their operational cost has been accounted for as use of goods and services as part of the consolidation exercise.

19. Transfers to Local Councils

The total amounts paid in respect of transfers to local councils and school fee subsidies for FY 2019 was Le198,141 million (Le139,773 million – FY 2018), including school fee subsidies of Le78,295 (Le2,338 million – FY 2018) which is a massive increase mainly due to the free quality education initiative.

Transfers to Local Councils (In millions of Leones)

Local Councils	Particulars	Budget Estimates FY 2019	Actual FY2019	Actual FY2018
701	Direct Transfers to Local Councils		46,947	54,856
702	Kailahun District	8,779	4,773	4,610
703	Kenema City Council	2,671	2,249	2,057
704	Kenema District Council	5,324	2,535	3,630
705	Koidu New Sembenhun City Council	4,427	3,871	2,629
706	Kono District Council	5,191	2,477	3,106
707	Makeni City Council	2,123	1,797	1,919
708	Bombali District Council	3,944	2,014	3,868
709	Kambia District Council	6,465	3,123	3,681
710	Koinadugu District Council	5,667	2,752	6,114
711	Port Loko District Council	7,358	3,522	10,922
712	Tonkolili District Council	8,656	4,426	4,798
713	Bo City Council	2,483	3,226	3,260
714	Bo District Council	4,906	2,327	3,391
715	Bonthe Municipal Council	2,653	2,340	1,486
716	Bonthe District Council	3,263	4,420	2,075
717	Moyamba District Council	6,343	3,073	3,761
718	Pujehun District Council	6,127	2,707	3,452
719	Western Area Rural District Council	4,936	2,302	3,578
720	Freetown City Council	15,817	13,753	14,193
721	Port Loko City Council	3,367	1,636	0
722	Karene City Council	3,958	1,873	0
723	Falaba City Council	3,537	1,702	0
		117,994	119,846	137,385
	Indirect Transfers to Local Councils			
	School Fees Subsidy	73,896	78,295	2,388
	Local Government Development Grant	7,893	0	
		199,784	198,141	139,773

20. Other Grants (Payments)

The Other Grants (Payments) made in FY 2019 totalled Le27,487 million (Le43,256 million – FY 2018), as outlined below:

Other Grants (In millions of Leones)

	Budget Estimates FY 2019	Actual FY 2019	Surplus/ (Shortfall) FY 2019	Actual FY 2018
Grants to Educational Units			0	1,043
Girl Child Expenses	9,778		9,778	
Exams Subsidy to WAEC	14,615	27,487	(12,872)	4,903
Grants-in-Aid	32,656		32,656	37,311
Total Other Grants	57,050	27,487	29,562	43,256

21. Other Recurrent Payments

The Other Recurrent payments made in FY 2019 totalled Le38,805 million (Le37,041 million – FY 2018), as outlined below:

Other Recurrent Payments (In millions of Leones)

	Budget Estimates FY 2019	Actual FY 2019	Actual FY 2018
Social Benefits	27,484	1,902	1,430
Other Contributions		9,636	33,689
Subscription to International Org.	39,000	27,196	
Consolidated Act Based Expense		70	1,922
Total Other Recurrent Payments	66,484	38,805	37,041

22. Financing Costs – Domestic Interest Payments

The Financing Costs for Domestic Borrowing held in FY 2019 (Domestic Interest Payments) amounted to Le885,632 million (Le811,464 million - FY 2018) 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 2019	Actual FY 2019	Surplus/ (Shortfall) FY 2019	Actual FY 2018
Interest on Treasury Bills	837,713	769,639	68,074	726,113
Interest on Treasury Bonds	78,767	101,696	(22,929)	77,127
Bridging Loan Interest			0	0
Ways and Means Interest	20,202	14,297	5,905	8,225
Total Domestic Interest Payments	936,681	885,632	51,050	811,464

Further details are available in Note 28 and Appendices 6-8

23. Financing Costs – External Interest Payments

The Financing Costs for External Borrowing held in FY 2019 (External Interest Payments) amounted to Le93,972 million (Le92,197 million - FY 2018) 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 2019	Actual FY 2019	Surplus/ (Shortfall) FY 2019	Actual FY 2018
Multilateral Debts	97,879	64,370	33,509	73,406
Bilateral Debts		29,602	(29,602)	18,791
Commercial Debts		0	0	0
Total External Interest Payments	97,879	93,972	3,907	92,197

Further details are available in Note 27 and Appendix 8.

24. Capital/Development Expenditure

The total amount of Le529,281 million (Le620,892 million – FY 2018) for Domestic Development Expenditure represents the Government's contribution to various Development Projects.

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

Development Project Operations

The total receipts recorded for Donor Funded Projects for the year under review amounted to Le1,156,378 million (Le243,052 million – FY2018) while total payments made by these projects stood at Le1,148,193 million (Le239,308 million – FY2018), resulting in a surplus of Le8,182 million (surplus Le3,744 million – FY2018). Summary details are provided in the table below:

Development Project Operations

Amounts in millions of Leones

	FY2019	FY2018
Project Receipts	1,156,375	243,052
Project Payments	1,148,193	239,308
Loss/Gains on Exchange	9,705	4,276
Development Project Operations (Net Flows)	17,887	8,020

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

25. 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. Currently, it is however possible to identify and reliably ascertain the financial value received for such contributions.

26. Arrears Payments

The arrears payments made in FY 2019 totalled Le86,263 million (Le109,996 million - FY 2018), as outlined below:

Arrears Payments (In millions of Leones)

	Budget Estimates FY 2019	Actual FY 2019	Surplus/ (Shortfall) FY 2019	Actual FY 2018
Wages and Salaries Arrears	954	33,084	(32,130)	30,152
Domestic Arrears	5,602	53,179	(47,577)	79,763
Parastatal Arrears	1,601		1,601	81
Total Arrears Payments	8,157	86,263	(78,106)	109,996

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

The total amount of foreign (external) loans disbursed during FY 2019 as direct budgetary support was Le644,880 million (Le237,225 million – FY 2018), with details as shown below:

External Borrowing (Loans) (In millions of Leones)

	Budget Estimates FY 2019	Actual FY 2019	Surplus/ (Shortfall) FY 2019	Actual FY 2018
World Bank	588,393	341,613	(246,780)	46,940
World Bank - Pay & Perf Project			0	7,698
African Development Bank		180,008	180,008	
International Monetary Fund (IMF)		123,259	123,259	182,587
Total External Borrowing (Loans)	588,393	644,880	56,487	237,225

Amounts totalling Le123,259 million (Le182,587 million – FY 2018) were received during the fiscal year from the IMF (through the Bank of Sierra Leone) under the Extended Credit Facility Programme. This is the equivalent of US\$21.55 million and its Special Drawing Rights (SDR) 10.00 million. During the 2019 fiscal year, the CRF also received Le180,008 million equivalent to US\$20.70 million from the African Development Bank in respect of the replenishment of the revolving fund fiscal consolidation support programme in favour of the Government of Sierra Leone. There was also the International Development Association (IDA) disbursement through the Bank of Sierra Leone of US\$39.67 million credited to the CF Le341,613 million being the Leone equivalent of the said amount.

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

The total amount of external debt payments made during the financial year was Le560,626 million (Le450,079 million – FY 2018), comprising principal loan repayments of Le466,653 million (Le357,882 million – FY 2018) and interest payments of Le93,972 million (Le92,197 million – FY 2018).

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

	FY2019			FY2018		
	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 (IDA)	20,888	19,813	40,701	16,967	16,991	33,958
African Development Fund (ADF)	13,427	13,910	27,337	6,013	10,486	16,499
OPEC Fund for International Development	43,001	9,305	52,307	50,622	9,164	59,786
International Fund for Agricultural Development (IFAD)	6,044	2,762	8,805	9,838	2,121	11,959
Islamic Development Bank	105,208	925	106,133	70,772	19,757	90,530
Arab Bank for Economic Development Bank	8,556	793	9,349	12,191	3,236	15,427
European Investment Bank	11,702	7,308	19,011	5,483	7,254	12,737
ECOWAS Regional Development Fund	11,788	3,980	15,768	17,310	4,397	21,707
ECOWAS Bank for Investment Development	12,423	5,574	17,997	0	0	0
Total Multilateral Debts (A)	233,038	64,370	297,408	189,197	73,406	262,603
BILATERAL DEBTS						
Saudi Fund for Development	8,428	3,149	11,577	5,389	2,198	7,586
Kuwait Fund	29,496	12,928	42,423	13,370	4,979	18,349
China	27,312	6,261	33,574	21,303	5,427	26,730
Exim Bank of India	33,377	7,264	40,641	29,379	6,187	35,566
Total Bilateral Debts (B)	98,613	29,602	128,216	69,440	18,791	88,231
COMMERCIAL DEBTS (C)						
Commercial & Suppliers Credit	135,002	0	135,002	99,245	0	99,245
TOTAL EXTERNAL PUBLIC DEBTS PAYMENTS	466,653	93,972	560,626	357,882	92,197	450,079

29. Domestic Borrowing (Net)

Domestic Borrowing during FY 2019 totalled Le 4,137,576 million (Le4,142,833 million – FY 2018) and this comprises:

Domestic Borrowing - Net (Amounts In millions of Leones)

	Issues FY 2019	Repayments FY 2019	Net Flows FY 2019	Issues FY 2018	Repayments FY 2018	Net Flows FY 2018
Short term Securities (Less than one year)						
Treasury Bills	3,792,462	3,424,561	367,901	3,495,413	3,160,596	334,817
1 Year Treasury Bonds	0	0	0	0	0	0
Bridging Loan	0	247,019	(247,019)	247,019	0	247,019
Ways and Means	117,162	75,235	41,927	75,235	120,030	(44,795)
Total Short-term Securities	3,909,624	3,746,815	162,809	3,817,667	3,280,627	537,040
Long-term Securities	227,951	213,078	14,873	325,167	141,528	183,639
Total Domestic Borrowing Payments	4,137,576	3,959,893	177,683	4,142,833	3,422,154	720,679

Treasury Bills – The amount of Le3,792,462 million (Le3,495,413 million – FY 2018) 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 Le3,424,561 million (Le3,160,704 million – FY 2018). The total outstanding amount of treasury bills at the end of FY2018 is Le3,761,856 million (Le3,394,950 million – end FY 2018). Further details are available in the table below (**Summary Schedule of Domestic Public Debts**) and in **Appendix 6** for 91-Day Treasury Bills, **Appendix 7** for 182-Day Treasury Bills and **Appendix 8** for 364-Day Treasury Bills.

One Year Treasury Bonds – There are no further issues with respect to one-year bond for the period under review and all outstanding bonds have been redeemed in the previous years.

Bridging Loan – Bridging Loan was obtained from the Bank of Sierra Leone during FY 2018 with an outstanding balance of Le247 billion as at the previous year end, but have now been repaid during the course of the year leaving no outstanding balances as at the end of FY 2019

Ways and Means Advances – The net decrease in Ways and Means given by the Bank of Sierra Leone to finance Government's operations was Le41,927 million, taking the total amount owed at the end of the fiscal year to Le117,162 million, repayable in the ensuing year.

Long Term Securities (with more than one-year maturity) – A total amount of Le227,951 million (Le325,167 million – FY 2018) represents long-term securities issued in the form of treasury bonds during the year ended FY 2019. The total worth of long-term securities redeemed during the year amounted to Le213,078 million (Le141,528 million – FY 2018).

The total outstanding amount of long-term securities held as 2-Year, 5-Year and 10-Year Treasury Bonds at the end of FY 2019 is Le1,439,840 million (Le791,693 million – end FY 2018) held by the Bank of Sierra Leone (Le799,273 million) and NASSIT (Le106,559 million). The Special

Marketable Securities held by the Bank of Sierra Leone totalling Le799,273 million as at 31st December 2019, comprises: 3-Year Treasury Bonds Le331,982 million, 5-Year Treasury Bonds Le367,990 million and 10-Year Treasury Bond Le567,758 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 capitalisation of the Bank and for monetary purposes. The interest cost of financing the operations and the total amount payable at redemption will be borne by the Government.

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

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

Summary Statement of Outstanding Domestic Public Debts as at 31 st December 2019									
	Outstanding Balance 01-Jan-19	Issued During the PRD	Matured During the PRD	Outstanding Balance 31-Dec-19	Interest Payments FY2019	Interest Payments FY2018	Issue Date	Maturity Date	Interest Due Period
	Le' m	Le' m	Le' m	Le' m	Le' m	Le' m			
Short term Securities (with one year or less maturity)									
91-Day Treasury Bills	12,908	23,017	32,391	3,534	650	1,964		See Schedule on 91 Days	
182-Day Treasury Bills	13,848	14,299	24,970	3,177	970	2,970		See Schedule on 182 Days	On various maturity dates
364-Day Treasury Bills	3,367,200	3,755,146	3,367,200	3,755,146	768,020	721,215		See Schedule on 364 Days	
Total Treasury Bills	3,393,956	3,792,462	3,424,561	3,761,856	769,639	726,149			
NB-Treasury Bills are recorded at Issued Values, excluding outstanding interests									
Bridging Loans - Bank of Sierra Leone (BSL)	247,019	0	247,019	0	0	390			
Ways and Means Advances	75,235	117,162	75,235	117,162	14,297	12,421			
Total Short Term Securities	3,716,209	3,909,624	3,746,815	3,879,018	783,936	738,960			
Long term Securities (with more than one year maturity)					0				
1.5-Year Treasury Bonds									
1.5-Year Treasury Bonds Securiport (USD4.5 million)	30,546	0	30,546	0	0		04-Jul-18	30-Dec-19	Zero Coupon Bond
2-Year Treasury Bonds									
2-Year Treasury Bond (NASSIT)	40,487	0	40,487	0	3,037	3,028	29-May-17	23-May-19	13.0%
	0	40,487	0	40,487	3,473	3,037	27-May-19	26-May-21	Avg Inflation + 200 basis point
2-Year Treasury Bond (RCB,CMB & GTB)	46,195	0	0	46,195	7,830	5,890	11-Jan-18	09-Jan-20	17.0%
2-Year Treasury Bond (RCB)	10,000	0	0	10,000	2,200	1,100	22-Feb-18	20-Feb-20	22.0%
2-Year Treasury Bond (SLCB)	15,000	0	0	15,000	3,362	1,681	01-Mar-18	27-Feb-20	22.4%
2-Year Treasury Bond,Securiport Bond (USD 5.7 Million)	49,173	0	0	49,173	0		04-Jul-18	30-Jun-20	Zero Coupon Bond
2-Year Treasury Bond (Tricon)	11,255	0	0	11,255	2,465	0	26-Jul-18	23-Jul-20	22.0%
Total 2-Year Treasury Bonds	172,110	40,487	40,487	172,110	22,366	14,735			
Bank of Sierra Leone (BSL) 3-Year Capitalisation Bonds									
3-Year Treasury Bond, Securiport Bond (USD 9.0 Million)	19,545	0	19,545	0			18-Oct-16	27-Dec-19	Zero Coupon Bond
3-Year BSL Capitalisation Bond (NNIB Converted 2014)	81,801	0	0	81,801	4,908	4,908	30-Mar-17	26-Mar-20	6.0%
3-Year BSL Recap Bond (2010 W & M)	62,013	0	0	62,013	5,581	3,930	14-Sep-18	10-Sep-21	9.0%
3-Year Treasury Bond (RCB)	37,405	0	0	37,405	5,029	4,192	25-Jan-18	21-Jan-21	22.4%
3-Year Treasury Bond (SLCB)	22,442	0	0	22,442	8,383	2,515	01-Feb-18	28-Jan-21	22.4%
3-Year Treasury Bond (SLCB/Hajj A/C)	14,590	0	0	14,590	2,334	1,167	06-Feb-18	02-Feb-21	16.0%
3-Year Treasury Bond (SLCB)	11,220	0	0	11,220	2,514	1,257	09-Feb-18	05-Feb-21	22.4%
3-Year Treasury Bond (Ecobank)	30,047	0	0	30,047	6,734	3,367	15-Feb-18	11-Feb-21	22.4%
3-Year Treasury Bond (Fimmet Benton Villa)	0	47,464	0	47,464	2,589	0	25-Jul-19	21-Jul-22	20.0%
3-Year Treasury Bond (NASSIT)	0	15,000	0	15,000	1,287	0	14-Jun-19	10-Jun-22	Inflation +2%
3-Year Treasury Bond (NASSIT)	0	10,000	0	10,000	0	0	26-Jul-19	22-Jul-22	Inflation +2%
Total 3-Year BSL Capitalisation Bonds	279,063	72,464	19,545	331,982	39,359	21,335			
5-Year Treasury Bonds									
	50,000	0	0	50,000	4,500	4,500	18-Dec-17	18-Dec-22	9.0%
	0	0	0	0	0	5,850	26-Dec-13	20-Dec-18	9.0%
	65,000	0	0	65,000	5,850	2,925	20-Dec-18	14-Dec-23	9.0%
	65,000	0	65,000	65,000	2,925	0	26-Jun-14	20-Jun-19	9.0%
5-Year BSL (Converted from NNIB) Bonds	0	65,000	0	65,000	2,925	2,925	20-Jun-19	13-Jun-24	9.0%
	50,000	0	50,000	50,000	2,250	4,500	26-Dec-14	20-Dec-19	9.0%
	0	50,000	0	50,000	2,250	0	20-Dec-19	13-Dec-24	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	5,955	10-Oct-16	04-Oct-21	14.5%
5-Year BSL (Ways and Means) Bond	46,918	0	0	46,918	5,630	5,630	10-May-17	04-May-22	12%
Total 5-Year Treasury Bonds	367,990	115,000	115,000	367,990	36,786	36,786			
CSE Bond	534,008	0	0	534,008	0		31-Oct-17	18-Nov-24	Zero Coupon Bond
10-Year BSL Capitalisation Bond	41,250	0	7,500	33,750	3,184	4,350	05-Jan-14	18-Apr-24	8.0%
Total Long Term Securities	1,424,967	227,951	213,078	1,439,840	101,696	77,206			
TOTAL OUTSTANDING DOMESTIC PUBLIC DEBTS	5,141,176	4,137,576	3,959,893	5,318,858	885,632	816,166			

The Treasury Bills are marketable securities of the Government on the basis of a 91-day period, 182-day period and 364-day period. The Treasury Bonds on the other hand are Marketable Securities on one-year, two-year, five-year and ten-year basis. Further details on Treasury Bills and the Treasury Bonds can be obtained from Appendices 6-8.

30. Privatisation Receipts

Privatization Receipts during the FY 2019 was nil (Le2,307 million – FY 2018)

31. Staff Loans and Advances (Net)

The net position staff loans and advances during FY 2019 stood at Le494 million (Le191 million – FY 2018).

32. Cash and Cash Equivalent

The net amount of Cash and Cash Equivalent totalled a negative balance of Le891.9 billion taking into account Le118.7 million of project cash balances (Negative Le989.9 billion – FY 2018), most of which are held with the Bank of Sierra Leone, net of project balances of Le100.8 million.

Cash and Bank Balances

As at	31-Dec.-19	31-Dec.-18	Change
	Le' million	Le' million	Le' million
Cash held at Bank	492,544	184,340	308,204
Overdraft with Bank	(1,503,258)	(1,275,209)	(228,049)
Net Cash and Bank Balance	(1,010,715)	(1,090,869)	80,155

33. Prior Year Adjustment

Adjustments were done to the Financial Statements for 2018 to Wages, Salaries, Employee Benefits, Development Expenditure and Use of Goods and Services totalling Le108 billion. This was as a result of cancellation of unpaid cheques printed in previous years such as grants to institutions and advance payment for goods and services that were yet to be delivered.

1.7. ADDITIONAL NOTES TO THE ACCOUNTS

34. 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.

35. 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 assets, 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 Le8,564 billion, as presented below:

SUMMARY OF PENDING FINANCIAL RELATED LITIGATIONS 2019		
NATURE	AMOUNT (LE)	AMOUNT (US\$)
Damages in tort		10,000
Damages in tort		101,925,879
Damages for termination of contract		85,000
Damages for termination of contract		2,259,902
Damages for termination of contract	558,849,000	
Damages for termination of contract		2,257,200,000
Damages for termination of contract		2,571,000
Violation of human rights	315,865,000	
Violation of human rights		14,000,000
Amounts in Leones (Le) & (\$)	874,714,000	2,378,051,781
Total Amount in Leones (Le)	8,564,594,919,649	
Note: The Exchange Rate as at 31st December 2019 is \$ 1 = Le 9,716.71		

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 amounted to Le92.584 billion as at December 2019. In the event of public enterprises or local councils' failure to pay the loan on time, the guarantees would be invoked and the liabilities for payment will be passed on to the 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 materialise, the impact on public debt would be small.

The list of guarantees provided by the Government as at 31st December, 2019 is as follows:

Schedule of Guarantees Issued by Government		
	Year of Issuance	Amount in Million (Le)
Njala University College	2018	3,900.00
Sierra Leone State Lottery	2016	1,000.00
Sierra Leone Postal Services Ltd (SALPOST)	2015	394.00
Sierra Leone Broadcasting Corporation (SLBC)	2013	3,765.00
Guma Valley Water Company	2013	2,164.00
National Hajj Committee	2018	15,872.00
Road Maintenance Fund Administration	2017	65,000.00
Sierra Leone Postal Services Ltd (SALPOST)	2018	489.0
Total		92,584.00

Contingent Assets

There are no contingent assets recorded.

1.8. SUPPLEMENTARY DISCLOSURES IN APPENDICES

APPENDIX 1 – LIST OF TREASURY AND DEPARTMENTAL BANK ACCOUNTS

Bank Accounts Included in the Annual Public Accounts of the Consolidated Fund 2019		
MDA name	Bank name	Accounts name
Consolidated Revenue Fund	Bank of Sierra Leone	Consists of (65) Treasury Accounts
Ministry of Local Government & Rural Development	Bank of Sierra Leone	Ministry of Local Government Head Office Imprest
Ministry of Foreign Affairs & International Co-operation	Bank of Sierra Leone	Ministry of Foreign Affairs Imprest Account.
Ministry of Finance	Bank of Sierra Leone	Local Government Finance Department (Imprest)
	Bank of Sierra Leone	Ministry of Finance Imprest Account
	Bank of Sierra Leone	ECOWAS National Coordinating Committee Account
	SL Commercial Bank	ECOWAS National Unit Account
	SL Commercial Bank	Duty Waiver Joint Monitoring Fund
Ministry of Information and Broadcasting	Bank of Sierra Leone	Ministry of information and Communication
Ministry of Internal Affairs	Bank of Sierra Leone	Ministry of Internal Affairs Imprest Account
Ministry of Education, Science & Technology	Bank of Sierra Leone	Imprest
	Bank of Sierra Leone	Education Management Information System
Ministry of Tourism and Culture (Culture Division)	Bank of Sierra Leone	Imprest
Ministry of Social Welfare, Gender & Children's Affairs	Bank of Sierra Leone	Ministry of Social Welfare Gender a/c
Ministry of Mines and Mineral Resources	Bank of Sierra Leone	Mines and Mineral Resources Imprest Account
Ministry of Transport and Aviation	Bank of Sierra Leone	Imprest Account
Ministry of Energy	Bank of Sierra Leone	Ministry of Energy Imprest
	SL Commercial Bank	Min of Energy
Ministry of Works, Housing and Infrastructure	Bank of Sierra Leone	Emergency Works
	Bank of Sierra Leone	Imprest and General Administration
	Bank of Sierra Leone	Miatta Conference Centre
Ministry of Trade and Industry	Bank of Sierra Leone	Imprest
	Bank of Sierra Leone	Registrar for Cooperative Account
Cabinet Secretariat	Bank of Sierra Leone	Cabinet Secretariat
Human Resource Management Office	Bank of Sierra Leone	Human Resources Management Office Imprest Account
	SL Commercial Bank	Human Resources Account
Immigration Department	Bank of Sierra Leone	Immigration Department
SL Correctional Service	Bank of Sierra Leone	SL Correctional Service Quarterly
Ministry of Defence	Bank of Sierra Leone	Min of Defence Quarterly Allocation
	Bank of Sierra Leone	RSLAF Personnel
	Bank of Sierra Leone	RSLAF Other Charges
SL Police	Bank of Sierra Leone	SL Police Other Charges
	Bank of Sierra Leone	Sierra Leone Police Imprest Account
	Bank of Sierra Leone	Sierra Leone Police Salaries Account
	Bank of Sierra Leone	Sierra Leone Police General
	Rokel Comm. Bank	SLP Local Pol. Partnership
Accountant General's Department	Bank of Sierra Leone	Accountant General's Department Imprest

Bank Accounts Included in the Annual Public Accounts of the Consolidated Fund 2019		
MDA name	Bank name	Accounts name
Ministry of Parliamentary and Political and Public Affairs	Bank of Sierra Leone	Political and Public Affairs Account
Office of the President	Bank of Sierra Leone	Office of the Secretary to the President
		Overseas and Local Travelling
		Office of the First Lady
	Rokel Commercial Bank	Office of the First Lady
Office of the Vice President	Bank of Sierra Leone	Office of the Vice President Account
Judiciary (High Court)	Bank of Sierra Leone	Judiciary Imprest Account
		Master & Registrar High Court A/C
Law Officers' Department	Bank of Sierra Leone	Solicitor-General (Imprest)
		Administration & Registrar General
Ministry of Planning and Economic Development	Bank of Sierra Leone	Ministry of Planning and Economic Development Imprest
Government Printing Department	Bank of Sierra Leone	Government Printing Department Imprest
National Fire Force	Bank of Sierra Leone	National Fire Force Authority
Ministry of Sports	Bank of Sierra Leone	Ministry of Sport Imprest Account
Ministry of Health and Sanitation	Bank of Sierra Leone	Ministry of Health and Sanitation Imprest
Ministry of Lands, Country Planning and the Environment	Bank of Sierra Leone	Ministry of Lands Imprest Account
Ministry of Youth Affairs	Bank of Sierra Leone	Ministry of Youth Affairs Account
Ministry of Agriculture, Forestry and Food Security	Bank of Sierra Leone	Ministry of Agriculture Imprest Account
Ministry of Fisheries and Marine Resources	Bank of Sierra Leone	Ministry of Fisheries Imprest
Ministry of Labour, Industrial Relations and Social and Social Security	Bank of Sierra Leone	Office of the Permanent Secretary
Ministry of Water Resources	Bank of Sierra Leone	Ministry of Water Resources imprest
	Rokel Commercial Bank	Ministry of Water Resources imprest
Petroleum Directorate Disbursement	Bank of Sierra Leone	Petroleum Directorate Disbursement Account
Environmental Protection Agency Disbursement	Bank of Sierra Leone	Environmental Protection Agency Disbursement Account
Sierra Leone Maritime Administration Disbursement	Bank of Sierra Leone	Sierra Leone Maritime Administration Disbursement Account
National Telecommunication Commission Disbursement	Bank of Sierra Leone	National Telecommunication Commission Disbursement Account
Petroleum Regulatory Agency Disbursement	Bank of Sierra Leone	Petroleum Regulatory Agency Disbursement Account
Roads Maintenance Fund Administration Disbursement	Bank of Sierra Leone	Roads Maintenance Fund Administration Disbursement Account

APPENDIX 2 – REVENUE ARREARS AS AT 31ST DECEMBER, 2019

Amounts in millions of Leones

	Revenue Arrears 31st Dec. 2019	Revenue Arrears 31st Dec. 2018
Arrears as per Domestic Tax Department		
Large Tax Office (LTO)	187,298	235,880
Small and Medium Tax Office (Company)	6,913	5,299
Small and Medium Tax Office (Trade)	3,659	-
Extractive Industry Revenue Unit	81,025	-
Total for Domestic Taxes Department	278,894	241,179
Arrears as per Custom and Excise Department		
Debt Management Unit	7,448	24,734
Total for Customs and Excise Department	7,448	24,734
Total Revenue Arrears	286,343	265,913

APPENDIX 3 – COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS FOR WAGES, SALARIES AND EMPLOYEES BENEFITS BY MDA
for the financial year ended 31st December, 2019

Amounts in millions of Leones

MDA Code	Description	Budget Estimates FY 2019	Actual FY 2019	Surplus/ (Shortfall) FY 2019	Actual FY 2018
101	Charged Emoluments	117,409	117,434	(25)	88,617
105	Ministry of Political and Public Affairs	3,648	2,609	1,039	3,484
106	Office of the Chief of Staff	13,344	12,834	510	12,197
107	Ministry of Local Government & Rural Development	31,959	23,231	8,728	14,117
108	Sierra Leone Small Arms Commission	2,639	2,013	626	1,962
110	Office of the Secretary to the President	66,979	78,191	(11,212)	58,035
112	Office of the Secretary to the Vice President	4,852	7,728	(2,876)	3,744
116	Parliamentary Service Commission	16,152	17,915	(1,763)	16,000
117	Cabinet Secretariat	6,719	7,144	(424)	4,580
118	Supreme Court	28	(41)	69	26
119	Court of Appeal	140	158	(18)	124
120	High Court	16,648	16,442	205	17,657
121	Audit Service Sierra Leone	23,376	27,256	(3,880)	26,731
122	Human Resource Management Office	26,558	10,918	15,640	10,713
123	Public Service Commission	6,828	5,524	1,304	6,433
124	Law Officers' Department	29,037	25,330	3,707	26,452
126	Independent Police Complaints Board	1,483	1,548	(64)	1,460
127	Ministry of Planning and Economic Development	13,133	11,510	1,623	0
	Ministry of Foreign Affairs & International				
128	Cooperation	166,334	181,879	(15,546)	139,611
129	Ministry of Finance and Economic Development	57,429	72,909	(15,479)	62,652
131	Revenue Appellate Board	2,440	2,010	430	1,418
132	Accountant General's Department	19,130	16,820	2,309	4,173
133	Ministry of Information and Communications	19,941	23,741	(3,799)	20,210
134	National Electoral Commission of Sierra Leone	12,418	19,998	(7,580)	12,714
137	National Commission for Democracy	4,879	4,925	(46)	4,637
138	Statistics Sierra Leone	13,910	11,580	2,330	13,629
139	National Commission for Privatisation	3,247	3,210	37	3,095
140	Mass Media Services (SLBC Staff)	10,098	8,006	2,092	7,953
141	Government Printing Department	813	1,146	(333)	723
142	National Public Procurement Authority	2,757	4,414	(1,657)	2,804
144	National Commission for Human Rights	13,489	14,805	(1,316)	13,680
145	Rights to Access Information Commission	2,851	3,052	(201)	2,402
201	Ministry of Defence	125,536	48,661	76,875	38,604
203	National Civil Registration Authority	26,424	30,536	(4,112)	6,483
205	Ministry of Internal Affairs	1,493	633	860	13,822
206	Sierra Leone Police	173,785	197,978	(24,193)	163,222
207	Sierra Leone Correctional Services	28,754	25,091	3,664	28,015
208	National Fire Authority	8,132	5,749	2,383	4,680
209	Central Intelligence and Security Unit	7,537	6,854	683	6,021
210	Office of National Security	14,700	12,153	2,547	11,498
211	Immigration Department	4,348	4,416	(68)	3,055
212	National Drugs Law Enforcement Agency	1,135	595	540	905
300	Ministry of Technical and Higher Education	37,299	111,627	(74,327)	0

APPENDIX 3 – COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS FOR WAGES, SALARIES AND EMPLOYEES BENEFITS BY MDA
for the financial year ended 31st December, 2019

Amounts in millions of Leones

MDA Code	Description	Budget Estimates FY 2019	Actual FY 2019	Surplus/ (Shortfall) FY 2019	Actual FY 2018
301	Ministry of Basic and Senior Secondary Education	602,928	476,579	126,350	435,494
302	Ministry of Sports	5,063	6,575	(1,512)	4,955
303	Ministry of Tourism and Cultural Affairs	814	599	215	701
304	Ministry of Health and Sanitation	206,633	308,266	(101,633)	167,834
305	Ministry of Social Welfare, Gender & Children's Affairs	8,506	9,141	(635)	7,916
306	Ministry of Lands, Country Planning and the Environment	4,140	4,948	(809)	3,802
307	National Pharmaceutical Procurement Unit	1,000	2,395	(1,395)	0
308	National Commission for Social Action	10,899	14,691	(3,792)	10,645
310	Ministry of Youth Affairs	3,126	3,556	(430)	2,579
311	Health Service Commission	2,000	899	1,101	413
312	Teaching Service Commission	4,000	8,909	(4,909)	3,228
313	National Youth Service	1,924	2,179	(255)	42
314	National HIV and AIDS Commission	2,428	2,226	202	1,841
315	Teaching Hospital Complex Administration	1,000	0	1,000	0
316	Civil Service Training College	0	0	0	(0)
340		0	0	0	2
341	Pensions, Gratuities and Retirement Benefits	154,696	213,962	(59,266)	171,397
342	Government's Contribution to Social Security	0	0	0	59,503
345	Pharmacy Board Services	2,000	2,365	(365)	1,895
401	Ministry of Agriculture, Forestry and Food Security	14,602	15,152	(550)	12,695
402	Ministry of Fisheries and Marine Resources	1,177	2,201	(1,024)	1,117
403	Ministry of Mines and Mineral Resources	30,144	29,037	1,107	29,246
404	Ministry of Transport and Aviation	5,819	3,428	2,390	5,396
405	Ministry of Tourism and Cultural Affairs (National Tourist Board and Relics Commission)	7,851	6,457	1,394	6,749
406	Ministry of Energy	6,997	6,501	496	5,437
407	Ministry of Employment Labour and Social Security	4,482	3,769	713	3,004
408	Ministry of Works, Housing and Infrastructure	3,111	3,889	(778)	3,169
409	Ministry of Trade and Industry	11,207	16,479	(5,273)	11,671
410	National Protected Area Authority	10,128	10,579	(451)	10,422
411	Road Maintenance Fund Administration (SLRA Staff)	29,166	25,988	3,178	27,556
412	National Telecommunication Commission	15,956	0	15,956	0
413	Sierra Leone Electricity and Water Regulatory Commission	4,220	4,043	177	1,765
414	Ministry of Water Resources	10,163	12,422	(2,259)	9,379
415	Sierra Leone Maritime Administration	12,579	0	12,579	0
416	Civil Aviation Authority	7,794	1,002	6,792	6,827
417	Nuclear Safety and Radiation Protection Authority	2,700	1,783	917	1,652
418	Sierra Leone Agricultural Research Institute	16,490	14,558	1,932	16,487
419	Sierra Leone Local Content Agency	1,418	1,796	(378)	856
420	Sierra Leone Environmental Protection Agency	12,415	0	12,415	0
421	Small and Medium Enterprises Development Agency	2,109	2,023	86	679

APPENDIX 3 – COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS FOR WAGES, SALARIES AND EMPLOYEES BENEFITS BY MDA
for the financial year ended 31st December, 2019

Amounts in millions of Leones

MDA Code	Description	Budget Estimates FY 2019	Actual FY 2019	Surplus/ (Shortfall) FY 2019	Actual FY 2018
422	Sierra Leone Meteorological Agency	3,178	3,077	100	2,062
423	Sierra Leone Petroleum Regulatory Agency	3,673	0	3,673	0
424	Sierra Leone Petroleum Directorate	10,254	0	10,254	0
501	Unallocated Personnel Emoluments	9,046	801	8,245	448
509	Change in Arrear	954	25	929	0
701	Transfers to Local Councils	11,700	11,808	(108)	17,648
Grand Total		2,400,301	2,414,641	(14,340)	1,904,851

**APPENDIX 4 - COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS FOR USE OF GOODS AND SERVICES
BY MDA
for the financial year ended 31st December, 2019**

Amounts in millions of Leones

MDA Code	Description	Budget Estimates FY 2019	Actual FY 2019	Surplus/ (Shortfall) FY 2019	Actual FY 2018
105	Ministry of Political and Public Affairs	2,121	9,814	(7,693)	981
106	Office of the Chief of Staff	10,863	10,945	(82)	8,732
	Ministry of Local Government & Rural				
107	Development	15,240	18,622	(3,382)	13,826
108	Sierra Leone Small Arms Commission	813	1,120	(306)	506
110	Office of the President	31,826	52,846	(21,019)	95,777
112	Office of the Vice President	15,638	57,698	(42,060)	22,346
116	Parliament	14,500	17,255	(2,756)	14,172
117	Cabinet Secretariat	2,302	4,065	(1,763)	1,592
118	Supreme Court	14,430	9,287	5,143	12,959
120	High Court	0	985	(985)	1,806
121	Audit Service Sierra Leone	6,568	6,878	(310)	7,766
122	Human Resource Management Office	2,777	3,093	(315)	2,442
123	Public Service Commission	2,295	3,551	(1,256)	2,338
124	Law Officers' Department	12,048	25,760	(13,711)	10,777
125	Local Courts	690	(115)	805	115
126	Independent Police Complaints Board	958	490	468	725
	Ministry of Planning and Economic				
127	Development	14,357	13,274	1,083	6,659
	Ministry of Foreign Affairs & International				
128	Cooperation	43,752	81,485	(37,733)	41,478
	Ministry of Finance and Economic				
129	Development	58,020	41,400	16,620	75,326
130	National Revenue Authority (NRA)	98,000	157,161	(59,161)	90,462
131	Revenue Appellate Board	653	798	(145)	194
132	Accountant General's Department	33,223	22,901	10,322	16,132
133	Ministry of Information and Communications	4,056	7,037	(2,981)	3,020
134	National Electoral Commission (NEC)	18,000	8,220	9,780	43,027
137	National Commission for Democracy	853	805	49	1,374
138	Statistics Sierra Leone	7,530	3,853	3,678	5,223
	National Commission for Privatisation				
139	(NCP)	2,032	15,831	(13,799)	2,924
140	Mass Media Services	1,589	765	824	0
141	Government Printing Department	3,051	2,300	751	2,255
	National Public Procurement Authority				
142	(NPPA)	3,208	1,641	1,567	1,958
143	Justice and Legal Service Commission	165	0	165	252
144	Human Rights Commission Sierra Leone	1,263	987	276	773
145	Rights to Access Information Commission	1,025	908	116	650
201	Ministry of Defence	96,018	172,514	(76,495)	84,824
203	National Civil Registration Authority	2,443	1,869	574	2,714
205	Ministry of Internal Affairs	1,221	1,360	(139)	1,557
206	Sierra Leone Police	87,723	75,411	12,311	116,909
207	Sierra Leone Correctional Services	52,370	59,312	(6,942)	76,921
208	National Fire Authority	17,761	3,698	14,063	6,514

**APPENDIX 4 - COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS FOR USE OF GOODS AND SERVICES
BY MDA
for the financial year ended 31st December, 2019**

Amounts in millions of Leones

MDA Code	Description	Budget Estimates FY 2019	Actual FY 2019	Surplus/ (Shortfall) FY 2019	Actual FY 2018
209	Central Intelligence & Security Unit	6,278	23,793	(17,515)	6,552
210	Office of National Security	8,490	9,921	(1,430)	9,136
211	Immigration Department	5,245	6,037	(792)	4,947
212	National Drugs Law Enforcement Agency	592	207	385	154
300	Ministry of Technical Higher Education	215,798	30,733	185,065	0
301	Ministry of Education, Science and Technology	137,637	124,530	13,107	98,791
302	Ministry of Sports	9,782	21,730	(11,949)	12,343
303	Ministry of Tourism and Cultural Affairs	10,063	5,278	4,785	3,004
304	Ministry of Health and Sanitation	174,014	98,458	75,556	68,537
305	Ministry of Social Welfare, Gender & Children's Affairs	16,168	18,572	(2,405)	10,221
306	Ministry of Lands, Country Planning and the Environment	5,490	2,636	2,854	3,148
307	National Pharmaceutical Procurement Unit (NPPU)	7,817	2,655	5,162	1,186
308	National Commission for Social Action	1,612	523	1,089	1,038
309	Dental and Medical Board	391	152	240	86
310	Ministry of Youth Affairs	9,856	5,395	4,461	6,068
311	Health Service Commission	1,191	347	844	826
312	Teaching Service Commission	1,756	4,891	(3,135)	1,306
313	National Youth Service	3,168	1,534	1,633	1,251
314	National HIV and AIDS Commission	3,508	346	3,162	1,705
315	Teaching Hospital Complex Administration	3,627	1,178	2,449	1,500
316	Civil Service Training College	955	649	305	360
345	Pharmacy Board Services	6,379	2,901	3,478	3,170
401	Ministry of Agriculture, Forestry and Food Security	101,423	42,064	59,359	21,627
402	Ministry of Fisheries and Marine Resources	26,801	9,700	17,101	3,496
403	Ministry of Mines and Mineral Resources	5,471	2,050	3,422	1,996
404	Ministry of Transport and Aviation	42,807	56,435	(13,628)	26,258
405	Ministry of Tourism and Cultural Affairs	25,032	14,489	10,543	8,157
406	Ministry of Energy	104,942	115,426	(10,484)	33,246
407	Ministry of Labour and Social Security	7,191	2,943	4,248	3,437
408	Ministry of Works, Housing and Infrastructure	12,001	14,447	(2,447)	7,617
409	Ministry of Trade and Industry	12,948	10,819	2,129	7,500
410	National Protected Area Authority	1,437	1,276	161	569
411	Road Maintenance Fund	125,445	165,096	(39,651)	41,782
412	National Telecommunications Commissions	59,397	85,903	(26,505)	74,268
413	Sierra Leone Electricity and Water Regulatory Commission	1,230	0	1,230	178
414	Ministry of Water Resources	13,255	10,334	2,921	12,743
415	Sierra Leone Maritime Administration	17,245	30,729	(13,485)	28,881
416	Civil Aviation Authority	1,831	41,066	(39,235)	254

**APPENDIX 4 - COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS FOR USE OF GOODS AND SERVICES
BY MDA
for the financial year ended 31st December, 2019**

Amounts in millions of Leones

MDA Code	Description	Budget Estimates FY 2019	Actual FY 2019	Surplus/ (Shortfall) FY 2019	Actual FY 2018
	Nuclear Safety and Radiation Protection				
417	Authority	3,294	1,818	1,476	1,208
	Sierra Leone Agricultural Research Institute				
418	(SLARI)	5,153	1,500	3,653	2,964
419	Local Content Agency	719	305	414	168
	Sierra Leone Environmental Protection				
420	Agency	15,154	25,792	(10,638)	11,188
	Small and Medium Enterprises				
421	Development Agency	2,027	907	1,120	1,165
422	Sierra Leone Meteorological Agency	1,182	688	494	985
423	Sierra Leone Petroleum Regulatory Agency	3,857	9,004	(5,147)	0
424	Sierra Leone Petroleum Directorate	6,846	25,647	(18,800)	7
501	Miscellaneous Services	0	6,323	(6,323)	43,521
509	Change in Arrears	0	235	(235)	0
601	Public Debt Charges	0	1,650	(1,650)	1,277
610	Contingency Expenditure	15,066	12,802	2,264	22,076
611	Special Warrants of the President	7,533	351	7,182	2,417
612	Unallocated Head of Expenditure	7,533	30,521	(22,987)	56,168
720	Freetown City Council	0	0	0	3,850
Grand Total		1,938,021	1,978,609	(40,589)	1,432,337

APPENDIX 5 – COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS FOR DOMESTIC CAPITAL/ DEVELOPMENT EXPENDITURE BY MDA
for the financial year ended 31st December, 2019

Amounts in millions of Leones

MDA Code	Description	Budget Estimates FY 2019	Actual FY 2019	Surplus/ (Shortfall) FY 2019	Actual FY 2018
105	Ministry of Political and Public Affairs (MoPPA)	500	0	500	0
107	Ministry of Local Government & Rural Development	1,000	10,671	(9,671)	300
108	Sierra Leone Small Arms Commission	0	0	0	200
110	Office of the President	7,298	2,498	4,800	1,467
112	Office of the Vice President	2,000	0	2,000	0
116	Parliament	10,100	10,152	(52)	10,100
117	Cabinet Secretariat and Head of the Civil Services (CS&HOCS)	1,500	0	1,500	0
121	Audit Service Sierra Leone	6,000	0	6,000	0
122	Human Resource Management Office	2,200	1,189	1,011	0
123	Public Service Commission	1,072	0	1,072	0
124	Law Officers' Department	4,750	0	4,750	0
127	Ministry of Planning and Economic Development	30,750	1,775	28,975	2,479
128	Ministry of Foreign Affairs & International Cooperation	5,000	16,225	(11,225)	8,967
129	Ministry of Finance and Economic Development	39,300	8,095	31,205	4,509
130	National Revenue Authority (NRA)	2,000	0	2,000	0
133	Ministry of Information and Communication	6,750	5,984	766	14,172
134	National Electoral Commission (NEC)	6,300	1,500	4,800	0
138	Statistics Sierra Leone	5,000	1,490	3,510	1,887
142	National Public Procurement Agency (NPPA)	2,500	0	2,500	0
201	Ministry of Defence	37,100	0	37,100	(900)
203	National Civil Registration Authority	53,000	24,998	28,002	3,116
205	Ministry of Internal Affairs	1,250	0	1,250	0
206	Sierra Leone Police	9,350	2,917	6,433	910
207	Sierra Leone Correctional Services	7,100	4,782	2,318	0
208	National Fire Force	4,500	1,000	3,500	0
209	Central Intelligence & Security Unit	1,200	0	1,200	0
212	National Drugs Law Enforcement Agency	0	0	0	150
300	Ministry of Technical Higher Education	22,700	8,399	14,301	0
301	Ministry of Education, Science and Technology	33,700	3,295	30,405	3,355
303	Ministry of Tourism and Cultural Affairs	4,400	0	4,400	0
304	Ministry of Health and Sanitation	52,000	600	51,400	859
305	Ministry of Social Welfare, Gender & Children's Affairs	4,800	0	4,800	0
306	Ministry of Lands, Country Planning and the Environment	1,500	3,148	(1,648)	0
308	National Commission for Social Action	25,727	25,388	339	18,950
310	Ministry of Youth Affairs	12,300	9,570	2,730	3,029
313	Health Service Commission	3,500	0	3,500	808

**APPENDIX 5 – COMPARATIVE ANALYSIS OF ESTIMATED AND ACTUAL COSTS FOR DOMESTIC CAPITAL/
DEVELOPMENT EXPENDITURE BY MDA
for the financial year ended 31st December, 2019**

Amounts in millions of Leones

MDA Code	Description	Budget Estimates FY 2019	Actual FY 2019	Surplus/ (Shortfall) FY 2019	Actual FY 2018
314	National HIV and AIDS Commission	2,650	1,010	1,640	100
316	Civil Service Training College	1,200	0	1,200	0
401	Ministry of Agriculture, Forestry and Food Security	70,650	8,047	62,603	5,150
402	Ministry of Fisheries and Marine Resources	5,600	0	5,600	2,650
404	Ministry of Transport and Aviation	9,625	0	9,625	2,321
405	Ministry of Tourism and Cultural Affairs	10,100	0	10,100	1,730
406	Ministry of Energy	99,600	27,725	71,875	11,144
407	Ministry of Employment Labour and Social Security	400	0	400	0
408	Ministry of Works, Housing and Infrastructure	175,024	293,210	(118,186)	507,130
409	Ministry of Trade and Industry	8,750	1,290	7,460	0
410	National Protected Area Authority	450	0	450	980
413	Sierra Leone Electricity and Water Regulatory Commission	1,000	0	1,000	0
414	Ministry of Water Resources	103,491	54,324	49,167	14,626
417	Nuclear Safety and Radiation Protection Authority	1,500	0	1,500	0
418	Sierra Leone Agricultural Research Institute (SLARI)	1,000	0	1,000	600
420	Sierra Leone Environmental Protection Agency	2,000	0	2,000	0
701	Transfers to Local Councils	0	0	0	102
Grand Total		901,186	529,281	371,405	620,892

APPENDIX 5 (A): DEVELOPMENT PROJECT FUNDS FLOWS

Amounts in millions of Leones

	FY2019	FY2018
Project Revenue Receipts		
GoSL Budget Transfer - Salaries	99,724	4,740
GoSL Budget Transfer - Expenses	719,520	15,063
External Grants	198,814	190,330
O/W Ext. Grants-DP	0	0
O/W Ext. Grants-Loan	29,666	24,130
Earmarked Revenue	2,355	13,668
Other Revenue	67,709	5,670
Sales of Goods Services	38,587	13,581
Total Project Revenue Receipts	1,156,375	243,052
Project Expenditure Payments		
Wages Salaries	407,603	36,731
O/W W&S-DP-Loan	0	24,130
Others	62,650	17,723
Goods Services	573,125	71,798
Capital Development	79,230	61,477
Grants Paid	25,585	51,580
Interest	0	0
Total Expenditure	1,148,193	239,308
Overall Cash Surplus/(Deficit)	8,182	3,744
Loss/Gains on Exchange	9,705	4,276
Cash Balance at 1st January 2019	100,871	92,851
Cash Balance at 31st December 2019	118,758	100,871

APPENDIX 6 - STATEMENT OF MOVEMENTS IN THE 91-DAY TREASURY BILLS
during the financial year ended 31st December, 2019

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31/12/2019	Interest Paid in FY2019	Interest Rate
	(Le)		(Le)	(Le)	(Le)	
04-Oct-18	2,233,589,680.00	03-Jan-19	2,233,589,680.00		45,510,320.00	2%
11-Oct-18	5,553,081,665.00	10-Jan-19	5,553,081,665.00		110,118,335.00	2%
18-Oct-18	447,541,780.00	17-Jan-19	447,541,780.00		8,958,220.00	2%
25-Oct-18	52,199,975.00	24-Jan-19	52,199,975.00		1,050,025.00	2%
01-Nov-18	392,027,000.00	31-Jan-19	392,027,000.00		7,973,000.00	2%
08-Nov-18	278,957,000.00	07-Feb-19	278,957,000.00		5,693,000.00	2%
15-Nov-18	15,978,890.00	14-Feb-19	15,978,890.00		321,110.00	2%
22-Nov-18	294,643,350.00	21-Feb-19	294,643,350.00		5,706,650.00	2%
29-Nov-18	2,026,878,450.00	28-Feb-19	2,026,878,450.00		40,871,550.00	2%
06-Dec-18	155,809,700.00	07-Mar-19	155,809,700.00		2,940,300.00	2%
13-Dec-18	715,803,350.00	14-Mar-19	715,803,350.00		14,546,650.00	2%
20-Sep-18	543,900,000.00	21-Mar-19	543,900,000.00		11,100,000.00	2%
27-Dec-18	197,399,175.00	28-Mar-19	197,399,175.00		3,150,825.00	2%
	12,907,810,015.00					
03-Jan-19	75,659,360	04-Apr-19	75,659,360		1,540,640.00	2%
10-Jan-19	614,963,550	11-Apr-19	614,963,550.00		11,936,450.00	2%
17-Jan-19	440,537,600	18-Apr-19	440,537,600.00		8,562,400.00	2%
24-Jan-19	1,097,536,603	25-Apr-19	1,097,536,602.58		22,313,397.42	2%
31-Jan-19	230,300,000	02-May-19	230,300,000.00		4,700,000.00	2%
07-Feb-19	759,318,034	09-May-19	759,318,034.00		15,331,966.00	2%
14-Feb-19	15,978,890	16-May-19	15,978,890.00		321,110.00	2%
21-Feb-19	490,052,250	23-May-19	490,052,250.00		9,097,750.00	2%
28-Feb-19	161,275,700	30-May-19	161,275,700.00		3,124,300.00	2%
07-Mar-19	3,334,460,306	06-Jun-19	3,334,460,306.28		67,339,693.72	2%
14-Mar-19	1,177,329,225	13-Jun-19	1,177,329,225.00		23,420,775.00	2%
10-Mar-19	10,290,000	20-Jun-19	10,290,000.00		210,000.00	2%
28-Mar-19	989,942,254	27-Jun-19	989,942,253.52		20,057,746.48	2%
04-Apr-19	90,519,005	04-Jul-19	90,519,005.00		1,830,995.00	2%
11-Apr-19	601,935,870	11-Jul-19	601,935,870.00		12,164,130.00	2%
18-Apr-19	358,852,000	18-Jul-19	358,852,000.00		7,048,000.00	2%
25-Apr-19	131,533,220	25-Jul-19	131,533,220.00		2,666,780.00	2%
02-May-19	826,152,534	01-Aug-19	826,152,534.40		16,847,465.60	2%
09-May-19	299,567,565	08-Aug-19	299,567,565.00		6,082,435.00	2%
16-May-19	64,631,000	15-Aug-19	64,631,000.00		1,319,000.00	2%
23-May-19	350,183,050	22-Aug-19	350,183,050.00		7,116,950.00	2%
30-May-19	185,637,480	29-Aug-19	185,637,480.00		3,762,520.00	2%
06-Jun-19	245,114,680	05-Sep-19	245,114,680.00		4,685,320.00	2%
13-Jun-19	1,255,778,300	12-Sep-19	1,255,778,300.00		24,421,700.00	2%
20-Jun-19	139,454,000	19-Sep-19	139,454,000.00		2,846,000.00	2%
27-Jun-19	553,798,000	26-Sep-19	553,798,000.00		11,302,000.00	2%
04-Jul-19	77,911,150	03-Oct-19	77,911,150.00		1,588,850.00	2%
11-Jul-19	577,563,000	10-Oct-19	577,563,000.00		11,787,000.00	2%
18-Jul-19	836,048,200	17-Oct-19	836,048,200.00		17,051,800.00	2%
25-Jul-19	100,058,000	24-Oct-19	100,058,000.00		2,042,000.00	2%
01-Aug-19	83,300,000	31-Oct-19	83,300,000.00		1,700,000.00	2%
08-Aug-19	543,557,000	07-Nov-19	543,557,000.00		11,093,000.00	2%
15-Aug-19	117,600,000	14-Nov-19	117,600,000.00		2,400,000.00	2%
22-Aug-19	467,803,000	21-Nov-19	467,803,000.00		9,547,000.00	2%
29-Aug-19	146,902,000	28-Nov-19	146,902,000.00		2,998,000.00	2%
05-Sep-19	343,931,915	05-Dec-19	343,931,915.00		7,018,085.00	2%

APPENDIX 6 - STATEMENT OF MOVEMENTS IN THE 91-DAY TREASURY BILLS
during the financial year ended 31st December, 2019

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31/12/2019	Interest Paid in FY2019	Interest Rate
	(Le)		(Le)	(Le)	(Le)	
12-Sep-19	1,181,586,000	12-Dec-19	1,181,586,000.00		24,114,000.00	2%
19-Sep-19	134,946,000	19-Dec-19	134,946,000.00		2,754,000.00	2%
26-Sep-19	371,273,000	26-Dec-19	371,273,000.00		7,577,000.00	2%
03-Oct-19	98,147,000		32,391,089,755.78	98,147,000	649,660,244.22	
10-Oct-19	577,563,000			577,563,000		
17-Oct-19	406,014,000			406,014,000		
24-Oct-19	75,295,400			75,295,400		
31-Oct-19	73,425,000			73,425,000		
07-Nov-19	738,802,350			738,802,350		
28-Nov-19	389,446,200			389,446,200		
05-Dec-19	364,139,050			364,139,050		
12-Dec-19	317,049,150			317,049,150		
19-Dec-19	106,468,300			106,468,300		
26-Dec-19	387,704,400			387,704,400		
	23,017,333,591			3,534,053,850		
FY2019				-		
SUMMARY				-		
Outstanding Balance FY2018		12,907,810,015				
Issued FY2019		23,017,333,591				
Matured FY2019			32,391,089,756			
Outstanding Balance FY2019				3,534,053,850		
Total for FY2019		35,925,143,606	32,391,089,756	3,534,053,850		

APPENDIX 7: STATEMENT OF MOVEMENTS IN 182-DAY TREASURY BILLS
during the financial year ended 31st December, 2019

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31/12/2019	Interest Paid in FY2019	Interest Rate
	(Le)		(Le)	(Le)	(Le)	
05-Jul-18	29,057,750	03-Jan-19	29,057,750.00		1,192,250.00	4%
12-Jul-18	266,276,420	10-Jan-19	266,276,420.00		10,823,580.00	4%
19-Jul-18	30,635,500	17-Jan-19	30,635,500.00		1,264,500.00	4%
26-Jul-18	92,445,000	24-Jan-19	92,445,000.00		3,805,000.00	4%
02-Aug-18	4,365,716,400	31-Jan-19	4,365,716,400.00		170,283,600.00	4%
09-Aug-18	146,676,000	07-Feb-19	146,676,000.00		5,824,000.00	4%
16-Aug-18	35,002,150	14-Feb-19	35,002,150.00		1,397,850.00	4%
23-Aug-18	1,990,006,975	21-Feb-19	1,990,006,975.00		78,643,025.00	4%
30-Aug-18	320,346,000	28-Feb-19	320,346,000.00		12,654,000.00	4%
06-Sep-18	21,744,700	07-Mar-19	21,744,700.00		855,300.00	4%
20-Sep-18	58,451,875	21-Mar-19	58,451,875.00		2,298,125.00	4%
27-Sep-18	14,430,000	28-Mar-19	14,430,000.00		570,000.00	4%
04-Oct-18	1,454,080,800	04-Apr-19	1,454,080,800.00		54,319,200.00	4%
11-Oct-18	262,281,250	11-Apr-19	262,281,250.00		10,218,750.00	4%
25-Oct-18	242,838,750	25-Apr-19	242,838,750.00		9,461,250.00	4%
08-Nov-18	26,938,000	09-May-19	26,938,000.00		862,000.00	3%
15-Nov-18	4,205,932,900	16-May-19	4,205,932,900.00		60,617,100.00	4%
22-Nov-18	3,840,800	23-May-19	3,840,800.00		159,200.00	4%
29-Nov-18	38,440,000	30-May-19	38,440,000.00		1,560,000.00	4%
06-Dec-18	6,442,050	06-Jun-19	6,442,050.00		257,950.00	4%
13-Dec-18	110,605,000	13-Jun-19	110,605,000.00		4,395,000.00	4%
20-Dec-18	46,640,000	20-Jun-19	46,640,000.00		1,860,000.00	4%
27-Dec-18	79,076,400	27-Jun-19	79,076,400.00		3,123,600.00	4%
	13,847,904,720.00					
03-Jan-19	19,407,500	04-Jul-19	19,407,500.00		792,500.00	4%
10-Jan-19	262,534,625	11-Jul-19	262,534,625.00		10,715,375.00	4%
17-Jan-19	145,863,450	18-Jul-19	145,863,450.00		6,036,550.00	4%
24-Jan-19	90,499,000	25-Jul-19	90,499,000.00		3,751,000.00	4%
31-Jan-19	720,849,200	01-Aug-19	720,849,200.00		29,750,800.00	4%
07-Feb-19	50,906,500	08-Aug-19	50,906,500.00		2,093,500.00	4%
14-Feb-19	116,686,500	15-Aug-19	116,686,500.00		4,813,500.00	4%
21-Feb-19	98,115,075	22-Aug-19	98,115,075.00		4,034,925.00	4%
28-Feb-19	288,300,000	29-Aug-19	288,300,000.00		11,700,000.00	4%
07-Mar-19	2,025,836,050	05-Sep-19	2,025,836,050.00		82,213,950.00	4%
28-Mar-19	39,378,900	26-Sep-19	39,378,900.00		1,571,100.00	4%
04-Apr-19	2,979,100	03-Oct-19	2,979,100.00		120,900.00	4%
11-Apr-19	1,772,892,500	10-Oct-19	1,772,892,500.00		69,607,500.00	4%
18-Apr-19	126,855,900	17-Oct-19	126,855,900.00		5,094,100.00	4%
25-Apr-19	255,871,440	24-Oct-19	255,871,440.00		10,328,560.00	4%
02-May-19	5,050,500	31-Oct-19	5,050,500.00		199,500.00	4%
09-May-19	106,780,875	07-Nov-19	106,780,875.00		4,169,125.00	4%
16-May-19	88,880,575	14-Nov-19	88,880,575.00		3,469,425.00	4%
23-May-19	3,849,600	21-Nov-19	3,849,600.00		150,400.00	4%
30-May-19	392,000,000	28-Nov-19	392,000,000.00		8,000,000.00	2%
06-Jun-19	196,915,350	05-Dec-19	196,915,350.00		4,134,650.00	2%
13-Jun-19	56,758,000	12-Dec-19	56,758,000.00		2,242,000.00	4%
20-Jun-19	13,949,000	19-Dec-19	13,949,000.00		551,000.00	4%
27-Jun-19	4,241,313,700	26-Dec-19	4,241,313,700.00		67,536,300.00	4%
04-Jul-19	101,520,000			101,520,000.00	969,521,940.00	
11-Jul-19	140,064,000			140,064,000.00		

APPENDIX 7: STATEMENT OF MOVEMENTS IN 182-DAY TREASURY BILLS
during the financial year ended 31st December, 2019

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31/12/2019	Interest Paid in FY2019	Interest Rate
	(Le)		(Le)	(Le)	(Le)	
18-Jul-19	516,480,000			516,480,000.00		
01-Aug-19	543,744,000			543,744,000.00		
08-Aug-19	50,880,000			50,880,000.00		
15-Aug-19	45,600,000			45,600,000.00		
22-Aug-19	136,464,000			136,464,000.00		
29-Aug-19	283,150,000			283,150,000.00		
05-Sep-19	31,954,150			31,954,150.00		
12-Sep-19	331,250,000			331,250,000.00		
26-Sep-19	108,435,000			108,435,000.00		
03-Oct-19	3,058,250			3,058,250.00		
10-Oct-19	301,120,000			301,120,000.00		
17-Oct-19	78,075,000			78,075,000.00		
24-Oct-19	146,670,975			146,670,975.00		
31-Oct-19	46,732,000			46,732,000.00		
07-Nov-19	26,978,000			26,978,000.00		
14-Nov-19	21,620,000			21,620,000.00		
21-Nov-19	4,606,000			4,606,000.00		
28-Nov-19	26,931,000			26,931,000.00		
05-Dec-19	147,298,000			147,298,000.00		
12-Dec-19	37,600,000			37,600,000.00		
26-Dec-19	46,295,000			46,295,000.00		
	14,298,998,715		24,970,378,060	3,176,525,375.00		
FY2019				-		
SUMMARY				-		
Outstanding Balance FY2018		13,847,904,720				
Issued FY2019		14,298,998,715				
Matured FY2019			24,970,378,060			
Outstanding Balance FY2019				3,176,525,375		
Total for FY2019		28,146,903,435	24,970,378,060	3,176,525,375		

APPENDIX 8: STATEMENT OF MOVEMENTS IN 364-DAY TREASURY BILLS
during the financial year ended 31st December, 2019

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31/12/2019	Interest Paid in FY2019	Interest Rate
	(Le)		(Le)	(Le)	(Le)	
04-Jan-18	48,906,435,325	03-Jan-19	48,906,435,325		9,795,664,675.00	20%
11-Jan-18	56,666,057,800	10-Jan-19	56,666,057,800		11,374,242,200.00	20%
18-Jan-18	75,618,985,956	17-Jan-19	75,618,985,956		14,216,764,044.17	19%
25-Jan-18	63,276,909,050	24-Jan-19	63,276,909,050		13,878,040,950.00	22%
01-Feb-18	82,143,730,384	31-Jan-19	82,143,730,384		18,180,119,616.07	22%
08-Feb-18	105,940,503,500	07-Feb-19	105,940,503,500		23,811,646,500.00	22%
15-Feb-18	91,315,796,600	14-Feb-19	91,315,796,600		20,354,353,400.00	22%
22-Feb-18	117,291,430,050	21-Feb-19	117,291,430,050		26,407,419,950.00	23%
01-Mar-18	58,736,943,868	28-Feb-19	58,736,943,868		13,341,206,131.97	23%
02-Mar-18	56,386,284,000	07-Mar-19	56,386,284,000		12,903,716,000.00	23%
15-Mar-18	92,788,948,662	14-Mar-19	92,788,948,662		21,398,001,337.79	23%
22-Mar-18	33,871,370,450	21-Mar-19	33,871,370,450		7,776,879,550.00	23%
29-Mar-18	92,151,031,850	28-Mar-19	92,151,031,850		21,310,818,150.00	23%
05-Apr-18	63,520,900,800	04-Apr-19	63,520,900,800		14,664,199,200.00	23%
12-Apr-18	104,447,385,850	11-Apr-19	104,447,385,850		24,163,764,150.00	23%
19-Apr-18	92,423,067,450	18-Apr-19	92,423,067,450		21,368,632,550.00	23%
26-Apr-18	44,133,424,350	25-Apr-19	44,133,424,350		10,175,825,650.00	23%
03-May-18	50,737,832,250	02-May-19	50,737,832,250		11,597,467,750.00	23%
11-May-18	59,351,503,915	10-May-19	59,351,503,915		13,623,896,085.00	23%
17-May-18	49,713,200,300	16-May-19	49,713,200,300		11,379,149,700.00	23%
24-May-18	36,215,623,675	23-May-19	36,215,623,675		8,409,426,325.00	23%
31-May-18	79,546,484,600	30-May-19	79,546,484,600		18,476,615,400.01	23%
14-Jun-18	45,679,147,550	06-Jun-19	45,679,147,550		10,601,452,450.00	23%
14-Jun-18	51,049,899,050	13-Jun-19	51,049,899,050		11,816,550,950.00	23%
21-Jun-18	55,818,194,890	20-Jun-19	55,818,194,890		12,866,655,110.00	23%
28-Jun-18	111,456,469,375	27-Jun-19	111,456,469,375		25,694,080,625.01	23%
05-Jul-18	59,189,884,200	04-Jul-19	59,189,884,200		13,672,965,800.00	23%
12-Jul-18	86,947,047,350	11-Jul-19	86,947,047,350		20,017,752,650.00	23%
19-Jul-18	58,199,509,100	18-Jul-19	58,199,509,100		13,348,090,900.00	23%
26-Jul-18	86,478,748,570	25-Jul-19	86,478,748,570		20,007,301,430.00	23%
02-Aug-18	69,804,088,430	01-Aug-19	69,804,088,430		16,113,861,570.00	23%
09-Aug-18	51,395,505,250	08-Aug-19	51,395,505,250		11,884,344,750.00	23%
16-Aug-18	55,007,838,650	15-Aug-19	55,007,838,650		12,778,111,350.00	23%
23-Aug-18	36,494,615,075	22-Aug-19	36,494,615,075		8,423,534,925.00	23%
30-Aug-18	45,327,643,875	29-Aug-19	45,327,643,875		10,384,706,125.00	23%
06-Sep-18	49,726,160,975	05-Sep-19	49,726,160,975		11,507,989,025.00	23%
13-Sep-18	46,882,008,200	12-Sep-19	46,882,008,200		10,908,341,800.00	23%
20-Sep-18	51,709,493,400	19-Sep-19	51,709,493,400	-	12,030,706,600.00	23%
27-Sep-18	35,806,856,250	26-Sep-19	35,806,856,250	-	8,310,843,750.00	23%
04-Oct-18	36,300,031,250	03-Oct-19	36,300,031,250		8,464,818,750.00	23%
11-Oct-18	23,470,157,550	10-Oct-19	23,470,157,550		5,448,292,450.00	23%
18-Oct-18	46,125,638,695	17-Oct-19	46,125,638,695		10,682,161,305.00	23%
25-Oct-18	57,167,847,950	24-Oct-19	57,167,847,950		13,254,302,050.00	23%
01-Nov-18	77,937,761,942	31-Oct-19	77,937,761,942		17,979,088,057.61	23%
08-Nov-18	86,185,821,700	07-Nov-19	86,185,821,700		19,971,978,300.00	23%
16-Nov-18	92,445,492,750	14-Nov-19	92,445,492,750		21,437,907,250.00	23%
22-Nov-18	80,276,098,175	21-Nov-19	80,276,098,175		18,636,651,825.00	23%
29-Nov-18	83,016,101,335	28-Nov-19	83,016,101,335		19,284,398,664.92	23%
07-Dec-18	83,333,888,075	05-Dec-19	83,333,888,075		19,433,311,925.00	23%
13-Dec-18	73,739,329,025	12-Dec-19	73,739,329,025		17,167,770,975.00	23%
20-Dec-18	42,064,633,097	19-Dec-19	42,064,633,097		9,756,116,903.10	23%
27-Dec-18	32,980,067,800	26-Dec-19	32,980,067,800		7,528,182,200.00	23%
	3,367,199,830,219.37		3,367,199,830,219.49		768,020,119,780.65	
03-Jan-19	50,866,397,025			50,866,397,025		

APPENDIX 8: STATEMENT OF MOVEMENTS IN 364-DAY TREASURY BILLS
during the financial year ended 31st December, 2019

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31/12/2019	Interest Paid in FY2019	Interest Rate
	(Le)		(Le)	(Le)	(Le)	
10-Jan-19	65,389,591,825			65,389,591,825		
17-Jan-19	93,083,294,300			93,083,294,300		
24-Jan-19	88,930,553,423			88,930,553,423		
31-Jan-19	107,034,858,025			107,034,858,025		
07-Feb-19	115,861,624,988			115,861,624,988		
14-Feb-19	102,733,823,050			102,733,823,050		
21-Feb-19	112,108,621,700			112,108,621,700		
28-Feb-19	60,232,476,175			60,232,476,175		
07-Mar-19	55,703,902,959			55,703,902,959		
14-Mar-19	92,278,678,885			92,278,678,885		
21-Mar-19	36,427,499,345			36,427,499,345		
28-Mar-19	98,435,522,369			98,435,522,369		
04-Apr-19	64,536,893,935			64,536,893,935		
11-Apr-19	108,857,381,975			108,857,381,975		
19-Apr-19	95,370,876,775			95,370,876,775		
25-Apr-19	46,145,361,725			46,145,361,725		
02-May-19	51,760,965,800			51,760,965,800		
09-May-19	59,108,216,925			59,108,216,925		
16-May-19	52,570,245,560			52,570,245,560		
23-May-19	36,148,990,650			36,148,990,650		
30-May-19	77,457,502,235			77,457,502,235		
06-Jun-19	55,782,467,445			55,782,467,445		
13-Jun-19	50,375,998,545			50,375,998,545		
20-Jun-19	60,794,549,850			60,794,549,850		
27-Jun-19	108,673,013,760			108,673,013,760		
04-Jul-19	62,303,056,660			62,303,056,660		
11-Jul-19	95,833,274,745			95,833,274,745		
18-Jul-19	103,158,266,880			103,158,266,880		
25-Jul-19	105,906,446,385			105,906,446,385		
01-Aug-19	75,303,928,220			75,303,928,220		
08-Aug-19	62,525,627,415			62,525,627,415		
15-Aug-19	55,174,918,310			55,174,918,310		
22-Aug-19	59,218,956,810			59,218,956,810		
29-Aug-19	48,503,468,450			48,503,468,450		
05-Sep-19	58,514,518,200			58,514,518,200		
12-Sep-19	53,921,921,710			53,921,921,710		
13-Sep-19	596,521,500			596,521,500		
19-Sep-19	50,255,549,755			50,255,549,755		
26-Sep-19	36,964,266,065			36,964,266,065		
03-Oct-19	36,887,631,140			36,887,631,140		
10-Oct-19	26,051,764,830			26,051,764,830		
17-Oct-19	46,140,300,800			46,140,300,800		
24-Oct-19	71,785,081,000			71,785,081,000		
31-Oct-19	77,680,485,260			77,680,485,260		
07-Nov-19	97,581,586,836			97,581,586,836		
14-Nov-19	102,667,570,355			102,667,570,355		
21-Nov-19	82,535,762,145			82,535,762,145		
28-Nov-19	99,038,144,245			99,038,144,245		
05-Dec-19	103,266,394,800			103,266,394,800		
12-Dec-19	94,674,137,724			94,674,137,724		
19-Dec-19	53,149,696,625			53,149,696,625		
26-Dec-19	48,837,037,900			48,837,037,900		
	3,755,145,624,013			3,755,145,624,012.9		
FY2019				-		
SUMMARY				-		

APPENDIX 8: STATEMENT OF MOVEMENTS IN 364-DAY TREASURY BILLS
during the financial year ended 31st December, 2019

Issued Date	Issued at Nominal Value	Maturity Date	Matured at Nominal Value	Balance as at 31/12/2019	Interest Paid in FY2019	Interest Rate
	(Le)		(Le)	(Le)	(Le)	
Outstanding Balance FY2018		3,367,199,830,219				
Issued FY2019		3,755,145,624,013				
Matured FY2019			3,367,199,830,219			
Outstanding Balance FY2019				3,755,145,624,013		
Total for FY2019		7,122,345,454,232	3,367,199,830,219	3,755,145,624,013		

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 JANUARY 2019 AND DECEMBER 2019
(IN THOUSAND UNITS OF CURRENCIES EXCEPT OTHERWISE STATED)

Loan Key	Type of Loan	Currency	Year Signed	Total Loan Approved	Year of first Disbursement	Grace Period (in Years)	First Repayment Year	Number of Payments Per Year	Total Number of Payments	Last Year of Repayment	Annual Principal Repayment	Interest Rate	Disbursed Outstanding Debt Including Principal Arrears As At 1st January, 2019	Disbursements	Principal Repayment	Disbursed Outstanding Debt Including Principal Arrears As At 31 December 2019
													In Specific Loan Currency			In Leone Equivalent
1993020 /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
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
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
2007281 /SL GOSL	Exim Bank of China	CNY	2007	115,984,112.7	2007	5	2012	2	30	2027	7,732,274.2	2	65,724.30	0.00	7,732.30	57,992.10
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	86,666.70	0.00	6,666.70	80,000.00
2012284 /SL GOSL	Dedicated Security Info system Cr.No.GCL 018	CNY	2012	97,000,000.0	2013	4	2017	2	30	2031	6,466,666.7	2	83,769.20	0.00	6,231.30	77,537.90
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
2002010 /SL GOSL	Resch. WATERLOCK-KENT PROJECT - HIPC	KWD	2002	3,100,000.0	2002	3	2005	2	46	2027	140,800.0	2	1,152.10	0.00	140.80	1,011.30
2004060 /SL GOSL	Waterloo - Kent-Tokoh Road Project Cr.No.640	KWD	2004	2,500,000.0	2005	3	2008	2	12	2030	114,000.0	2	1,360.00	0.00	114.00	1,246.00
2007040 /SL GOSL	Tokoh - Lumley Road Project No. 684	KWD	2007	3,000,000.0	2009	6	2013	2	11	2033	150,000.0	2	2,197.20	0.00	148.20	2,049.00
2011060 /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	1,318.90	95.70	210.00	1,204.60
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	3,806.50	0.00	200.00	3,686.50
2016003 /SL GOSL	Reconstruction of the Molokata-Sefadu Road Project	KWD	2016	6,000,000.0	2017	4							3,109.10	28.20	0.00	3,135.40
2017003 /SL GOSL	The Hillside Bypass Road Project Phase II	KWD	2017										2,190.10	0.00	0.00	2,190.10
2006030 /SL GOSL	Tokoh - Lumley Road Improvement Project	KWD	2006													70,778,191.10
2008040 /SL GOSL	Saudi Fund For Economic Development	SAR	2008	31,000,000.0	2009	10	2017	2	40	2036	1,550,000.0	1	27,719.20	0.00	1,550.00	26,169.20
2008040 /SL GOSL	SFED Western Area Power Generation Project Phase 2 Cr.No. 0455/02	SAR	2008	37,500,000.0	2010	10	2018	2	40	2038	1,876,000.0	1	35,836.00	0.00	1,876.00	33,960.00
2010050 /SL GOSL	SFED Kenema Pendembu Road Proj Cr.No.0485/03	SAR	2010	6,000,000.0	2011	10	2020	2	40	2040	300,000.0	1	5,777.40	0.00	0.00	5,777.40
2016001 /SL GOSL	SFED Western Area Power Gen Proj Ph 1 Cr.No. 0521/04	SAR	2016	45,000,000.0	2017	10	2027	2	40	2046	2,250,000.0	1	29,887.80	9,808.30	0.00	39,696.10
2016001 /SL GOSL	SFED Rehabilitation and Expansion of Fourah Bay College	SAR	2016													103,797,717.80
2008060 /SL GOSL	Exim Bank of India	USD	2008	15,000,000.0	2009	5	2014	2	30	2028	1,000,000.0	1.75	9,619.00	0.00	1,000.00	8,619.00
2010030 /SL GOSL	Dollar Credit Line Agreement - Agric. Sector ProjectCr.No.95	USD	2010	30,000,000.0	2011	5	2016	2	30	2031	1,935,483.9	1.75	24,012.40	0.00	1,935.50	22,077.00
2016060 /SL GOSL	Dollar Credit Line Agreement - Portable Water Projects Cr.No.110	USD	2016	78,000,000.0	2017	5	2023	2	30	2042	3,900,000.0	1.75	382.00	146.90	0.00	528.00
2013100 /SL GOSL	Dollar Line of Credit - Transmission Line and Substation	USD	2013													5,191,208.80
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	25,862.20	17,201.30	0.00	43,063.50
2012286 /SL GOSL	FCG Administrative Building Complex - Korea Loan	USD	2012													422,620,040.90
2014105 /SL GOSL	Abu Dhabi Fund for Development	AED	2014	20,060,000.0	2014	5	2017	2	30	2032	1,333,333.3	2	14,969.70	0.00	1,333.30	13,636.40
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	8,396.10	15,745.60	1,101.90	22,999.80
2014105 /SL GOSL	Solar Park Freetown Project	AED	2014													61,452,898.40
1994023 /CF GOSL	African Development Fund	EUR	1994	17,591.1	2007	13	2007	2	72	2042	344.1	0.75	12.90	0.00	0.50	12.40
1998023 /CF GOSL	Molokata-Sefadu Road Rehab Proj.-Excl MDRI - EUR	USD	1998	99,139.5	2005	10	2008	2	80	2048	2,974.2	0.75	87.70	0.00	3.00	831,866.80
1999025 /CF GOSL	Health Services Rehab. Proj. - USD excl MDRI	EUR	1999	4,296,204.8	2005	8	2008	2	80	2048	45,018.1	0.75	3,794.90	0.00	128.30	3,666.60
1999026 /CF GOSL	Health Services proj. - EUR - excl MDRI ass.	EUR	1999	158,098.4	2007	8	2007	2	65	2039	3,438.0	0.75	84.00	0.00	4.00	80.10
2002033 /CF GOSL	ADF Education II - EUR - excl MDRI	EUR	2002	2,134,809.4	2007	10	2012	2	80	2051	21,346.1	0.75	1,985.20	0.00	21.30	1,963.80
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	4,774.30	0.00	51.30	4,722.90
2002035 /CF GOSL	Artisanal Fisheries Devmt Proj. - USD excl MDRI	EUR	2002	306,705.6	2008	10	2012	2	80	2052	3,067.1	0.75	285.20	0.00	3.10	282.20
2003012 /CF GOSL	Artisanal Fisheries Dev Proj. - JPK xcl MDRI	EUR	2003	1,706,466.7	2007	10	2013	2	80	2052	17,064.7	0.75	1,604.10	0.00	17.10	1,587.00
2003013 /CF GOSL	ADF-Rehab Basic Non-Form Educ. - xcl MDRI EUR	JPY	2003	609,808.0	2005	10	2013	2	80	2052	7,007.9	0.75	567.80	0.00	7.00	560.80
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	12,981.80	0.00	139.60	12,842.10
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	3,128.90	0.00	33.10	3,095.80
2003073 /CF GOSL	ADF - Social Action Support Project - JPK xcl MDRI	JPY	2003	218,152.8	2005	10	2013	2	80	2052	2,181,528.0	0.75	206.20	0.00	2.20	204.00
2003074 /CF GOSL	Social Action Support Project - JPK xcl MDRI	EUR	2003	3,879,974.5	2006	10	2013	2	80	2052	38,799.8	0.75	3,686.60	0.00	38.80	3,627.80
2003081 /CF GOSL	ADF-SASProject - EUR xcl MDRI	EUR	2003	442,520.2	2005	10	2013	2	80	2052	4,425.2	0.75	418.20	0.00	4.40	413.80
2003082 /CF GOSL	ADF-Nerica Rice Dissemination Proj. - EUR xcl MDRI	USD	2003	1,985,046.6	2008	10	2013	2	80	2053	19,850.5	0.75	1,836.90	0.00	19.90	1,817.00
2003083 /CF GOSL	ADF - Nerica Rice Dissemination - US\$	JPY	2003	104,938.2	2008	10	2013	2	80	2054	1,049.4	0.75	99.20	0.00	1.00	98.10
2003284 /CF GOSL	Nerica Rice Dissemination Project - JPK xcl MDRI	GBP	2003	243,358.1	2012	10	2013	2	80	2053	2,433.6	0.75	230.00	0.00	2.40	227.50
2003284 /CF GOSL	ADF - Nerica Rice Dissemination - GBP	GBP	2003													2,921,499.60

**REVISED DISBURSED OUTSTANDING DEBTS ON A LOAN BY LOAN BASIS TO EXTERNAL
CREDITORS AS AT JANUARY 2019 AND DECEMBER 2019
(IN THOUSAND UNITS OF CURRENCIES EXCEPT OTHERWISE STATED)**

Loan Key	Type of Loan	Currency	Year Signed	Total Loan Approved	Year of first Disbursement	Grace Period (in Years)	First Repayment Year	Number of Payments Per Year	Total Number of Payments	Last Year of Repayment	Annual Principal Repayment	Interest Rate	Disbursed Outstanding Debt Including Principal Arrears As At 1st January, 2019	Disbursements	Principal Repayment	Disbursed Outstanding Debt Including Principal Arrears As At 31 December 2019	
																In Specific Loan Currency	In Leone Equivalent
2009050 /SL GOSL	West Africa Regional Fisheries Prgm SL Cr. No.46630-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	32,110,420.10
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	63,147,884.00
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	100,002,869.60
2010300 /SL GOSL	Fourth Governance Reform and Growth Devt. Policy Financing Cr.No 48600-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	85,988,608.00
2014104 /SL GOSL	Public Financial Management Improvement and Consolidated Project Cr. No. P133424	SDR	2014	7,900,000.0	2014	10	2024	2	60	2053	158,000.0	0.75	5,799.10	1,896.00	0.00	7,695.10	103,389,474.10
2012010 /SL GOSL	Fifth Governance Reform and Growth Credit- Cr.No 50580-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	208,253,660.00
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	10,791.90	0.00	0.00	10,791.90	144,997,190.60
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	8,372.90	11,049.30	0.00	19,422.30	260,951,990.10
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	8,712.40	6,128.80	0.00	14,841.20	199,401,981.80
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	1,379.90	1,868.10	0.00	3,248.00	43,639,881.30
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	2,505.70	2,868.50	0.00	5,374.20	72,206,164.64
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	16,100.00	0.00	0.00	16,100.00	216,315,092.00
2017007 /SL GOSL	Additional Financing for the Revitalising Education Development in Sierra Leone Project	XDR	2017	7,300,000.0	2018	5	2023	2	64	2054	228,125.0	0.75	2,904.70	4,394.80	0.00	7,299.60	98,075,166.10
2017006 /SL GOSL	Additional Financing for the Public Financial Management Improvement and Sierra Leone Skills Development Project												630.00	2,177.80	0.00	2,807.80	37,724,989.10
2018002/SL GOSL	Sierra Leone Skills Development Project												0.00	285.10	0.00	285.10	3,830,742.60
2018003/SL GOSL	Sierra Leone Agro-Processing Competitiveness Project												0.00	827.50	0.00	827.50	11,118,309.50
2018004/SL GOSL	CLSG Add Financing												0.00	24,319.20	0.00	24,319.20	238,665,902.80
2019001/SL GOSL	Financial Inclusion												0.00	420.40	0.00	420.40	4,125,779.70
International Fund for Agric Development																	
1979060 /SL GOSL	Magbosi Int. Agric. Develop. Project 021	SDR	1979	9,800,000.0	0	10	1992	2	76	2029	140,000.0	1	2,640.00	0.00	240.00	2,400.00	32,245,728.00
1981040 /SL GOSL	Int. Agric. Develop. Project-IFAD 064	SDR	1981	4,900,000.0	0	10	1992	2	80	2031	46,984.0	1	567.40	0.00	47.00	540.40	7,260,325.60
1984040 /SL GOSL	Agric. Sector Support Project-IFAD 0152	SDR	1984	2,987,214.0	1992	10	1995	2	80	2034	109,044.5	1	1,744.70	0.00	109.00	1,635.70	21,976,365.40
1982090 /SL GOSL	North-Central Agric. Dev. Proj. IFAD 33	SDR	1992	1,128,940.8	1993	10	2003	2	80	2042	37,631.4	1	903.20	0.00	37.60	865.50	11,628,901.30
1992100 /SL GOSL	North-Central Agric. Dev.Proj. IFAD Reg 308	SDR	1992	6,600,000.0	1993	10	2003	2	57	2031	165,000.0	1	2,063.70	0.00	165.00	1,898.70	25,509,854.10
2004020 /SL GOSL	Rehab. & Community Based Povty Reductn Cr.No.619-SL	SDR	2004	5,900,000.0	2007	10	2014	2	60	2043	196,668.0	0.75	4,916.40	0.00	196.70	4,719.70	63,412,717.70
2011030 /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	94,721,723.80
2012060 /SL GOSL	Rural Finance & Community Improvement Prog. Cr.No. 1-873A-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	8,011,662.50
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	56,628,527.90
2013286 /SL GOSL	Rural Finance and Community Improvement Programme - Phase II - L-1893	SDR	2013	7,375,000.0	2014	10	2023	2	60	2052	245,833.3	0.75	7,084.10	290.60	0.00	7,374.70	99,084,795.40
/SL GOSL	Agriculture Value Chain Development Project												0.00	750.00	0.00	750.00	7,360,410.00
/SL GOSL	Rural Finance and Community Improvement Programme - Phase II												0.00	750.00	0.00	750.00	7,360,410.00
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	667.40	0.00	75.00	592.40	5,813,555.40
1996040 /SL GOSL	Bo - Rural Water & Sanitation Project Cr.No.SL-0040	ID	1996	822,000.0	1997	10	2006	2	42	2026	31,100.0	2.5	248.80	0.00	31.10	217.70	2,924,954.50
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	2,532.80	0.00	277.90	2,255.00	30,297,210.70
2001020 /SL GOSL	Constr. of Primary Sch.WIA & S/Prov. No.SL-0045	ID	2001	1,446,000.0	2004	7	2008	2	40	2027	74,153.9	2.5	866.80	0.00	72.20	794.60	10,675,562.30
2001030 /SL GOSL	Const & Recons. of Pr.Schs.East & N/Prov. Cr.No. SL-0046/SL-0047	ID	2001	3,934,000.00	2004	7	2008	2	48	2031	135710.27	2.5	1,739.80	0.00	193.50	1,546.40	20,776,530.20
2002200 /SL GOSL	Reconstruction of Kissey Mental Hospital Cr.No. 2SL-0051	ID	2002	1,632,578.2	2003	7	2009	2	38	2027	15,482.0	2.5	770.90	0.00	90.70	680.20	9,139,527.40
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	1,505.50	0.00	103.80	1,401.60	18,832,156.10
2003050 /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	3,574.70	0.00	379.10	3,195.70	42,936,454.00
2004050 /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	3,886.40	0.00	395.50	3,290.90	44,215,843.50
2005020 /SL GOSL	IDB- Cap Build for Palm Oil Prodn and Processing Cr.No.SL-0060	ID	2005	710,000.0	2006	10	2015	2	42	2035	35,500.0	2.5	441.80	0.00	29.40	412.40	5,540,774.00
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	3,092.30	0.00	388.90	2,703.40	36,322,197.90
2007010 /SL GOSL	Technical and Vocational Educ. & Training 2SL-0063	ID	2007	5,391,000.0	2007	7	2014	2	36	2031	299,526.0	2.5	3,702.80	0.00	299.50	3,403.20	45,724,967.80
2007020 /SL GOSL	Reinforcement of Medium & Low Voltage Netw 2SL-0065	ID	2007	7,000,000.0	2012	7	2017	2	38	2032	388,888.9	2.5	4,963.60	0.00	388.90	4,574.70	61,464,548.70
2009010 /SL GOSL	Construction of Kenema - Penderabu Road Project - 3SL-0068	ID	2009	7,653,000.0	2010	10	2019	2	40	2038	382,650.0	2.5	7,514.70	0.00	382.70	7,132.10	95,824,631.20
2010010 /SL GOSL	IDB-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	4,992.40	0.00	312.00	4,680.40	62,883,949.60
2010020 /SL GOSL	I.S.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	367.10	5,132.20	68,954,721.40
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	2,213.90	0.00	153.90	2,060.00	27,677,221.70
2010080 /SL GOSL	I.S.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	1,074.20	176.40	98.00	1,152.60	15,485,885.60
2010090 /SL GOSL	ISTISNA/A- Palm Oil Production Capacity Building Project Cr.No. SL-073	USD	2010	4,680,000.0	2015	10	2020	2	30	2034	312,000.0	2.5	644.80	155.50	0.00	800.30	7,853,724.40
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	8,755.20	0.00	457.70	8,297.50	111,482,862.60
2011050 /SL GOSL	IDB- Implem't. of National Compo - (ECOWAN) Project 2SL-0077	ID	2011	2,830,000.0	2011	8	2019	2	36	2036	157,222.2	2.5	2,833.20	0.00	392.20	2,441.00	32,796,972.70
2011080 /SL GOSL	ISTISNA/A- Implem't. National Compo, ECOWAN (SALCAB) Cr.No. 2SL-0078	USD	2011	20,350,000.0	2014	5	2016	2	24	2027	1,695,833.3	2.5	16,162.70	0.00	1,800.80	14,361.90	140,945,893.70
2012020 /SL GOSL	Construction of Penderabu - Kailahun Road Project - 3SL-0080	ID	2012	9,530,000.0	2016	7	2019	2	36	2037	529,444.4	2.5	4,742.70	1,682.00	264.70	6,159.90	82,762,983.40
2013010 /SL GOSL	ISTISNA/A- Linking Small Holder Farmers to Market in S/L Cr.No. SL-0081	USD	2013	20,000,000.0	2014	4	2017	2	30	2031	1,333,333.3	2.5	11,207.10	3,731.10	1,333.30	13,604.90	133,517,086.80

REVISED DISBURSED OUTSTANDING DEBTS ON A LOAN BY LOAN BASIS TO EXTERNAL
CREDITORS AS AT JANUARY 2019 AND DECEMBER 2019
(IN THOUSAND UNITS OF CURRENCIES EXCEPT OTHERWISE STATED)

Loan Key	Type of Loan	Currency	Year Signed	Total Loan Approved	Year of first Disbursement	Grace Period (in Years)	First Repayment Year	Number of Payments Per Year	Total Number of Payments	Last Year of Repayment	Annual Principal Repayment	Interest Rate	Disbursed Outstanding Debt Including Principal Arrears As At 1st January, 2019	Disbursements	Principal Repayment	Disbursed Outstanding Debt Including Principal Arrears As At 31 December 2019	
																In Specific Loan Currency	In Leone Equivalent
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	573.20	1,145.70	0.00	1,716.90	16,969,333.00
2015004 /SL GOSL	Sierra Leone Community Development Project II - Islanaa 2SL -0084	USD	2015	31,680,000.0	2017	5	2020	2	30	2034	2,112,000.0	2.5	2,013.20	2,000.00	0.00	4,013.20	39,384,572.50
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	2,932.30	1,000.00	0.00	3,932.30	38,591,522.70
	Opec Fund for International Development																
2003100 /SL GOSL	OPEC - Commodity Import Program Cr.No.952G	USD	2003	9,500,000.0	2004	5	2008	2	30	2023	633,320.0	1	2,850.10	0.00	633.30	2,216.80	21,755,605.50
2005050 /SL GOSL	OPEC- Tokeh - Lumley Road Project 1017P	USD	2005	7,000,000.0	2007	5	2010	2	30	2024	466,666.7	2	3,033.30	0.00	466.70	2,566.70	25,188,958.70
2005060 /SL GOSL	OPEC-Hillside Bypass Road Cr.No. 1016P	USD	2005	6,000,000.0	2011	5	2010	2	30	2024	400,000.0	1	1,112.60	0.00	400.00	712.60	6,993,548.60
2006060 /SL GOSL	-OPEC- Bumbuna Hydroelectric Power Project 1088P	USD	2006	10,000,000.0	2008	5	2011	2	30	2026	666,666.7	2	4,954.70	0.00	666.70	4,288.00	42,062,108.20
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	7,089.00	0.00	834.00	6,255.00	61,385,811.30
2007050 /SL GOSL	OPEC- Debt Relief Agreement Cr. No. 1161H	USD	2007	5,400,000.0	2009	5	2012	2	30	2027	360,000.0	1	3,240.00	0.00	360.00	2,880.00	28,263,974.40
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	1,266,666.0	1	16,491.80	0.00	1,266.70	15,225.10	149,417,171.70
2012040 /SL GOSL	-OPEC- Matotoka - Yiye Road Project Cr.No.1445P	USD	2012	10,000,000.0	2013	5	2017	2	30	2032	666,666.7	2	9,000.00	0.00	666.70	8,333.30	81,782,332.10
2013290 /SL GOSL	-OPEC- Fourah Bay College	USD	2013	13,000,000.0	2017	5	2018	2	30	2032	866,666.7	2	7,946.20	2,833.20	866.70	9,912.80	97,282,799.70
2016007 /SL GOSL	Rehabilitation of Bo-Bandajuma Road Project	USD	2016	20,000,000.0	2018	5	2021	2	30	2050	1,333,333.3	2	2,678.70	4,430.50	0.00	7,109.30	69,769,359.50
2017003 /SL GOSL	Three Towns Water Supply and Sanitation Project (Additional Loan)	USD	2017	13,150,000.0	2018	5	2022	2	30	2036	876,666.7	2	5,989.40	5,731.80	0.00	11,721.30	115,031,201.40
	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	241,764.7	3	2,380.60	0.00	220.10	2,160.50	29,028,338.90
2009020 /SL GOSL	SIERRATEL-Modemation & Expansion of Network & Telcom. Infra.	USD	2009	29,452,856.0	2012	6	2015	2	30	2029	1,963,523.7	2.75	26,015.90	0.00	1,499.80	24,516.10	240,598,228.80
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	19,453.10	0.00	1,100.90	18,352.20	180,105,978.70
	Total (Multilateral and Bilateral) - (A)	Leones															14,331,584,207.84
	External Commercial - (B) See list of breakdown as attached	USD														186,496.52	1,830,254,423.05
	Grand Total (Disbursed Outstanding Debt) - (A) + (B)	Leones															16,161,838,630.88

Prepared by PDMD

Note:

1/ Exchange rates used (eop) : USD = Le9,813.88; SDR/ID = Le13,435.87; EURO = Le10,956.50; JYK = Le 89,685.76; SAR = Le2,614.81; KWD = Le32,317.33; CNY = Le1,402.76

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 2019

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%

PART II

CHAPTER II – PERFORMANCE AUDIT

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MAIN POINTS

In this chapter, we summarise the performance audit reports submitted to Parliament in 2020. The reports are categorised as ‘special reports’ under Section 66(4) of the Government Budgeting and Accountability Act (GBA) of 2005. 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 and effectiveness are achieved in the use of public funds.

What We Examined

In 2020, two performance audit reports were submitted to Parliament. These were the ‘Rehabilitation and Closure of Mines - National Minerals Agency and the Environment Protection Agency’ and the ‘Anti-Malaria Interventions by the National Malaria Control Programme - Ministry of Health and Sanitation’. The latter was a follow-up performance audit. It was considered a novelty for the institution, as it was done to find out whether management had implemented any of the audit recommendations in the report and if there had been any improvements by doing so.

Performance audit refers to an independent assessment of an entity's operations to determine whether specific programmes or functions are working as intended to achieve stated goals. The aim is to assess whether the entity is achieving economy, efficiency and effectiveness in the use of available resources. Performance audits are typically associated with government agencies at all levels, as most MDAs receive allocations from the Consolidated Fund (CF). The main concepts and techniques in conducting performance audit are the same as with other forms of audit, but with different subject matter. The subject of a performance audit could be justified if government undertakes an activity either wholly or partly.

Why It is Important

The concern of the Public Auditor or the Supreme Audit Institution (SAI) is to ensure that the institution being audited (auditee) does the right thing using the right procedures. That is, asking if something has been done with due regard to economy (at the lowest cost), efficiency (in the best way) and effectiveness (achieving intended results). In short, performance audits are said to deal with the 3Es (economy, efficiency, and effectiveness). This idea is important because it does not only apply to the management of the entity being audited, but also to the general public, as they can see if their taxes are worth being injected into certain programmes and activities. Performance audit goes beyond the question of whether revenues collected or expenditure made is authorised by Parliament. It goes deeper and examines the criteria derived from the 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 key, and it does so by examining inputs, outputs and outcomes.

What We Found

Rehabilitation and Closure of Mines - The National Minerals Agency and the Environment Protection Agency

The following were observed:

- Of the 46 large and small-scale mining licence holders, 10 were issued Environmental Impact Assessment (EIA) licences before acquiring mining licences, 20 were granted mining licences before acquiring EIA licences, and 16 of them never acquired EIA licences.
- From a total of 86 exploration licences that were issued between 2014 and 2018, only three of them had EIA licences.

- The Environmental Protection Agency (EPA) does not have any role in monitoring artisanal miners because the Mines and Minerals Act of 2009 is silent on EPA's role regarding artisanal miners.
- From our review of 25 EIA licences awarded, we noted that only seven awardees submitted closure plans to the EPA.
- Several closure plans included the projected costs for their mine closure activities. The actual funds were however not set aside for the implementation of these closure plans.
- The EPA and the NMA were not ensuring that mining companies adhere to their closure plans as there were still areas left unrehabilitated by these companies.
- The monitoring reports on mining companies' activities disclosed that the EPA was not enforcing the requirements of the regulation.
- Mine closure plans did not include any update on financial assurance as prescribed by law.
- The environmental activities of holders of mining licence (i.e. small-scale, large-scale, and exploration companies) were not monitored according to their plans.
- In some instances, monitoring plans were not made available to support the monitoring reports submitted, and monitoring activities stated in the plans were not conducted.
- Fees expected to be used for monitoring were utilised for purposes other than monitoring.
- No environmental management report had been submitted for inspection.
- There was no national strategy for the rehabilitation of mined-out areas at the time of the audit.
- Evidence to indicate that some fees collected were used by the NMA to rehabilitate artisanal mined-out areas was not made available for inspection.

Anti-Malaria Interventions by the National Malaria Control Programme – The Ministry of Health and Sanitation

- Monitoring and follow-up on malaria patients were not effective due to inadequate staffing at the health centres and the wide span of the population catchments.
- There were shortages of Research Development and Trainings (RDTs) in health care facilities due to the high influx of patients with fever suspected to be malaria.

2.1. INTRODUCTION

Performance auditing commenced at the ASSL in 2008 as a component of an audit capacity development project. Creating a performance audit capability required strong critical and analytical skills, careful staff selection and trainings. The ASSL has succeeded in these aspects and therefore 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 the ASSL. The ASSL has also recruited staff with academic and professional backgrounds in the social sciences and other disciplines over the years. Performance audit has been practiced in various evolving forms. It has been practiced in advanced economies for more than 30 years, but relatively new to countries at a similar stage of development as Sierra Leone. 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 the International Association of Supreme Audit Institutions (INTOSAI), of which the ASSL is an active member through AFROSAI-E. Nowadays, reports from many SAIs largely comprised the outcomes from performance audits. There is a trend in some jurisdictions to capture SAI's audit activities under a more generic name such as 'comprehensive auditing' which in effect, represents the collective practice of financial, regularity and performance audits that frequently use multi-disciplinary teams of auditors. This chapter summarises performance audits conducted this year which have been submitted to 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.

2.2. THE NATURE AND PRACTICE OF PERFORMANCE AUDITING

Performance auditing carried out by SAIs is an independent, objective and reliable examination of whether government undertakings, programmes, systems, activities or organisations are performing their required tasks in accordance with the principles of economy, efficiency and effectiveness and whether there is room for improvement. Economy, efficiency and effectiveness, often referred to as the 3Es, are described as follows:

- The principle of 'economy' means minimising the costs of resources. The resources used should be available in due time, in appropriate quantity and quality, and at the best price.
- The principle of 'efficiency' means getting the most from available resources. It is concerned with the relationship between resources employed and outputs delivered in terms of quantity, quality and timing.
- The principle of 'effectiveness' concerns the extent to which objectives are met and the intended results achieved.

While promoting good governance is the main aim of performance auditing, it also contributes to accountability and transparency. Performance auditing promotes accountability by assisting those charged with governance and oversight responsibilities to improve performance. It does this by examining whether decisions by the Legislature, or the executive authorities, are efficiently and effectively implemented, and whether taxpayers or citizens have received value-for-money. This type of audit does not question the intentions and decisions of the Legislature or policy decisions of the executive. Performance audit promotes transparency by affording taxpayers, financiers, ordinary citizens and the media, an insight into the management and outcomes of different government activities. It provides useful information to citizens while serving as a basis for learning and improving. The users of performance audit reports expect reliable evidence-based reports that provide clear

information on the questions addressed, along with findings, conclusions, and recommendations. At the onset of the audit, the standards are established against which the performance of the audited entity will be assessed. These standards or assessment criteria determine whether or not the operations or the programme meet or exceed expectations. They also help the auditor to create a common understanding with the audited entity. Audit methods which best allow the gathering of data in an efficient and effective manner are chosen. The ASSL's approach to performance auditing reflects what is adopted by AFROSAI-E. This approach can be described as a problem-oriented approach where the prevalence or indication of a problem, or challenge to performance, constitutes the starting point for the audit. The purpose of the audit is to confirm the nature and extent of the problem or issues affecting performance, to identify the causes, and make recommendations for improvement. In the reports summarised below, we assessed the performance of the MDAs responsible for the audited activity and indicated how performance could be improved. The recommendations are aimed at removing the causes of problems and weaknesses identified, and adding value not only to the MDA but also to society as a whole. Some issues highlighted in all our reports show:

- a need for more effective implementation of plans and activities to achieve operational objectives;
- the importance of recording, reporting and compiling data on what is being done; and
- a general need for better understanding of existing rules, regulations and guidelines.

In selecting areas for performance audit, we have considered significant matters of social and economic development, and the risk that performance may not meet the goals of economy, efficiency and effectiveness. Although relatively new to countries like Sierra Leone and others at a similar stage of development, performance auditing has been practised in various improved economies for over thirty 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, to which the ASSL is an active member under the auspices of AFROSAI-E. This chapter summarises performance audits conducted this past year which have already been submitted to Parliament as special reports under Section 66(4) of the Government Budgeting and Accountability (GBA) Act of 2005.

2.3. SUMMARY OF 2020 PUBLISHED PERFORMANCE AUDIT REPORTS

2.3.1. Rehabilitation and Closure of Mines

The mining regime in Sierra Leone commenced in the early 1920s with bauxite being the first mineral recorded in the Koinadugu District. Other minerals such as gold and iron-ore, diamonds, and rutile were discovered in 1926, early 1930s, and 1960s, respectively. The mining sector is the second largest employer in the country. The rapid mining of iron-ore in 2011 resulted in an unprecedented economic growth of 21% in 2013. When the price of iron-ore decreased in 2014, the economy contracted by 20.6% in 2015.

The key institutions that are responsible for regulating mineral rights, trading and ensuring compliance with all the environmentally related activities in Sierra Leone are the National Mineral Agency (NMA) and the Environmental Protection Agency (EPA).

The EPA is responsible to ensure compliance with all environmentally related activities as specified in the Environmental Protection Agency Act of 2008. According to the Mines and Minerals Act of 2009, the NMA is charged with the responsibility to promote the development of the minerals sector by

effectively and efficiently managing the administration and regulation of mineral rights and mineral trading in Sierra Leone.⁽¹⁾ This includes ensuring rehabilitation and closure of mines. Mine closure is done when mining operations have ceased or ended, and the final decommissioning and mine rehabilitation has started. Mine rehabilitation is the process used to repair the impacts of mining on the environment.⁽²⁾

Mining adversely affects the environment by inducing loss of biodiversity, soil erosion, and contamination of surface water, groundwater, and soil. With the number of years mining activities have been ongoing in Sierra Leone, there is an increase in the number of abandoned mining sites and land degradation; this poses health and safety risk and the reduction in agricultural activities due to unusable lands. At the end of 2018, the number of cancelled large-scale, small-scale, and exploration mining licenses were 56%, 97% and 79%, respectively (see Table 1 for analysis).

It is against this background and the Auditor-General's mandate as enshrined in Section 119 (2) of the 1991 Constitution of Sierra Leone, that the Audit Service Sierra Leone (ASSL) carried out this audit to assess whether mine rehabilitation and closure activities were managed by the NMA and the EPA in an effective and efficient manner.

The following is a summary of the main findings arising from the audit.

Environmental Management Planning

- The Mines and Minerals Act of 2009 requires mining companies to acquire Environmental Impact Assessment (EIA) licences before they can be granted mining licences. Of the 46 large and small-scale mining licence holders that were reviewed, 10 were issued with EIA licences before acquiring mining licences; 20 were granted mining licences before acquiring EIA licences and 16 never acquired EIA licences. This was as a result of lack of collaboration and coordination between the NMA and the EPA.
- The Environmental Protection Regulations of 2013 requires exploration miners to attain EIA licences before commencing exploration activities. From a total of 86 exploration licences that were issued between 2014 and 2018, only three had EIA licences. According to the Director of Mines at the NMA, they were not ensuring that exploration licence holders acquire EIA licences because, the NMA should have determined the suitable time for exploration companies to acquire EIA licences. We were also made to understand that in certain situations, exploration companies acquired mining licences but did not undertake mining activities.
- The Mines and Minerals Act of 2009 requires every mineral right holder to protect the environment and carry out operations in a way that will minimise and manage negative environmental impact. In doing this, the EPA should ensure that environmental impact assessments are conducted to ascertain the impact that mining operations will cause. Through interviews with personnel of the EPA, it was however revealed that the EPA does not have any role in the monitoring of artisanal miners because the Mines and Minerals Act of 2009 is silent on EPA's role regarding artisanal miners.
- According to the Environmental Protection Regulations 2013 of the EPA should ensure that mining companies submit closure plans six months before the start of their operations. From our review of 25 EIA licences, we noted that only seven submitted closure plans to the EPA.

¹ The National Minerals Agency Act, 2012

² Mining for Closure, Sustainable Mine Practices, Rehabilitation and Integrated Mine Closure Planning, Benjamin Smith

The remaining 18 EIA licences were not supported by closure plans. According to the Director of the EPA, mining companies needed more time to submit their closure plans because they had to employ the services of environmental consultants to help them design such plans

- Financial assurance is required for the implementation of closure plans according to both the Mines and Minerals Act of 2009 and the Environmental Protection Regulations of 2013. Several closure plans included the projected costs for their mine closure activities. The actual funds were however not set aside for the implementation of those closure plans. This was as a result of gaps in the Mines and Minerals Act of 2009 as the Act did not indicate the agency that was responsible for the collection of financial assurance from mining companies.

Implementation of Mines Rehabilitation and Closure Plans

- The Environmental Protection Regulations of 2013 require large and small-scale mining companies to carry out progressive rehabilitation during the life span of their operations. During field visits to Koidu Holdings, Sierra Mineral Holdings, Sierra Rutile Mining Company Limited and Dayu Mining Company, it was observed that rehabilitation of mined-out areas was done to some extent. It was also observed that nurseries have been developed by both the Sierra Rutile Limited and the Koidu Holdings Limited to be used for afforestation. The EPA and the NMA were not ensuring that mining companies adhere to their closure plans as there were still areas left un-rehabilitated by these companies.
- According to the Environmental Protection Regulations of 2013, if a holder of a mineral right (large-scale, and exploration mining companies) defaults in the performance of its closure obligations, the EPA Board shall levy a fine on the EIA licence holder and require him to comply within such period of time as the Board may consider appropriate. The monitoring reports on the activities of mining companies disclosed that the EPA was not enforcing the requirement of the regulation as there was no evidence to show that fines were levied on mineral right holders that were not implementing their closure plans.
- Mine closure plans should be updated every two years or at the request of the EPA Board, and should include modifications of mining activities and associated financial assurance. From the seven mining companies that submitted closure plans, only two (i.e. Koidu Limited and Sierra Mineral Holdings) have submitted updated closure plans for the period under review. We noted that the plans did not include any update on financial assurance as prescribed by law. For instance, the Sierra Diamonds changed their Tongoma mining operation site from open pit mining to underground mining, without any form of updated plan to the effect. The same was done for China Kingho Mining Company Limited who changed its mining operation from diamond mining to gold mining.
- According to Sections 55 and 56 of the Environmental Protection Regulations of 2013, routine monitoring of environmental activities should be conducted on mining companies. Large-scale mining licence holders should be monitored at least three times a year, small-scale mining licence holders at least twice a year, and exploration licence holders at least once a year. A review of the monitoring plans and reports submitted by the EPA revealed that the environmental activities of mining licence holders (i.e. large-scale, small-scale and exploration companies) were not monitored according to their plans. Apart from 2015 in which no monitoring plan was made available, we noted that only 52% of the planned environmental activities by mining companies were monitored by the EPA for the review period. It was also noted during our review of the 2014 monitoring reports that the activities on the rehabilitation and closure of mines were not monitored.

- The NMA has a responsibility to monitor the activities of mining companies and report on a quarterly basis. In order to conduct these monitoring activities, a monitoring plan is developed and approved to guide the process. From a review of the NMA's monitoring plans and reports, we noted that on some occasions, monitoring plans were not made available to support the monitoring reports submitted. On other occasions, monitoring activities stated in the plans were not conducted. Of more importance was the fact that in 2014, the 34 monitoring reports submitted did not cover the monitoring of mine rehabilitation and closure activities. According to personnel of the NMA, most of the plans were not achieved due to lack of funds.
- The Finance Act of 2015 authorises the NMA to use 10% of annual licence fees collected from large-scale and exploration mining companies, as monitoring fees. For artisanal miners, Le250,000 was paid as monitoring fees per licence. The fees were expected to be used for monitoring purposes. A review of the monitoring fee cashbook revealed that those fees were utilised for purposes other than monitoring. The monitoring fees collected from large-scale, small-scale and exploration licence holders for the review period amounted to US\$1,734,605 and the fees collected from artisanal miners for monitoring purposes amounted to Le1.3 billion.
- The Mines and Minerals Act of 2009 obligates mining companies to submit an Annual Environmental Report to the Director of Mines of NMA. As at the time of the audit, no environmental management report had been submitted. According to the Deputy Director of Mines, the NMA had not been requesting these reports from mining companies. Although mining companies submitted their quarterly and annual environmental reports to the EPA, we were made to understand from interviews with personnel of mining companies that they were not aware that they should be doing the same to the NMA on an annual basis.

Rehabilitation of Abandoned Mining Sites

- When a mining company decides to end its mining activity without setting funds aside, the responsibility to rehabilitate mined out areas falls within the ambit of the Government. It is therefore expected that the NMA together with the Ministry of Mines and Mineral Recourses have a rehabilitation strategy in place.
There was no available national strategy for the rehabilitation of mined-out areas at the time of the audit. This has led to the increase in legacy areas. A case in question could be related to Shandong Minerals, a small-scale mining company that is located at Nimikoro Chiefdom in Kono District, where we observed that after the company cancelled its mining activities in 2015, open pits were left behind. According to the locals in the area, the company went bankrupt and couldn't afford the cost of running the mines, leaving the owners with no option but to disappear from the scene.
- Funds collected as rehabilitation fees from artisanal miners should be used for rehabilitation purposes. The audit revealed that Le788,850,000 (seven hundred and eighty-eight million, eight hundred and fifty thousand Leones) was collected in all the regions by the NMA for the rehabilitation of mined-out areas of artisanal miners between January 2014 and December 2018. The evidence to indicate that these fees were used by the NMA to rehabilitate artisanal mined-out areas was not made available for inspection. This was also confirmed through interviews with the regional managers of the NMA.

According to the Director of Mines at the NMA, rehabilitation was not done because the fees collected from artisanal miners were not sufficient to rehabilitate the damages caused by mining activities. Observations of the bank accounts details in which the rehabilitation fees were deposited showed that these fees were used by the NMA for operational purposes.

2.4. ANTI-MALARIA INTERVENTIONS BY THE NATIONAL MALARIA CONTROL PROGRAMME

One of the Sustainable Development Goals (SDGs) adopted by the United Nations General Assembly in 2015 is to ensure healthy lives and promote wellbeing for all ages by 2030. Goal 3.3 specifically states: “By 2030, end the epidemics of malaria...”.

The World Health Organisation’s (WHO) World Malaria Report, 2017 reveals that Sierra Leone has one of the world’s highest prevalence of malaria cases, but has experienced vast progress in reducing malaria deaths and transmission.

Malaria remains a serious public health challenge, causing immense morbidity and mortality rate. It is a major impediment to socio-economic development leading to poverty. Even though major strides have been made to reduce malaria in Sierra Leone, the country is still among the 80% death rate caused by malaria.

Between 2010 and 2018, donor partners have spent US\$123,462,536 on malaria interventions in Sierra Leone, yet malaria is presently the leading cause of morbidity and mortality amongst children under five years of age.

Although pregnant women and children under five years are mostly affected, the entire population is at a risk of malaria. Malaria accounts for 40.3% of outpatient morbidity for all ages; 47% of outpatient morbidity for under-five children and 37.6% for hospitalisation, with a case fatality of 17.6%.⁽³⁾

In 2012, a performance audit was carried out on the topic, during which the ASSL made a number of recommendations for implementation by the institution. It is against this background and the Auditor-General’s mandate, as enshrined in Section 119(2) of the 1991 Constitution of Sierra Leone, that the ASSL carried out a follow-up audit on anti-malaria interventions. This was also done to assess the extent of implementation on recommendations made in the previous performance audit report, highlight areas that need improvement and make recommendations that can help in reducing the burden of malaria between the period 2015-2018.

³ Sierra Leone Malaria Control Strategic Plan 2016-2020

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

1. In October 2016, the Artemisia-based Combination Therapy (ACT) was changed to the new Arthemeter + Lumefantrine (AL) which has proven more acceptable with limited side effects. This was recorded in the report on Monitoring of Anti Malaria Treatment Efficacy and Safety Study in 2018 in which surveys were done by the National Malaria Control Programme in George Brook Community Health Centre, Makeni, Bo and Kenema.
2. Monitoring and follow-up on malaria patients is not effective due to inadequate staffing within the health centres and the wide span of the population catchments. They mostly rely on the Community health workers and volunteers to monitor and follow-up on their patients. As such, the completion and effectiveness of treatment cannot be confirmed.
3. AL is administered to patients whether the Rapid Diagnostic Test (RDT) of malaria is positive or negative, and is administered based on the signs and symptoms of a patient, since the RDT cannot show below 300 malaria parasites.
4. The need for the RDT is vital to confirm whether a patient is positive or negative of malaria parasite before treatment commences. We however noted that there were shortages of RDTs in health care facilities due to the high influx of patients with fever suspected to be malaria.

CHAPTER III –LOCAL COUNCILS

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MAIN POINTS

Introduction

In 2018, we carried out a combined (financial audit and compliance) on the 22 Local Councils (LCs) for 2019.

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

Individual management of the 22 LCs is responsible for the preparation and fair presentation of their financial statements in accordance with the Cash Basis International Public Sector Accounting Standard (Cash Basis IPSAS) and other applicable laws and regulations, for such internal control as management determines this 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 entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting. Otherwise, management either intends to liquidate the entity, cease operations or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about 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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users considering the basis of these financial statements.

What We Did

The financial audit was conducted in accordance with the Audit Service Sierra Leone Manual which is based on International Standards of Supreme Audit Institutions (ISSAI). These standards state that in the conduct of our work, we carry out risk assessments to focus resources on the areas of greatest audit risk. During this engagement, we held discussions with key members of council staff, reviewed key documents, tested key controls and performed tests on financial transactions on a sample basis.

The compliance audit was a direct engagement. The subject matter was evaluated against the criteria which were selected by the auditor who produced the subject matter information using the principles of ISSAI 100, 400 & 4000. A risk-based audit approach was adopted throughout the process by focusing audit resources on areas of high risks of material non-compliance with the procurement laws and regulations.

Our findings and recommendations from the audits of the councils were discussed with the key personnel involved and communicated in individual management letters for their comments and necessary action. Responses received which are deemed appropriate, have been included in this report.

Why It is Important

The councils are generally responsible for the promotion of the development and welfare of the people in their locality with such resources and capacities as it can mobilise from the Central Government and its agencies, national and international organisations and the private sector. Local councils are the highest political authority with legislative and executive powers in accordance with the Local Government Act of 2004. Obtaining an audit level of assurance on the financial statements of local councils, is therefore a matter of profound public interest.

What We Found

Our review of the 2019 Financial Statements of the 22 local councils revealed a cash loss of **Le5.28 billion**.

The main composition and analysis of these losses are summarised in Table 3.1 below:

Table 3.1	
Analysis of Cash Irregularities on the Activities of Local Councils	
Detail	AMOUNT (Le)
Sitting fees and transport allowances paid to absentee councillors or for meetings not held	362,720,000.00
Ineligible expenditure	298,622,333.00
Irregularities in the collection of and accounting for own source revenue	258,960,000.00
Withholding taxes not paid to the NRA	944,722,451.24
Fuel not accounted for	1,973,108,843.00
Payments without supporting documents	874,031,722.00
Fixed assets not accounted for	75,127,500.00
Payroll irregularities	466,770,590.00
Short supply of items procured	30,300,000.00
Total	5,284,363,489.24

We also noted that, in spite of our recommendations in previous reports, LCs were still not in compliant with the procurement laws and regulations during 2019. Significant procurement irregularities identified relate to the following categories:

- Non-submission of procurement documents
- Procurement plans not approved by the relevant authority
- Procurement splitting to avoid the National Competitive Building Method
- Relevant information not included in the Request for Quotations (RFQ) document
- Irregularities in the bidding process
- Contract terms not fully met
- Procured items not fully delivered

We additionally undertook a compliance audit on the Management of Safe Drinking Water in Rural Communities. Despite significant progress made over the past years, some communities within the selected districts still lack adequate access to a sustainable drinking water. In most of the communities visited by the audit team, a central sustainable drinking water supply network was either unavailable or unreliable. Our review revealed the following underlying factors:

- Inadequate funding of safe drinking water management within the selected districts
- Lack of logistics for water quality management
- No effective planning and coordination of water management activities in the districts.
- Inadequate staffing in the Rural Water Sector

The audit outcomes are expanded upon in detail in the following section and in even greater detail in the individual councils' reports submitted to Parliament.

3.1. RECENT EVENTS

For the second consecutive year, we have been able to audit and report on the accounts of the 22 LCs. This was made possible by the relentless efforts of our dedicated staff because even though there had been an increase in the number of LCs from 19 to 22 since 2018, the number of staff assigned to audit these councils still remain the same. It is our hope that the number of staff will be increased and associated remuneration to upkeep the motivation of the staff in ensuring timely and efficient audit of the councils.

It is no secret that the global pandemic of COVID-19 had its own impact and challenges on the entire audit process.

3.2. FINANCIAL AUDIT ISSUES IDENTIFIED DURING 2019

3.2.1. Analysis of Audit Opinions

In 2018, 20 of the 22 LCs, got unqualified audit opinions. This performance dropped by 18.2% in 2019 as the LCs recorded 18 unqualified audit opinions.

In 2019, LCs also recorded some improvements as well as regressions when compared to 2018. Of the 22 LCs, 17(77.3%) maintained their unqualified audit opinion positions during 2019. One council (Bonthe District) improved from qualified to unqualified and four Councils regressed in performance: two councils (Falaba and Kono Districts) dropped from unqualified to qualified audit opinion. Another council (Koinadugu District) drastically dropped from an unqualified opinion to an adverse opinion and one council (Kambia District) also dropped from a qualified to an adverse opinion.

Twelve LCs had maintained excellent performance since 2017. These councils continue to report an unqualified audit opinion.

Individual council performance, based on audit opinions during 2019 is given in Table 3.2

Table 3.2 Council's Opinion 2019				
No.	Name of Council	Type of Audit Opinion		
		2019	2018	2017
1	Bo District	Unqualified	Unqualified	Unqualified
2	Bombali District	Unqualified	Unqualified	Unqualified
3	Bonthe District	Unqualified	Qualified	Qualified
4	Bo City	Unqualified	Unqualified	Qualified
5	Bonthe Municipal	Unqualified	Unqualified	Unqualified
6	Falaba District	Qualified	Unqualified	N/A
7	Freetown City	Unqualified	Unqualified	Unqualified
8	Kailahun District	Unqualified	Unqualified	Unqualified
9	Kambia District	Adverse	Qualified	Unqualified

Table 3.2 Council's Opinion 2019				
No.	Name of Council	Type of Audit Opinion		
		2019	2018	2017
10	Kenema District	Unqualified	Unqualified	Qualified
11	Koinadugu District	Adverse	Unqualified	Unqualified
12	Karene District	Unqualified	Unqualified	N/A
13	Kono District	Qualified	Unqualified	Unqualified
14	Kenema City	Unqualified	Unqualified	Unqualified
15	Koidu New Sembehun City	Unqualified	Unqualified	Unqualified
16	Moyamba District	Unqualified	Unqualified	Qualified
17	Makeni City	Unqualified	Unqualified	Unqualified
18	Portloko District	Unqualified	Unqualified	Unqualified
19	Pujehun District	Unqualified	Unqualified	Unqualified
20	Portloko City	Unqualified	Unqualified	N/A
21	Tonkolili District	Unqualified	Unqualified	Unqualified
22	Western Area Rural District	Unqualified	Unqualified	Unqualified

3.2.2. Unqualified Audit Opinion with “Emphasis of Matter Paragraphs”

Of the 18 LCs with unqualified audit opinion, nine LCs had “Emphasis of Matter Paragraphs”. The auditor shall include an ‘Emphasis of Matter’ paragraph in the auditor’s report provided the auditor has obtained sufficient appropriate audit evidence that such matter is not materially misstated in the financial report. This can happen only if the auditor considers it necessary to draw users’ attention to a matter presented or disclosed in the financial report which in the auditor’s judgement is of such importance, and that it is fundamental to users’ understanding of the financial report. Such a paragraph shall refer only to information presented or disclosed in the financial report. Table 3.3 gives list of councils with “Emphasis of Matter Paragraphs”.

Table 3.3 Councils with “Emphasis of Matter Paragraphs”		
No.	Name of Council	Emphasis of Matter Paragraph
1	Bo City	<i>Inadequate supporting documents</i> Adequate supporting documents were not available during verification in respect of payments which amounted to Le13,819,850.
2	Bonthe District	<i>Ineffective Management of the Council's Budget and Budgetary Process</i> Comparison of 2019 own-source revenue budget of Le1,866,698,600 and 2019 actual own-source revenue of Le1,124,892,500 collected revealed a difference of Le741,806,010. The difference represents 40% of the total revenue budget not achieved.
3	Pujehun District	<i>Ineffective Management of the Council's Budget and Budgetary Process</i> Comparison of 2019 own-source revenue budget of Le1,095,199,347.15 and 2019 actual own-source revenue of Le709,255,200 collected revealed a difference of Le385,944,147.15. The difference represents 35% of the total revenue budget not achieved.
4	Freetown City	<i>Litigations</i> In Statement 15: Statement of Contingent Liabilities is a litigation claim against the Council for which judgement had been made and the Council is liable to settle damages. The Council in 2019 made part-payment of Le300,000,000 towards the settlement of Le900,000,000 claims in respect of Health Service Workers Union

Table 3.3 Councils with “Emphasis of Matter Paragraphs”		
No.	Name of Council	Emphasis of Matter Paragraph
		made against it and Le103,611,020 damages plus interest in favour of FB International Enterprises has not been paid by the Council since November 2014. From the total litigation claims, Le1,748,530,071 is being appealed against by Council.
5	Port Loko District	We draw attention to Statement 4 (Statement of Financial Assets and Liabilities) of the financial statement which shows total cash and cash equivalent of Le756,469,770.00. Of this total, bank balances which totalled Le51,043,583 relates to 15 accounts that were dormant and evidence for the closure of these accounts were submitted for review. The Chief Administrator is advised to liaise with the systems administrator, in order to regularise the Council's accounting system and not to mislead users who may want to rely on the figures in the account.
6	Port Loko City	We draw attention to Statement 1 (Statement of Cash Receipt and Payment) of the financial statement which shows that total own-source revenue (from tax and non-tax revenues) generated during 2019 amounted to Le81,411,000.00. This amount represents approximately 10% of the total budgeted revenue of Le810,000,000.00. Regulation 45 of the Local Governments Act, 2004 requires that Local Councils should make adequate efforts to collect revenues from their own-sources. As such, this suggests a very poor level of performance by the Council in 2019. Under collections of own-source revenue and over dependency on government grants may negatively affect implementation of planned activities- especially so when government transfers are small and infrequent.
7	Bombali District Council	We draw attention to Statement 1 (Statement of Cash Receipt and Payment) of the financial statements which shows that total own-source revenue (from tax and non-tax revenues) generated during the period under review amounted to Le522,051,652.00. Of this total, land lease income of Le433,599,152 was received from Sunbird Biochemical Company, which represents 83% of the own-source revenue generated for the year. This suggests low level of own-source revenue generation from other sources. Our opinion is not modified in respect of this matter.
8	Kenema City	We draw attention to the total own-source revenue recognised in the financial statements and the total receipts issued which does not reconcile. A variance existed between total own-source revenue as recognised in the financial statements and total receipt books.
9	Koidu New Sembehun City	We draw your attention to payments made as allowances to councillors which were disclosed in Statement 7 of the financial statements. Our opinion is not modified in respect of this matter. It was ascertained that, even though it was called transport and sitting allowances, these fees were paid monthly to all councillors without taking note of those absent for the meetings. Moreover, the guidelines on these fees in the Local Government Act of 2004 were not clear. Therefore, the Council has obvious basis for the payment of these amounts totalling Le66,210,000

3.2.3. Basis for Modified Opinion

Four councils had a modified audit opinion - two with a qualified “except for” and two with adverse audit opinions. The reasons or bases for each of the opinions are given in the paragraphs below.

3.2.4. Basis of Qualified “except for” Opinion

Falaba District Council

Revenues Not Brought to Account

A total revenue of Le142,400,000 from 27 receipt books was not brought to account. This represents 53% of the council's own-source revenue generated in 2019. Also, 10 receipt books issued to revenue collectors were neither returned, nor revenues collected from them brought to account. Failure to maintain adequate control and management of receipt books could lead to loss of much needed

revenue to the Council. As a result, the completeness of total revenue collected and recognised in the account may not be assured.

Kono District Council

Bank Reconciliations not Appropriately Prepared

Even though bank reconciliation statements were prepared for 18 council accounts disclosed in the financial statements, we observed that the methods used in arriving at the bank and cashbook balances for these accounts were wrong. The 18 unreconciled accounts have a total bank statement balance of Le74,206,524.

3.2.5. Basis for Adverse Opinion

Koinadugu District Council

Expenditure Misclassified in the Financial Statements

We reviewed the PETRA expenditure schedules in comparison with Statement 7 of the financial statements and we observed that most of the expenditure items were misclassified; thereby leading to the overspending of various budget lines by Le553,667,000. Failure to accurately report financial transactions could result in the councils surplus or deficit being misstated and paint a misleading financial picture.

Pending Approvals

A total amount of Le594,458,597 is related to transactions that were not approved in the PETRA accounting software. As these transactions were not approved and ultimately not recognised in the financial statements, the total expenditure figure in the financial statements may therefore have been misstated.

Inaccurate Reporting of Government Grants

Our review of the grant transfer letters in comparison with the revised financial statements revealed an understatement of Le1,674,353,575.26 and an overstatement of Le2,388,746,461 in the financial statement for transfers from Central Government. These misstatements show that the total income as reported in the financial statements are inaccurate and presents a misleading picture of the Council's total income.

Kambia District Council

Expenditure Misclassified in the Financial Statements

We reviewed the PETRA expenditure schedules in comparison with Statement 7 of the financial statements and we observed that transactions which totalled Le1,149,967,835 were misclassified. Failure to accurately report financial transactions could result to the Council's surplus or deficit being misstated and paint a misleading financial picture.

Non-Recognition of Payments Made in Respect of Road Maintenance in the Financial Statements

Payments totalling Le222,109,756.70 made to contractors in 2019 were not recognised as expenses in the financial statements. This represents 4.6% of the Council's total expenditure excluding wages, salaries and other employee benefits. Consequently, we were unable to ascertain whether this balance is free from material misstatement.

Inconsistencies in Revenue Collected, Banked and Recognised in the Financial Statements

The team of auditors upon reviewing the Council's own-source revenue bank statements, general receipt books and financial statements, observed inconsistencies in the total own-source revenue generated among the various books of accounts. In this regard, the total revenue deposited into the bank exceeded that of total general receipt books listings by Le145,772,190 whilst, total revenue recognised in the Financial Statements exceeded that of total revenue deposited into the bank account by Le67,895,610. The financial statements may have been misstated; therefore, it may not show a true reflection of the total own-source revenues collected in 2019.

Expenditure not Supported by Relevant Documentary Evidence

Total payments of Le245,540,000 in the financial statements were not supported by the relevant documentary evidence. This represented approximately 5% of the Council's total expenditure excluding wages, salaries and other employee benefits. Consequently, we are unable to ascertain whether this balance is free from material misstatement.

3.2.6. Key Audit Matters and Other Matters

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report. These matters are described below:

Koinadugu District Council

Late submission of requested documents and schedules resulted in the audit taking longer than anticipated.

Western Area Rural District Council

Own-Sourced Revenue Mobilisation

Revenue generation target for 2019 was not met. Budgeted total revenue was Le11,634,260,000 whilst the Council generated a total revenue of Le1,275,907,472 (representing 11% of the total budgeted revenue during 2019).

Freetown City Council

Transform Freetown Priorities not Linked to the Council's Budget

The Council is mandated according to Section 67 of the Local Government Act of 2004, to prepare annual budget which should reflect the priorities and needs of the locality as contained in the Local Council's Development Plan. The budget should balance income and expenditure by way of financial estimates of revenue and expenditure. In its Transform Freetown Priorities, the Council identified development needs and mapped these in different priority areas.

Even though the Transform Freetown Priorities should form the basis for the preparation of the annual budget of the Council, the Council however failed to link these priorities to the 2019 budget. As a result, the 2019 budget of the Council was not complete due to this omission. Additionally, the projects implemented by other agencies on behalf of the Council were not audited because of lack of information on them at the time of the audit exercise.

Kambia District Council

Late submission of requested documents and schedules resulted in the audit taking longer than anticipated.

Kenema City Council

Source Documents not Properly Filed

The source documents supporting the classes of transactions and account balances were not filed in line with the recognitions and disclosures made in the financial statements. This created considerable difficulty and delay in tracing transactions from the financial statements to their respective source documents.

Kono District Council

Source Documents not Properly Filed

The source documents supporting the classes of transactions and account balances were not filed in line with the recognition and disclosure made in the financial statements. This created considerable difficulty and delay in tracing transactions from the financial statements to their respective source documents.

Koidu New Sembehun City

Late submission of Financial Statements

The financial statements were submitted on 16th April, 2020 which is contrary to the statutory submission deadline date of 31st March, 2020 (16 days after the deadline). This late submission has affected the entire audit process and the statutory reporting deadline of 30th June.

Source Documents not Properly Filed

The source documents supporting the classes of transactions and account balances were not filed in line with the recognitions and disclosures made in the financial statements. This created considerable difficulty and delay in tracing transactions from the financial statements to their respective source documents.

3.2.7. Other Matter Paragraph

‘Other Matter paragraph’ means a paragraph included in the auditor’s report that refers to a matter other than those presented or disclosed in the financial report that, in the auditor’s judgement, is relevant to users’ understanding of the audit, the auditor’s responsibilities or the auditor’s report. We draw your attention to the following matters that are ancillary to our responsibilities in the audit of the Financial Statements of the LCs.

Bo City Council

Poor Performance from Own-Source Revenue Collection

Comparison of 2019 own-source revenue budget of Le4,575,284,871.17 and actual own-source revenue collected totalling Le2,479,284,509 revealed a difference of Le2,096,000,362.17 not achieved. This amount represents 46% of the total own-source revenue budget.

Bo District Council

Poor Performance in Own-Source Revenue Collection

A review of the Council’s budget and the actual revenue generated revealed that the Council only generated Le594,451,070.73 from a total own-source revenue budget of Le1,280,748,474. This shows

that Council achieved 46% of the budgeted own-source revenue. This shortfall however prevented the Council from meeting its approved planned activities.

Bonthe Municipal Council

Newly Opened Bank Accounts without Approval

From the review of the financial statements and bank statements, we observed that the Bonthe Municipal Council (BMC) opened and operated 10 new bank accounts at the Rokel Commercial Bank. There was no evidence of an approval from the Minister of Finance or the Accountant General as enshrined in Section 47(4) of the Public Financial Management Act of 2016 (PMFA). In addition, funds belonging to the Council held at existing bank accounts at the Sierra Leone Commercial Bank were transferred to these newly opened bank accounts at the Rokel Commercial Bank. This was not in compliance of Section 47(4) of the PFMA 2016.

Poor Performance in Own-Source Revenue Collection

Comparison between the actual and budgeted own-source revenue amounts reported in Statement No. 2 - "Statement of Comparison of Budget and Actual Amounts All Funds" revealed a poor performance of the own-source revenue. Total budgeted own-source revenue was Le119,400,000 and only Le45,767,000 was collected. This represented 38% of the total own-source revenues budget. A greater proportion (62%) of the budget was not achieved.

Poor Management of Council Guest House

It was observed that the Council outsourced the management of its guest house to a private individual. A written contract or an agreement between the Council and the proprietress for the management of its guest house was however not submitted for audit. It was noted that the proprietress paid rent to the council for 2019. The accuracy of the amount and basis could not be ascertained without the written contract or agreement. Furthermore, no report on the status of this property was submitted for audit by the Council to ascertain that the property was effectively supervised.

Moyamba District Council

Poor Performance in Own-Source Revenue Collection

A review of the Council's budget and the actual revenue generated revealed that, Council only generated Le982,292,806 from a total own-source revenue budget of Le1,891,073,386. This shows that Council achieved 48% of the budgeted own-source revenue. This shortfall however prevented Council from meeting its approved planned activities.

Ineffective Cadastre System

Cadastre database acquired to process data relating to property tax and business licenses was not functioning properly. For instance, the Cadastre system did not capture arrears, which rendered the Cadastre system unsuitable for its purpose.

Pujehun District Council

Non-functioning Cadastra System

The Cadastre database acquired to process data relating to property tax and business licenses was not functioning. Instead, data relating to property taxes and business licenses were manually recorded in ledgers, which rendered the Cadastre system unsuitable for its purpose.

Tonkolili District Council

Inadequate Reporting of Revenue Arrears

In order to effectively enhance the Council's revenue mobilisation, the Cadastre system is pivotal in this regard. During the audit, we noted that the Cadastre system was not user-friendly as there was no service level agreement for update and/or maintenance of the system should it encounter any malfunction. Once the user roles over into a new fiscal year, there was no way to review the previous year's records which deterred the auditors from ascertaining the accurate amount of revenue arrears for the period under review. Therefore, the revenue arrears of Le1,632,920,331 reported in the financial statement with respect to property rates and business licenses could not be relied upon as a breakdown of the various property and businesses that summed up to the total was not made available for inspection. As government grants are small and infrequent, it is advised that the Council increase its efforts to maximise the use of the property Cadastre system, so as to be able to generate enough resources to fund those critical service delivery areas that will increase the wellbeing and livelihood of people in the localities in which it operates.

Inadequate Supervision and Monitoring Mechanism in the Collection of Own-source Revenues

During the review of the Council's general receipt books used to collect its own-source revenue, the audit team observed that the duplicates of several receipts were blank, thereby leaving no trace of the type and amount of revenue collected on them. As a result, the auditors could not determine the total amount of revenue collected from those receipts. Due to the absence of proper supervision and monitoring mechanisms over the collection of own-source revenues, there is therefore the risk that huge sums of much needed revenue may have been collected and diverted into personal use. These shortfalls adversely affected service delivery by the Council.

Dormant Account

A review of Statement 4 (Statements of Financial Assets and Liabilities) as at 31st December, 2019 revealed that the Council had nine bank accounts that were not operational during the period under review, and they could therefore be considered as dormant. In the absence of concrete action to close them, the Council has been charged to pay unnecessary bank charges which have led to overdraft.

Port Loko District Council

Inadequate Budgetary Controls

Several expenditure lines were overspent on the approved budget by Le3,120,821,733 without any evidence of approval by the Budget and Finance Committee of the Council to justify the reasons for this over spending. There is therefore the tendency for funds to be utilised inappropriately, thereby preventing the Council from meeting its approved planned activities.

Inadequate Reporting of Revenue Arrears

In order to effectively enhance the Council's revenue mobilisation, the Cadastre system is vital in this regard. During the course of the audit, we noted that the Cadastre system was not user friendly as there was no service level agreement for update and/or maintenance of the system, should it encounter any malfunction. Once the user roles over into a new fiscal year, there was no way to review the previous year's records which deterred the auditors from ascertaining the accurate amount of revenue arrears for the period under review. Therefore, the revenue arrears of Le676,203,780.92 reported in the financial statements with respect to property rates and business licenses could not be relied upon as a breakdown of the various property and businesses that summed up to the total was not made available for inspection. As government grants are small and infrequent, it is advised that the Council increase

its efforts to maximise the use of the property Cadastre system, so as to be able to generate enough resources to fund those critical service delivery areas that will increase the wellbeing and livelihood of people in the localities in which it operates.

Port Loko City Council

Inconsistency between the Chief Administrator's Report and the Financial Statements

As part of our procedures to confirm that the figures presented in the financial statements are consistent with those reported in the various reports by management, we observed that there were gross inconsistencies among the budgeted amounts indicated in Statements 2, 6 and 7 with the Chief Administrator's report. There is therefore the tendency for users of the account to be misled, which may result to wrong decision making.

Inadequate Control over the Management of Fuel

The Council's fuel management system should be used to maintain, control and monitor fuel consumption and reconcile with the fuel dealer. As part of the control measures, the Council is supposed to maintain a fuel register into which fuel records (quantities of fuel paid for, issued and running balances are recorded), and periodic reconciliation with the fuel dealer done to rectify differences (if any). In this regard, we were not provided with fuel registers and reconciliations to justify the utilisation of Le241,285,000 worth of fuel purchased during the period under review.

Makeni City Council

Absence of Fraud Control Mechanism

Council's own-source revenue should normally be seen as a way of augmenting government's grants. This is particularly so because the grants are small and infrequent. It is therefore the responsibility of management of the Council to strengthen its anti-fraud programme by performing business and periodic control risk assessments, developing and implementing a fraud response plan, and developing action plans to implement and monitor fraud controls. Due to the absence of fraud controls, the Council in 2019 was faced with serious fraudulent practices. Our review of a special audit conducted by the Internal Auditor (IA) on the payment of taxes revealed that a fraudulent practice occurred at the Revenue/Valuation Unit. The Internal Auditor noted that funds received were suppressed and could possibly have been diverted for private use. The IA in his report recommended that the money should be paid back into the revenue account and disciplinary action be taken against the staff in question. There was however no evidence to confirm that the IA's recommendation was adhered to. Moreover, we continue to note that, the staff in question was still performing the same duty in the same unit irrespective of the malpractice observed by the IA.

Koinadugu District Council.

Non-Disclosure of Required Statements in the Financial Statements

The Council's financial reporting framework requires that Statements 10 to 19 (Statement of Development Projects Completed and On-Going, Statement of Advances Given, statement of Outstanding Debts, Statement of Losses of Public Monies, Stores and Claims Abandoned During the Year's, Statement of Council's Investment, Statement of Contingent Liabilities, Statement of Revenue Arrears, Statement of Fixed Assets Purchased During the Year, Statement of Fixed Asset Donated and Statement of Outstanding commitments) are disclosed in the Council's financial statements. We however noted that Statements 10 to 19 were not disclosed in the financial statements.

Inconsistency in the Allocation of Transfers to Other Grants Account

We reviewed the transfer advice from the Local Government Finance Department and the bank statements in respect of Administration and Other Grants accounts to establish the accuracy of the percentages of the unconditional block transferred into the Other Grants account. We noted that the Council transferred less than the required 40% of the unconditional block amount into the Other Grants account throughout the period. In May and October 2019, 31% and 34% were respectively transferred into Other Grants account. Failure to fully transfer grants meant for the sectors may result in their planned activities not being achieved.

Imbalance Budget

As a cash-based budget, the total budgeted revenue should be equal to the total budgeted expenditure. we however noted from our review of Statement 6 (Statement of Revenue Received During the Year) and Statement 7 (Statement of Expenditure by Nature) a difference of Le38,001,000 (14,119,725,270-14,081,724,270). There is therefore the tendency for funds to be utilised inappropriately, thereby preventing the Council from meeting its approved planned activities.

Karene District Council

Revenue Potentials not Fully Utilised

The Council failed to take advantage of its vast revenue potentials in the District. A review of the revenue receipt books revealed that the collection of market dues was only done at Romende Chiefdom; leaving out chiefdoms such as Debia, Sella Limba and Tambakha Yobangnie where weekly mass sales (Luma.) are held. Moreover, revenues in respect of property rates and lorry park dues were not collected. As a result, the Council may be losing much needed revenue from these chiefdoms. From our observation, the poor revenue generation could be attributed mainly to the absence of a database of property and businesses within its jurisdiction, and challenges faced in revenue collections from local tax and other revenue sources.

Inaccurate Recognition of Approved Budget Amounts in the Financial Statements

As part of our procedures to confirm that the accounts presented for audit are in line with the approved budget, a comparison was done between budgeted figures and the actual expenditure figures in the financial statements submitted for audit. The PETRA system is designed in a way that no budget line item should be exceeded once it reaches its ceiling. Upon review of the financial statements and the budget, we realised that some of the budgeted amount for certain account balances as recognised in the financial statements were misstated. As a result, Council overspent on construction / reconstruction of building and motorcycles by Le96,633,117 and Le73,830,000 respectively. In order to understand how the budget was overspent, we reviewed the PETRA accounting system used to record transactions. And we realised that some of the budget items were given “allow to exceed” by staff responsible for the administration of the PETRA system.

Kambia District Council

Non- disclosure of Required Statements in the Financial Statements

The Council’s financial reporting framework requires that Statements 11 to 19 (Statement of Advances Given, Statement of Outstanding Debts, Statement of Losses of Public Monies, Stores and Claims Abandoned During the Year, Statement of Council’s Investment, Statement of Contingent Liabilities, Statement of Revenue Arrears, Statement of Fixed Assets Purchased During the Year, Statement of Fixed Asset Donated and Statement of Outstanding Commitments) are disclosed in the Council’s

financial statement. We however noted that Statements 11 to 19 were not disclosed in the financial statement.

Fuel Operating Records not Provided

A review of fuel management by the Council showed that a total of Le1,262,538,343 was utilised in 2019. The team of auditors observed that a bulk of the fuel procured was from one fuel dealer. Cheque payments to the dealer were written in the name of the fuel station manager instead of the enterprise. Moreover, a number of cheque payments in respect of fuel were made in the names of Council staff. Of utmost importance was the fact that the Council was directly managing MDAs' fuel consumption, by issuing fuel chits to them. A request by the auditors for fuel registers, chits and reconciliations for both Council and MDAs' fuel consumed were not provided. Failure to maintain fuel operating records gives the leeway for funds to be utilised inappropriately.

Recycled Fuel Receipts

A review of payment records in respect of fuel revealed that receipt for fuel payment was recycled for various payments which totalled Le58,690,000. Similarly, several receipts attached for fuel payments in respect of secondary health care, primary health care etc. were without serial numbers. There is the possibility that these payments may be fictitious and could therefore have led to the loss of much needed public resources.

Falaba District Council

Irregularities with the Monthly General Cleaning Incentive

An amount of Le388,800,000 was spent as cleaning incentive in 2019. Inspection of the claim sheets and other supporting documents however revealed several discrepancies. For instance, we observed that a person may do thumb print in one month and sign in another month. Similarly, we observed irregular signatures for some recipients in different month, as their signatures in one month did not match their signatures in another month. We also noted that the ID number of a particular recipient may be different between months; and also, a particular ID number may be used by two or more persons on the same claim sheet. The apparent irregularities may have resulted in funds being utilised inappropriately.

Fuel Operating Records not Provided

A review of fuel management by the Council showed that a total amount of Le469,285,500 was utilised in 2019. We noted that apart from the Council administration, all other sectors which funds were disbursed to during the year, did not maintain fuel registers, fuel chits and logbooks for vehicles and motorbikes. Moreover, the Council did not carry out fuel reconciliation between the records of payments and utilisation and the fuel dealer's record for the year under review. Failure to maintain fuel operating records gives the leeway for funds to be used inappropriately.

Bombali District Council

Lack of a Comprehensive Asset Register

Controls over assets should be robust in a way that they can be clearly identified, controlled and safeguarded to avoid possible misappropriation of assets. In this regard, we observed that the assets register of the Council was not comprehensive. There was no indication of the dates which assets were acquired and the costs of the assets recorded in the assets register. This made it impossible to estimate the total value of assets owned and controlled by the Council.

Inadequate Reporting of Revenue Arrears

In order to effectively enhance the Council's revenue mobilisation, the Cadastre system is integral in this regard. During the course of the audit, we noted that the Cadastre system was not user friendly as there was no service level agreement for update and/or maintenance of the system, should it encounter any malfunction. Once the user roles over into a new fiscal year, there was no way to review the previous year's records which deterred the auditors from ascertaining the accurate amount of revenue arrears for the period under review. The revenue arrears of Le402,052,075 reported in the financial statements with respect to property rates and business licenses could not be relied upon as a breakdown of the various property and businesses that summed up to the total and was not made available for inspection. As government grants are small and infrequent, it is advised that the Council increase its efforts to maximise the use of the property Cadastre system, in order to be able to generate enough resources to fund those critical service delivery areas that will increase the wellbeing and livelihood of people in the localities in which it operates.

Absence of Internal Audit Function

The internal audit function within an organisation measures, evaluates and reports upon the effectiveness of internal controls, both financial and otherwise, as a contribution to the efficient use of resources within the organisation. It was however observed that no internal audit activity was carried out during the period under review, as there was no Internal Auditor in post for 2019. This may lead to weaknesses in the internal controls system of the Council as there was no checks and balances to provide reasonable assurance for the effectiveness of the internal controls of the Council.

Kenema City Council

Underutilisation of the PETRA Licence

Licence for the PETRA software is paid for 10 users in every year and it was supposed to be networked to enable all the users have access to it but only the Finance Officer could access it. The software is installed on a standalone computer belonging to the Finance Officer; therefore, any access to the system can only be done through that computer. This has been the major contributing factor to the problems encountered in the financial statements and it hinges on the lack of a key control function called '*segregation of duty*'.

Kono District Council

Underutilisation of the PETRA Licence

Licence for the PETRA software is paid for 10 users in every year and it was supposed to be networked to enable all the users to have access, but only the Finance Officer could access it. The software is installed on a standalone computer belonging to the Finance Officer; therefore, any access to the system can only be through that computer. This has been the major contributing factor to the problems encountered in the financial statements.

Koidu New Sembehun City

Underutilisation of the PETRA Licence

Licence for the PETRA software is paid for 10 users at every year and it was supposed to be networked to enable all the users to have access, but it was only the Finance Officer could access it. The software is installed on a standalone computer of the Finance Officer, therefore, any access to the system can only be through that computer. This has been the major contributing factor to the problems encountered in the financial statements and it hinges on the lack of a key control function called '*segregation of duty*'.

3.2.8. Report on Other Legal and Regulatory Requirements

Withholding Taxes Deducted but not paid to the National Revenue Authority

Section 130(1) of the Income Tax Act of 2000 stipulates that: “Any tax that has been withheld or should have been withheld by a withholding agent shall be paid by such agent to the Commissioner within fifteen days of the end of the month in which it was or should have been withheld”. Withholding taxes which totalled Le944,722,451.24 deducted/not deducted from suppliers’ payments from own-source revenue and the devolved sector activities, were not paid to the NRA. Failure to pay withholding tax will attract penalties that may eventually affect the implementation of the activities of the Council, since the penalty was not budgeted for.

Staff NASSIT Contributions not Paid

Staff NASSIT contributions of Le26,334,000 were not paid. Under Section 25 of the NASSIT Act of 2001, the Council is obligated to pay NASSIT contributions that have been withheld within fifteen days of the end of the month, in which it was or should have been withheld. Failure to pay NASSIT contributions increases the risk of penalty of the Council.

Deductions and Payments of Pay-As-You-Earn (PAYE) Tax

Section 116 of the Consolidated Income Tax Act of 2008 mandates the withholding of tax by employers at source. The audit revealed that the Council failed to withhold PAYE tax on employment income totalling Le401,321,046.

Table 3.4 shows councils and their obligations

Table 3.4				
Non-payment of Statutory Obligations				
Name of Council	NASSIT (Le)	Withholding Taxes (Le)	PAYE Tax (Le)	Total statutory deductions (Le)
Bonthe District	8,190,000.00			8,190,000.00
Moyamba District		23,747,812.24		23,747,812.24
Western Area Rural District	5,175,000.00	92,985,192.00		98,747,812.24
Freetown City		633,198,042.00	401,321,046	1,034,519,088.00
Port Loko District		38,676,763.00		38,676,763.00
Port Loko City		8,224,109.00		8,224,109.00
Makeni City		9,148,712.00		9,148,712.00
Koinadugu District		16,759,853.00		16,759,853.00
Karene District		90,184,323.00		90,184,323.00
Kambia District	12,969,000.00			12,969,000.00
Falaba District		31,797,645.00		31,797,645.00
Total	26,334,000.00	944,722,451.24	401,321,046	1,372,377,497.24

Sitting Fees and Allowances Paid to Absentee Councillors without Guidelines

In spite of our sustained and persistent recommendations over the years, local councils have still not developed guidelines for the payment of sitting fees and allowances to councillors. Councils are not only neglecting the implementation of our recommendations; but are also in material breach of Section 30(2) of the Local Government Act of 2004.

Additionally, during the course of the year to 31st December 2019, the sum of Le362,720,000 (Le460,930,000 in 2018) was paid as sitting fees and other allowances to Councillors, who were either absent from the meeting or no evidence of meeting held and to which the payments related.

Table 3.5 below gives detailed amount paid as sitting fees and other allowances during 2019:

Table 3.5 Payment of sitting fees and other allowances to absentee Councillors or no evidence of meeting held	
Name of Council	Amount (Le)
Bombali District	6,330,000
Falaba District	43,270,000
Makeni City	15,670,000
Karene District	23,620,000
Bo District	50,630,000
Moyamba District	2,490,000
Bonthe Municipal	7,160,000
Koidu New Sembehun City	66,210,000
Freetown City	104,080,000
Western Area Rural District	43,260,000
Total	362,720,000

We continue to recommend a refund of these payments into the Consolidated Fund and that in future, payment should only be made to councillors who attend council meetings as stipulated by the provisions in the Local Government Act of 2004.

3.2.9. Other Financial Management Issues Identified During the Financial Audits

Kono District Council

Revenue and Receipt

Own-source Revenue Mobilisation

The Council's property Cadastre system was not functioning appropriately. As a result, we were unable to obtain the database of taxpayers and report detailing the amount in arrears with respect to property tax for the period under review.

Cash and Bank

Inconsistencies Among Reconciliation and Financial Statement Balances at Year End

A review of the bank reconciliation statements for all council accounts disclosed in the financial statements revealed that the methods used in agreeing the bank and cashbook balances were not appropriate and not in conformity with the generally accepted accounting practice. It was revealed that the Council submitted the wrong bank reconciliations. The 18 unreconciled accounts had a bank statement total balance of Le74,206,524.

Kenema City Council

Ineffective Internal Audit Unit

A review of the Internal Audit (IA) functions in the Kenema City Council revealed that the IA Unit within the Council is ineffective. Three internal audit reports were submitted, but no documented working paper file was available. Moreover, there was no indication that the IA Unit understood and could address the risks prevalent in the Council by ensuring that the associated internal controls work.

Kailahun District Council

Ineffective Internal Audit Unit

A review of the Internal Audit (IA) functions in the Kailahun District Council showed that the internal audit reports were not submitted for audit purposes. Therefore, we could not ascertain whether the Chief Administrator responded or implemented the recommendations.

Moyamba District Council

Payments without Adequate Supporting Documents

It was observed that total payments of Le19,500,000 were recorded in the cashbooks in respect of Administration, Agriculture, Solid Waste Management, etc. They were without adequate supporting documents such as receipts, list of recipients, etc. to fully account for these payments.

Fixed Assets not Available for Physical Verification

A laptop computer and an external hard drive which cost Le7,560,000 procured for the Ministry of Agriculture & Forestry were not made available for physical verification. Further enquiry with the DAO revealed that the items were assigned to the District Monitoring and Evaluation Officer and upon her transfer to the Ministry's headquarters in Freetown, she took along these items. There is a risk that the items may have been converted into personal use; thereby depriving the office of using the computer and other items for their intended purpose.

Pujehun District Council

Fixed Assets not Coded

During the physical verification of assets, it was observed that assets such as deep freezer, laptop, air-conditioner and motorbikes acquired by the Council for the administration, secondary health care, agriculture and solid waste sectors totalling Le36,500,000 were not marked with unique identification codes.

Bo City Council

Receipts not Issued for Own-source Revenue Collected

Review of the Waste Management Department's own-source revenue receipt books and bank statements revealed that Le317,601,000 was recorded in the receipt books and Le346,385,000 was deposited into the Council's account. This resulted in a difference of Le28,784,000 for which taxpayers did not present their pay-in slips to the Council and collect receipts.

Bo District Council

Payments without Supporting Documents

Section 100 of the Financial Management Regulations (FMR) of 2018, requires that all disbursements of public monies should be supported by an appropriate payment voucher and other relevant supporting documents. A review of cashbook revealed that payments which totalled Le7,826,000 were made without supporting documents such as payment vouchers, receipts, invoices, delivery notes, beneficiary list etc. These monies spent should be accounted for.

Ineffective Management of Fixed Assets

We observed the following:

- During physical verification of assets, it was observed that Council bought a tricycle for the Solid Waste Management Unit and was delivered on 25th June, 2019. The tricycle has never been used, and was parked at the Bo District Council Hall at Falaba Section. No explanation

or justification was provided by the management of the Council why the tricycle has not been put into use since it was delivered.

- Upon a review of lease agreements for the Council property, we noted that the Council leased the Bo Club House to Albertson Investment on 1st June 2011, for 50 years and the Bo District Council Mill Store at 9 Tawa Street, Bo Town, to Lion Mountain on 1st November, 2016 for five years. There was no status report submitted for audit to confirm that these properties were effectively monitored by the Council to ensure that the leases complied with the agreement.
- Upon a review of minutes of the 17 Ordinary Council meeting, it was resolved that three vehicles with registration numbers ADV 016, AID 357 and BEL 019 should be disposed of using the right procedures. It was observed that these assets were still at the premises of the Bo District Council and there was no evidence that the Council had taken action on this decision.

Revenue not Collected

From the review of lease agreements for Council property, we noted that the Council leased the Bo Club House to Albertson Investment on 1st June, 2011 for 50 years. There was no evidence that annual lease rent of Le20,000,000 was paid to the Council by Albertson Investment as stated in the Bo Club House lease agreement.

Bonthe District Council

Inadequate Supporting Documents

Adequate supporting documents were not available during verification in respect of payments which amounted to Le13,115,906.69.

Ineffective Internal Audit Unit

The following were observed during a review of the Internal Audit (IA) Unit of the Council:

- It was observed that the Council's Audit Committee was not functional throughout the year as there were no meetings held. Further enquiry revealed that some Audit Committee members were not attending meetings because they were not motivated with transport allowances for meetings which they attended.
- The Internal Auditor only carried out three audit assignments and issued three audit reports to management. These covered payroll, revenue and general cleaning exercise. He should have done at least four quarterly reports in accordance with the provisions of Section 84(2) of the LGA of 2004.
- It was further observed that the Internal Auditor did not cover some high-risk areas in his report such as procurement, cash and bank, review of the financial statements and general disbursement of funds. It seems that the Internal Auditor did not have full access to high risk areas of the Council.
- It was further noted that management did not respond to the three reports issued by the Internal Auditor which was clear that the reports were not acted upon by management.

Bonthe Municipal Council

Cadastre Report not Available

Cadastre report, demand notices, distribution lists, etc. were not submitted to enable the auditors to determine the total quantity of demand notices recorded in the Cadastre system and distributed to taxpayers and the outstanding amount for the year under review. This may undermine the accuracy and reliability of the own-source revenue figures reported in the financial statements.

Internal Audit Function

Ineffective Audit Committee

The Audit Committee has a key role in the governance of an organisation that is to monitor internal controls, oversee the internal audit functions and interact with external auditors. It was observed that the Council Audit Committee was not functional throughout 2019 as there was no evidence such as attendance lists and minutes of meetings to ascertain that meetings were held. In addition, no evidence was submitted to justify that the Committee reviewed the Internal Audit Work Plan and The Internal Auditor's reports.

Internal Audit Reports not submitted for Review

Section 84(2) of the Local Government Act of 2004 requires "the Head of the Internal Audit Department at intervals of three months, to prepare a report on the internal audit work carried out by the Department during the three months immediately preceding the preparation of the report, and submit it to the Local Council."

There was no evidence that the Internal Auditor (IA) carried out any audit work during the year under review. The IA failed to submit his Internal Audit reports, working paper files, approved Internal Audit Plan, correspondence files, etc. for the year under review.

Western Area Rural District Council

Own-sourced Revenue Mobilisation

Revenue generation target for 2019 was not met. Budgeted total revenue was Le11,634,260,000 whilst Council generated a total revenue of Le1,275,907,472 (representing 11% of the total budgeted revenue during 2019).

Assets Management and Control

There was no adequate control over the management of Council's fixed assets. There was no assets policy and the fixed asset register was not updated with costs of assets purchased or received. We also noted that assets bought in 2019, which cost Le164, 800,000, were not marked with the Council's unique identification codes.

There is risk that assets may go missing without notice or the possibility of these assets converted to personal use, thereby leading to loss of government resources. We therefore recommend that the Chief Administrator should ensure that the Fixed Assets Register is updated, an assets policy is developed and that assets bought in 2019 are immediately coded.

Freetown City Council

Unconfirmed Bank Balances

We received and verified bank confirmation for 14 of the 18 unconfirmed bank balances. As a result, the unconfirmed bank balances totalled Le98,786,050. Additionally, the eight banks submitted bank confirmations for balances totalling Le1,843,171,442.46 which were initially not confirmed, but they were in the books of the Council as at 31st December, 2019.

Payroll Management

Payments of Salaries to Former Staff

During 2019, monthly salaries which amounted to Le39,115,544 were paid to eight staff that had either resigned, died or retired on diverse dates without any justification. Salaries might have been paid to ineligible staff resulting in loss of Council's much needed resources. We recommend that the names

of these former staff be removed from the payroll voucher and monies paid recovered and paid back into the Council's bank account.

Uncompetitive Recruitment and Missing Records in Staff Files

During 2019, we noted that 92 individuals were recruited as employees of the Council. It was alleged that these individuals had served the Council for a couple of years as volunteers. There was however no evidence to support this claim. The recruitment may not have been inclusive, fair and transparent.

We also observed that the Council did not do background check on most staff appointed in 2019. There was no evidence that service oath of secrecy and job description was communicated to all staff. Additionally, upon review of a sample of 70 staff personal files, we observed that complete details of staff were not on file. For instance, five files did not have application letters, one was without appointment letters, 22 were without academic certificates, probationary reports, etc.

Expenditure Management and Control

Payments without Payment Vouchers and Relevant Supporting Documents

While reviewing bank statements and expense ledgers, we observed that payments totalling Le620,665,772 for various expenses were without payment vouchers. In addition, supporting documents for these payments were also not submitted for audit inspection. The situation could undermine effective controls and lead to payment for goods and services not delivered and misappropriation of public funds.

Payments without Adequate Supporting Documents

We observed that payments totalling Le2,973,591,070 were without adequate supporting documents such as delivery notes, invoices, receipts, back-to-office report and beneficiaries lists to properly account for the payments. The situation could undermine effective controls and lead to payment for goods and services not delivered and misappropriation of Public Funds.

Payment of Overseas Expenses for non-council Staff

During 2019, the Council made total payments Le200,942,333 for air tickets and per diems to individuals that are not staff of the Council. Additionally, back-to-office reports and evidence of transfer of knowledge to Council staff regarding the travels undertaken were not submitted for audit inspection. Above all, since this transaction was not budgeted for by the Council and without the appropriate approval, we deemed it as ineligible expense.

Assets Management and Control

We observed the following:

- A comprehensive Fixed Assets Register (FAR) which contains records of assets purchased, owned and controlled by the Council was not submitted for audit inspection.
- It was strange to note that the Council did not have custody of title documents for one project vehicle and 61 tricycles bought with funds donated to the Council by the EU.

Bo City Council

Cadastre System not Functioning

The Cadastre database set up to process data relating to property tax and business licenses was not functioning effectively in 2019. The Council could not retrieve information from the database relating FY 2019. This rendered it difficult for the audit team to ascertain the total licenses and demand notices issued for domestic and commercial property. Response from the CA during the exit meeting revealed

that a new consultant has been hired for the installation of a new revenue Cadastre system and the work was in progress.

Kambia District Council

General Receipt Books not Accounted for

A comparison between records of receipt books issued and submitted by the Council revealed that of the 11 receipt books queried, six receipt books were submitted for verification leaving five receipt books not verified. A total revenue of Le33,960,000 relating to four receipt books was also not accounted for. Verification also revealed that duplicate receipts ranging from 2782-2800 were all blank. As a result, the amount collected could not be determined by the auditors.

Bank Reconciliation Statements not Submitted for Audit Inspection

The audit team was not provided with the cashbooks, bank statements and bank reconciliation statements for 13 bank accounts operated by the Council. Further investigation revealed that these accounts containing a total amount of Le121,707,262 had the same bank balances as at 31st December, 2018. The cash and cash equivalent may have been misstated by the said amount which may not indicate a true and fair view of the account.

Fixed Assets Management

Life Cards not Submitted to Confirm Ownership

Six vehicles and two motorbikes belonging to the Council were without life cards or any evidence of registration in the name of the Kambia District Council. This could lead to easy conversion into private property.

Fixed Assets Register not Comprehensive

The asset register of the Council was not comprehensive as there was no indication of the dates assets were acquired and the costs of the assets recorded in the assets register which makes it impossible to estimate the total value of assets owned and controlled by the Council.

It was also observed that 14 assorted assets, ranging from buildings to office equipment were not recorded in the assets register of the Kambia District Council. A list of the assets is in Table 3.6 below

Table 3.6		
Assets Not in Assets Register		
No.	Description	Location
1.	Council Guest House	Barracks Road
2.	12 Stores at Barmoi Luma	Freetown Park
3.	Community Centre Hall	Yofinda Street
4.	Council Building	Baracks Road
5.	12 Stores at Market	Katimpe Road
6.	Toshiba Laptop	Finance Officer
7.	Dell Laptop	Finance Office
8.	HP – RWSSP/OE/KAM/001	Procurement
9.	Dell Computer	Procurement
10.	Dell Computer	Accountant
11.	HP Laptop	Valuator
12.	HP Laptop Computer	Development Officer
13.	1 Dell Computer	IEC
14.	Laptop	Human Resources Officer

Motor Vehicle and Motorbike in the Possession of a Councillor

During the verification of assets to confirm their existence, we observed that a solid waste truck and a motorbike belonging to the Council had been in the possession of a councillor with the pretext of repairing them. Further investigation into the matter also disclosed that Le10,000,000 was given to the same councillor for the repair of the truck. This amount has not been returned to the Council together with the motorbike.

Koinadugu District Council

Account Balances not Confirmed

The bank confirmation from the Union Trust Bank in respect of the ADB Rural Water Project and the UNICEF joint monitoring accounts were not made available for audit. Similarly, the balances of routine feeder roads and RCHP accounts were not confirmed by the Kabala Community Bank for the period under review.

Furthermore, we observed differences between the confirmed balances and the bank statement balances for the administration and own-source revenue accounts.

Makeni City Council

Disclosures not Made in the Financial Statements

The prior year figures reported in Statement 4 for Rate/Licence A/C, Health A/C, Total Cash and Bank Balances and Net Assets were different from the amount stated in the 2018 audited financial statements. This may mislead stakeholders and create room for wrong decision making.

Table 3.7		
Incorrect Comparable Figures		
Description	Prior year amount as per statement 4	Amount as per prior year audited FS
Rate Account	24,853,852	30,715,152
Health Account	172,999	1,162,999
Withholding Tax-Govt. Contractors	1,246,300	00
Cash and Bank Balances	1,511,291,538	1,518,142,838
Net Assets	1,375,478,532	1,381,083,532

Bombali District Council

Staff without Social Security Contribution Numbers

During a review of the personal files of junior staff, the audit team noted that three support staff were without NASSIT numbers and their social security contributions have been deducted from payroll and paid to NASSIT.

Tonkolili District Council

Support Staff without NASSIT Numbers

Upon scrutiny of the payroll records, we observed that two support staff were without NASSIT numbers; even though social security contributions were deducted at source and paid to NASSIT.

Fixed Assets Register Not Updated

Physical verification of Council's assets revealed that a number of assets were not recorded in the Council's Fixed Assets Register (FAR).

In the same vein, the assets purchased for the devolved sectors were not captured in the FAR. A list of assets not recorded is in Table 3.8 below:

Table 3.8 Assets not recorded in the FAR					
No.	Category	Description	Qty.	Location	Status
1.	Furniture	Settee chair	1	Deputy Chair	Good
2.	Equipment	HP Laser Jet printer - colour 200 MFP	1	Finance Office	Functional
3.	Equipment	Plasma television (Sonny)	1	Finance Office	Functional
4.	Furniture	Wooden table	1	DPO	Good
5.	Equipment	HP Laser Jet printer	1	Accountant	Functional
6.	Equipment	Nobel air conditioner	1	Valuator	Functional
7.	Equipment	Ceiling fan	1	IEC Officer	Functional
8.	Equipment	Dell monitor	1	ESO	Need repairs
9.	Equipment	Ceiling fan	2	M & E Office	Functional
10.	Equipment	UPS	1	M & E Office	Functional

Life Cards and Licences not Submitted

Despite several requests made for the submission of life cards and licence registration with the Sierra Leone Road Safety Authority for the Council's 11 motorbikes for audit inspection, no such documents were made available to the audit team for review. We could therefore not confirm the ownership of the assets as recorded in the Council's FAR.

Falaba District Council

Timber Contract not Adhered to by Contracted Revenue Collectors

The audit team noted that Council signed contracts with revenue collectors for the collection of revenue, in particular, timber dues, with specific prices to be charged on the category/class of timber truck as follows: four-tyre timber truck for Le300,000, six-tyre truck for Le500,000, ten-tyre truck for Le800,000 and twelve-tyre truck for Le1,000,000.

A review of the general receipt books used to collect timber revenue revealed that the prices indicated in the signed contracts were not complied with. Rather, lesser amounts of Le200,000 for six-tyre; Le300,000 for ten-tyre and Le400,000 for twelve-tyre trucks were levied instead, with no documented justification. This resulted in a loss of Le82,600,000 that was not accounted for from the receipts verified for timber dues collection for the year under review.

Expenditure Management and Control

Payments without Adequate Supporting Documents

A review of payment vouchers and other supporting documents revealed that payments which totalled Le70,710,000 were without adequate supporting documents such as receipts, delivery note, approved distribution list, signed lists of beneficiaries for goods and services, activity / back-to-office report, etc.

Inadequate Representation and improper use of resources by Some Devolved Sectors

Examination of bank statements, payment vouchers and supporting documents revealed that payments which totalled Le87,680,000 were made for activities which the audit team considered fictitious and ineligible. Further payments which totalled Le166,662,840 were disbursed to five devolved sectors for the year under review that were not adequately supported.

Port Loko District Council

Payments without Adequate Supporting Documents

Payments which totalled Le75,093,000 were made without adequate supporting documents such as delivery notes, monitoring reports, receipt, etc. to substantiate the utilisation of funds.

Assets not Seen During Audit Verification

- Several assets of the Council which are included in the Fixed Assets Register (FAR) were not physically seen during the verification of the assets of the Council.
- Additionally, donated office equipment such as computers, printers, etc were not included in the Councils FAR, nor were they disclosed in the FS of the Council.

Table 3.9 Assets Not available for physical verification				
No.	Category	DOA	Description	Registration
1.	Motor Vehicle	2014	Range Rover	
2.	Plant	2008	30 KVA Generator	
3.	Equipment	2018	Sierratel Wi-Fi	
4.	Equipment	2020	HP Scan Jet Printer	GOSL/PFMICP/Pro/PLDC/02
5.	Equipment	2017	Wireless Bluetooth Printer	PLDC/ADMIN/CA/E/2018
6.	Equipment	2010	BTU Sharp AC	PLDC/ADMIN/GoSL/CA/10
7.	Equipment	2014	Dell Laptop Computer	PLDC/ADMIN/PO/EP01/14
8.	Equipment	2010	West point Refrigerator	PLDC/ACT/E/01

Table 3.10 Donated Asset not included in the Fixed Asset Register			
No.	Category	DOA	Description
1.	Equipment	2019	Dell Desktop Computer
2.	Equipment	2019	HP Printer Black & White
3.	Equipment	2019	External Hard Drive
4.	Equipment	2019	Megaphone
5.	Equipment	2019	Sierratel Wifi

Port Loko City Council

Assets Donated not Disclosed in the Financial Statements

From the review of documents and physical verification, the audit team noted that assets (desktop computer, giant photocopier, scanner, printer and UPS) were donated to the Procurement Office of the Council in 2019. This was However not reported in Statement 18 of the financial statements as donated assets. It was reported that there were no fixed assets donated by external parties during the year ended 31st December, 2019.

Payments without Adequate Supporting Documents

From the review of payment vouchers and other supporting documents, the audit team noted that payments made for various activities which amounted to Le222,261,894 were without adequate supporting documents such as receipts, delivery note, approved distribution list or claim sheet, signed lists of beneficiaries for goods, etc. to justify the utilisation of funds.

Assets Management and Control

Assets not Available for Verification

A reviewed of the Council's Fixed Asset Register did physical verification of assets disclosed that a number of assets were not made available for audit verification.

Table 3.11 Assets not Made Available for Verification		
No.	Date of Acquisition	Asset Description
1.	2018	Internet Modem
2.	2018	Laptop Computer
3.	2018	Arm Chair
4.	2018	Swivel Chair
5.	2018	Paper tray
6.	2018	Staple machine
7.	2018	Paper punch
8.	2018	Laptop Computer
9.	2018	Motor bike (AOU 509)

Fixed Assets Register not Properly Maintained

The Fixed Assets Register was not comprehensive. It lacked details such as, the date of purchase, cost, asset type, location, status of assets, etc. Moreover, we realised during the physical verification of assets that a printer (PHC6726999) at the Procurement Office was not recorded in the FAR.

3.3. COMPLIANCE AUDIT ISSUES

We conducted a compliance audit on the 22 LCs for the year ended 31st December, 2019 and identified two subject matters: Procurement and Supply Chain Management and the Management of Safe Drinking Water in Rural Communities. The following is a summary of significant issues from the audit.

3.3.1. Procurement and Supply Chain Management

Freetown City Council

Procurement Documents not Submitted

We requested a sample of procurement documents to ascertain whether procurement procedures were followed during 2019. Procurement documents such as advertisement, bid register, bid documents, minutes of bid opening, bid evaluation, etc. were not submitted for the hiring of dump trucks for flood mitigation activities, and activities to safely collect, transport and dispose of excavated silt from drainages and flood prone areas totalling Le777,000,000. We therefore concluded that the Council has not fully complied with Section 32 (6) of the Public Procurement Act of 2016 and Section 36 (1) of the Audit Service Act of 2014.

Minimum Bidding Periods not Followed

Contrary to the provisions in Section 39 (4) of the Public Procurement Act of 2016 and Section 56 (1&2a) of the Public Procurement Regulations of 2006, the Council failed to comply with the requirement of allowing a minimum of four weeks for the submission of bids for NCB procurement method.

In the procurement of works relating to the regarding pavement of a 250 meters' feeder road using

dallet from plastic wastes, including the construction of a six box culverts and drainage work at Tar Road, Wellington for Le330,500,000, a 13-day duration was noted, whilst only a week was allowed for the procurement of 61 tricycles for a contract cost of Le1,255,746,000.

Examination, Evaluation and Comparison of Bids

Section 14(2p)(i)) of the Public Procurement Act, 2016 stipulates that pursuant to its monitoring function, the Authority shall institute procurement review during the tender preparatory and unto the evaluation process. On 3rd June 2019, the National Public Procurement Authority (NPPA) advised the Council in the procurement of pavement of a 250 meters' feeder road, to provide a sample of the plastic waste dallet to be used in the feeder road construction for inspection of its dimensions and physical state during the bidding process. There was no evidence that this was done. The Procurement Committee should ensure that the Council complies with the NPPA's recommendation for the provision of a sample of the plastic waste dallet to be used in the feeder road construction, is submitted for audit inspection.

Contrary to the provisions in Section 53 (1&2) of the Public Procurement Act of 2016, we also noted several anomalies in records maintained for successful bidders in three procurement activities: Procurement for the pavement of a 250 meters' feeder road using plastic wastes dallet – Le330,500,000, procurement of 61 tricycles – Le1,255,746,000 and procurement of business training and mentoring – Le608,650,000.

- In the procurement for the pavement of the 250 meters' feeder road for Le330,500,000, the successful bidder did not submit a complete bid because the forms in its bid were blank, the date on the tax clearance certificate seem not authentic, NASSIT clearance certificate and Ministry of Works and Public Assets registration certificate were not submitted for audit review.
- In the procurement of 61 tricycles valued at Le1,255,746,000.00, there was no evidence of involvement of the FCC Procurement Officer in the entire process. The successful bidder did not submit NASSIT clearance certificate and bid security on or before the bid submission deadline date; the dates on these documents were after the bid submission deadline, and there was no evidence that the successful bidder submitted manufacturer's authorisation, which was a major evaluation criterion.
- With regards the procurement of business training and mentoring worth Le608,650,000, the successful service provider submitted an expired tax clearance; no NASSIT clearance certificate, and there was no evidence of prior experience working on waste management in Sierra Leone which was a major evaluation criterion.

Delivery and Verification of 15 Laptop Computers

Section 128 (3a) of the Public Procurement Regulations of 2006 stipulates that payments under a lump sum contract shall be dependent on clearly specified outputs, deliverables or events which may include, but not limited to deliveries of goods, as evidenced by the appropriate delivery documentation specified in the contract. This requirement was however not met by the Council during 2019. In connection with the procurement for business training and mentoring for which a budget of US\$40,700 was included for the procurement of 15 laptop computers, stationery, printing of training materials, venue rentals, catering, transport allowances and helpdesk support software, there was no evidence that the 15 laptop computers, which cost US\$7,500, were delivered. These laptops were not made available for audit verification despite repeated requests.

Western Area Rural District Council

Contract Terms not Fully Met

Contracts in respect of Consultancy Service for the Collection of Property Rates, Assessment of Property and the Development of the Cadastral Planning System

- Our reviews revealed that contrary to the provisions in Sections 3(d) and 3.1 of the contracts which require training of staff belonging to the consulting firm, and an extension of such training to the Council; and monthly meetings between staff of the Council and the consultant, in order to closely monitor the implementation of the project, there was no evidence that training was conducted for staff of the consulting firm; and that no training facilities were extended to the Council. In addition, minutes of monthly meetings between staff of the Council and the consultants for the proper monitoring of the implementation of the project were not available for inspection.
- Contract terms for the payment of 25% of the total contract amount on a quarterly basis into the Council's Property Rate Account were not met by four consultants. From a contracted amount of Le4,400,000,000, only the sum of Le370,000,000 (8.41%) was paid to the Council. The contracts may not have been properly managed, thereby leading to loss of revenue to the Council. This may have gravely affected the much-needed service delivery to the District.
- Sections 5.1 and 5.1(2) of the contract require that the Council, on good reason, may terminate this assessment and property collection anytime upon written notice of not later than 30 days' failure to pay the negotiated price of the contract on time. If the termination is due to a default on the part of the consultant, the Council shall be entitled to claim damages for any loss resulting from such default. This requirement was not met by the Council because the consultants failed to pay the negotiated contract amount of Le4,400,000,000. Instead, the Council extended the contracts for another one year without any justification. During the period, one of the consultants only paid Le10,000,000 out of a total contract sum of Le1,700,000,000 and abandoned the contract. There was however no evidence that the Council took the necessary and relevant actions against this contractor. There is a high risk that the entire management of the project and contracts were compromised and abused by the Council.

Contracts for the Construction of Two Six Classroom Buildings and a Market

During 2019, Council awarded three contracts for the construction of two six classroom buildings and a market within the District. The contracts, when prepared did not indicate the duration it will last for. Upon interview conducted with the District Council Civil Works Engineer, it was however revealed that the duration for the contracts was three months. The contract details indicated that the contractors were to pre-finance 50% of the contract cost, after which the Council will reimburse the amounts spent. Even though the contractors have performed their own obligations, the Council was yet to meet its obligations under the contracts. As such, the constructions have been stopped by the contractors, thereby depriving the community of the much need educational facilities.

Contracts for the Spot Improvement and Feeder Roads Maintenance

The Council signed contracts with four contractors for the spot improvement and feeder roads maintenance within the District for a total contract cost of Le1,112,963,880. These contracts were to be executed within six months from the date of signing them. We however noted the following.

- All of the contracts were not completed within the stipulated timeframe of 31st December 2019, and the sites were abandoned.

- Only site clearing, drainage work and culvert works were carried out by the contractors on three of the roads, with the pavement and associated works and earthworks yet to be carried out at these sites.
- The drainages constructed at one of the sites were very shallow as they were not constructed in accordance with contract specifications. At another site, the drainages were only constructed at the beginning of the road.
- There was no evidence of routine maintenance being carried out on these roads as the roads were still in very deplorable conditions.
- There was only one site signpost erected instead of two as stated in the contract details.

Procured Items not Fully Delivered to the Council

Section 128 (3a) of the Procurement Regulations of 2006 stipulates that payments under a lump sum contract shall be dependent on clearly specified outputs, deliverables or events, which may include, but not be limited to delivery of goods, as evidenced by the appropriate delivery documentation specified in the contract. This requirement was however not met by the Council in 2019. The Council procured one motorbike for the Ministry of Sports at a cost of Le8,000,000 and also paid the sum of Le22,300,000 for the stocking of the ponds which included pipes, inlet and outlet screens, fingerlings, oxygenated bags etc. for the Ministry of Fisheries and Marine Resources. Neither the motorbike, nor the stocking items were delivered to the respective beneficiaries. We therefore recommend that the Procurement Committee should ensure that the motorbike is immediately supplied and the ponds are immediately stock with the relevant items; failing which, the amounts involved should be immediately recovered and paid back into the respective accounts. In future, the Procurement Committee should ensure that goods or services procured should be received before final payments are made.

End-user Departments not Represented in Evaluation Committees

Upon review of 39 contracts with a total contract cost of Le885,296,655, we observed that contrary to the provisions in Sections 65(2&3) and 94 (2) of the Procurement Regulations of 2006, all of the procurement evaluations carried out were done by only three constant evaluators without the involvement of the End-user's Department. The evaluation forms had pre-printed names of the three evaluators and there was also no evidence of signed score sheets attached to the evaluation reports. The evaluation process may not have been transparent and fair and the Council may not have obtained value-for-money for these procurements.

Bo City Council 2019

Relevant Information not Included in the Request for Quotations (RFQ) Document

Section 106(2) of the Procurement Regulations of 2006 requires that the RFQ shall include all information necessary to enable bidders to participate in the procurement proceedings and to submit quotations that are responsive to the needs of the procuring entity. In particular, the RFQ shall include NASSIT clearance, a copy of a valid business registration certificate, a copy of a valid NRA tax clearance certificate a copy of a valid business license, etc. The Council failed to include NASSIT clearance as stipulated in part of the bidding criteria set for contract totalling Le68,147,000 awarded to four different suppliers.

Bo District Council

Relevant Information not Included in the Request for Quotations (RFQ) Document for EU Projects

Section 106(2) of the Procurement Regulations of 2006 requires that the RFQ shall include all information necessary to enable bidders to participate in the procurement proceedings and to submit quotations that are responsive to the needs of the procuring entity. In particular, the RFQ shall include NASSIT clearance, a copy of a valid business registration certificate, a copy of a valid NRA tax clearance certificate; a copy of a valid business license, etc. Documents such as business registration certificate and tax clearance certificate were not attached in respect of procurement of spare parts for motorbikes worth Le34,870,000. As a result, we could not ascertain whether the businesses were eligible to carry out the contracts and whether the awards were done in the interest of the Council.

Bonthe Municipal Council

Relevant Information not Included in the Request for Quotations (RFQ) Document

Section 106(2) of the Procurement Regulations of 2006 requires that the RFQ shall include all information necessary to enable bidders to participate in the procurement proceedings and to submit quotations that are responsive to the needs of the procuring entity. In particular, the RFQ shall include NASSIT clearance, a copy of a valid business registration certificate, a copy of a valid NRA tax clearance certificate, a copy of a valid business license, etc. Documents such as NRA tax clearance certificates, NASSIT clearance certificates and Council registration certificates were not attached to RFQs submitted by two bidders for the procurement of goods and services totalling Le68,680,000. As a result, we could not ascertain whether the businesses were eligible to carry out the contracts and whether the awards were done in the interest of the Council.

Contracts Advertised but Copies of Newspapers not Submitted for Audit

Contrary to Section 52(1) of the Procurement Regulations of 2006, copies of newspapers to confirm that all the contracts were advertised, were not submitted in respect of contracts worth Le486,950,840. It was therefore not possible to ascertain that these contracts were awarded on a competitive and merit basis, and that the due procurement procedure was applied in respect of publishing the invitation to bid in at least two national print to ensure transparency and competition among potential bidders.

Moyamba District Council

The Use of Wrong Procurement Method

The Requests for Quotation (RFQ) method of procurement was used instead of the National Competitive Bidding (NCB) method for the procurement of the construction of six bed room staff quarters costing Le210,397,630, awarded to Mbeilleh Construction Enterprise and another construction of six bed rooms staff quarters worth Le211,562,630, awarded to FAWAZ Construction & General Services. These procurement activities were therefore concluded to be in contravention of the provisions in Section 26 of the Finance Act, 2019.

Kenema City Council

Procurement Splitting Done to Avoid a Higher Procurement Threshold

It was observed that procurement for the hiring of vehicles for cleaning exercise worth Le810,000,000 were split into batches of procurement activities. This practice reduces the threshold and the procurement method required which makes the procurement not competitive. The recommendation for the use of a framework contract for procurement of goods and services needed repeatedly or continuously over a period of time was not implemented by the Council. This resulted into wastage of resources in undertaking procurement monthly, and value-for-money not obtained.

Karene District Council

Annual Procurement Plan and Approval by the Ministry of Local Government and Rural Development

Upon review of the procurement documents for the year under review, it was revealed that the Council did undertake procurement planning during 2019. The total value of procurement undertaken during the period amounted to Le1,238,872,775. The Council was however not compliant with this section of the Act, as there was no evidence of approval of the procurement plan from the Ministry of Local Government and Rural Development as required by Section 29(5) of the PPA 2016.

Expired Business Documents to Support Request for Quotations Procurement Activities

A number of procurement worth Le393,989,000 were carried out during the period under audit for which there were no valid business documents such as NASSIT and NRA Tax clearance certificates, business registration certificates, etc. In addition, documentary evidence justifying the reason for awarding contracts to contractors / suppliers with expired business documents was not submitted for verification. This was contrary to Section 45(1b) of the Public Procurement Act, 2016

Proper Procedures not Followed in the Award of Contract

In contravention of Sections 27, 56 (3) and 76(1) of the Public Procurement Act of 2016, we observed the following:

- Even though contracts were awarded to successful bidders, we however observed that there was no evidence to indicate that unsuccessful bidders were notified with reasons for the rejection of their respective bids by the Council for the maintenance of 9.5 km feeder road for a total contract price of Le203,800,000.
- Procurement were undertaken with various contractors for the maintenance of feeder roads within the district. The Council however failed to observe the 14-days interval between the notification of the award of contract and the signing of the contract. The total amount paid to date for those contracts amounted to Le194,954,600.

Certificate of Work Completed not Submitted for Inspection

The Council paid Le84,129,909 out of Le108,569,175 which was over 77% of the total contract price to Muniru Construction and General Enterprise for the rehabilitation of the Kamakwie Town Hall. Contrary to Section 63 of the Public Financial Management Act of 2016, the certificate of work completed to date was not submitted for inspection to confirm the basis of the said payment.

Bombali District Council

Procurement Plan not Approved by the Ministry of Local Government and Rural Development

The Council had a procurement plan. There was however no evidence to indicate that the plan was submitted to the Ministry of Local Government and Rural Development for approval as stipulated in Section 29 (1&5) of the Public Procurement Act, 2016.

Port Loko District Council

Procurement Plan Not Approved by the Ministry of Local Government and Rural Development

The Council had a procurement plan that was internally approved by the Chief Administrator (CA), as chairman of the Procurement Committee. There was however no evidence to indicate that the plan was submitted to the Ministry of Local Government and Rural Development for approval as stipulated in Section 29 (1&5) of the Public Procurement Act of 2016.

Use of an Inappropriate Procurement Method in the Award of Contracts

The audit team observed that the Council used the appropriate procurement methods in all the NCBs with the exception of contract worth Le230,750,250 awarded to Capital Investment and General Engineering Enterprise for the construction of the MCHP and staff quarter at Magbaingbera Maforki Chiefdom. Council used the restricted bidding method instead. In this regard, we noted that, the Council only considered three bidders as against the five minimum bidders as stated in Section 42(2) of the PPA, 2016.

Contract Notification Period not Complied with

Section 56(3) of the Public Procurement Act of 2016 stipulates among other things that the contract shall not be signed until at least 14 calendar days have passed following the giving of that notice. A review of procurement documents revealed that the Council did not observe the 14 days' notification period before signing contracts worth Le2,194,710,560 with to several contractors.

Port Loko City Council

Procurement Plan Not approved by the Ministry of Local Government and Rural Development

A procurement plan that was signed by the Chief Administration as head of entity was submitted for 2019 audit. There was however no evidence to show that it was submitted to the Ministry of Local Government and Rural Development for approval as provided for in Section 29(5) of the PPA, 2016

Requests for Quotations not Maintained

A review of expenditure schedules supporting the financial statements revealed that written request for quotations (RFQs), sent to at least three suppliers were not made available for audit for the procurement of goods, works and services worth Le482,824,500 for the year under review. In addition to the RFQs not submitted, local purchase orders and the relevant supplier documents such as invoices, delivery notes, NRA tax clearance, NASSIT certificates and Business Registration Certificates of suppliers were not made available for the procurement of the above mentioned goods, works and services. This was contrary to Section 45(1, 2 &4) of the Public Procurement Act, 2016 and Section 106(2) of the Public Procurement Regulations (PPR) of 2006.

Awarding Contracts and Notification given to Unsuccessful Bidders

A review of the procurement documents revealed that the Council undertook procurement activities for the maintenance of selected feeder roads within the Port Loko municipality divided into five lots with a total contract value of Le498,434,235.50. Furthermore, contracts were awarded to bidders that were recommended in the evaluation reports. Upon examination of the documents relating to the maintenance of the selected feeder roads within the municipality and contrary to Sections 27 and 76(1) of the Public Procurement Act of 2016, we observed the following:

- The bid closing and opening dates were postponed from 7th to 14th May 2019. The reasons for the postponement of the bid opening date from 7th to 14th 2019, were due to public holidays such as Easter, Independence Day and Labour Day. We are of the view that these public holidays should have been considered even before advertising the contracts. It was also noted that because the bid opening date was postponed, the bid closing date was also postponed, which was not justifiable.
- The entire procurement process for the maintenance of selected feeder roads within the municipality seem to have been fixed or stage managed in order to give unfair advantage to

certain bidders. The process leading to the selection of the various responsive bidders for the various lots did not seem to have been fair and competitive.

- It seems as though contractors were pre-selected even before the process commenced as there seem to have been collusion among bidders and Council officials in the whole procurement process. Certain bidders were disqualified for particular lots due to the non-submission of certain documents, which they submitted for other lots on the same bid closing date and were successful.
- Of utmost concern is the fact that the Council made use of the service of a consultant procurement officer to perform the functions of procurement officer just for the maintenance of the feeder roads. The relevant documentation as to how the service of the consultant procurement officer was secured and how payment was made to him for his service was not made available for examination.
- A review of staff personal files and the attendance register for evaluation committee revealed that the current Procurement Officer was in post at that time and in attendance as Procurement Officer of PLCC.

Even though letters to unsuccessful bidders were prepared, there was no evidence such as a way book or response letter to indicate that the letters to unsuccessful bidders were delivered to them, and that they acknowledged receipt.

3.4. MANAGEMENT OF SAFE DRINKING WATER

Despite significant progress over the past years, some communities within the various districts still lack adequate access to a sustainable drinking water supply. In most of the communities visited by the audit team, a central drinking water supply network is either unavailable or unreliable. Our review revealed the following underlying factors:

3.4.1. Inadequate Funding of Safe Drinking Water Management within the District

Objective 1 of the National WASH policy 3.3.11: Financing Rural Water Supply Programs, requires mobilisation of adequate financing in a sustainable manner for increasing rural water supply services; and increasing communities' participation in financing their water supply programs. This requirement was not met during 2019 as the Rural Water Sector was not adequately funded by the central government, and there was no evidence of community financing. The lack of sufficient funds had prevented the sector from embarking on the construction of new water points in the districts. It was further revealed that they only carried out rehabilitation work on some of the existing water points in the districts. This was as a result of inadequate funding to the sector through the Council and late remittances of funds to the Council for the sector.

3.4.2. Lack of Logistics for Water Quality Management

One objective of the National WASH Policy-3.1.3: Water quality management and pollution control. This is to have water resources with an acceptable quality. We however noted that Rural Water Sector lacked modern laboratory equipment to carry out the various analyses on samples of water collected. We also noted the lack of mobility to carry out effective operations and inadequate personal protective equipment for lab technicians. This limits the sector from undertaking water treatment activities to ensure the provision of safe drinking water to rural communities within the district.

3.4.3. Sustainable Planning and Coordination of Water Management Activities

Our reviews indicated that there were no effective Planning and Coordination of Water Management Activities in the Districts.

- Paragraph 2.2.2 of the Water and Sanitation Policy stipulates that the core objective of the policy for Water Resources Management is to develop a comprehensive framework for promoting the optimal, sustainable and equitable development and use of water resources. There is a Water Management Committee set up within the Council that is responsible for the identification of water point facilities. We however noted that there was no evidence of a sustainability plan in place for constructed water point facilities. The non-availability of a sustainability plan may render constructed water point useless when faulty.
- Objective 2 of the National WASH Policy requires that cross-sectoral interests in water resources are addressed through integrated and participatory approaches in the planning, development and management of the water resources. We interviewed staff and reviewed documents at a selected District Rural Water Sector which revealed that the sector did not have an up-to-date database of water points in the districts. It was further revealed that the Ministry was using the database prepared in 2016, which was based on the National Water Survey conducted by the Ministry of Energy and Water Resources and its partners.

3.4.4. Inadequate Staffing in the Rural Water Sector

One objective of the National WASH Policy-3.1.10: Training and Human Resources Development is to have adequate numbers of qualified personnel who can competently implement various water resources activities. A review of documents revealed that the Rural Water Office was grossly understaffed to perform its function in the entire districts. For instance, in some Councils there were only two staff to attend to the localities in the district. This therefore greatly limits the amount of water management work in the districts.

PART III

CHAPTER IV - PUBLIC ENTERPRISES, COMMISSIONS AND DONOR FUNDED PROJECTS

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MAIN POINTS

What We Examined

These were audits of the annual financial statements of state-owned public enterprises and commissions. The audit included 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 was 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 was true and fair, the criteria used were 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 the recognised accounting standard bodies and to some extent in the law.

Generally, public enterprises and commissions each has distinct enabling legislation with which they must comply. Our audit examination includes a review for compliance with such legislation. Auditors examined the underlying accounting records, ‘the books’, from which the financial statements were prepared, as well as the system of internal controls in place to ensure the accuracy and overall integrity of how the business was conducted. The examination was 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 issued 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 to be 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 falling within its ambit. Public enterprises and commissions fall within the GoSL’s ambit. They are created for various legitimate reasons by governments everywhere. Their functions tend to be discrete activities of commercial, semi-commercial or social policy nature, or a combination of all. By their legal nature, they are more at arms-length from government than MDAs, and as such, they are more remote from the scrutiny of Parliament. It is this remoteness, combined with the fact that they both earn and expend public funds, which makes scrutiny by an independent external auditor, on an annual basis, a must. In Sierra Leone, public enterprises and commissions carry out a broad range of functions. They are in the critical sectors of water and power supply, road construction, tertiary education, narcotic control, banking, sea transportation, telecommunications, mineral resources etc. As such, they represent a significant amount of economic activities 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

The total cash losses and irregularities noted during the period under review amounted to Le59.2 billion. These cash losses which cut across PE, were mainly attributable to the following:

- Unsupported payment
- Revenue not banked
- Irregularities in payment of salaries and other benefits to staff
- Statutory deductions not paid to the appropriate authorities
- Unexplained/ineligible/excess expenditure

The main composition and analysis of these losses are summarised in table 4.1 below:

Table 4.1	
Public Enterprises & Commissions	
Details	Amount (Le)
Irregularities in Revenue management	1,071,471,189.78
Fuel not Accounted for	193,786,750.00
Irregularities in Assets management	1,434,104,385.55
Payroll Irregularities	27,572,338,101.55
Payment without supporting documents	21,641,621,928.10
Withholding taxes or GST not paid over to NRA	7,350,224,704.57
Total	59,263,547,058.87

There were also instances of poor file management system, inadequate personnel records, payroll and internal audit issues. In addition to the above cash losses, we found out that the payments for goods, works and services, amounting to Le7.8 billion were not receipted for. This means that some of the requested supporting documents in respect of these payments were not submitted for our reviews.

Table 4.2 gives analysis of payments without adequate supporting documents for the period under review.

Table 4.2				
Payments without Adequate Supporting Documents				
Audit Client	Audit Year	Description	Amount (Le)	US\$
Guma Valley Water Company	2015 - 2017	Payment without adequate supporting documents	500,630,604.00	
Sierra Leone Ports Authority	2018	Payment without adequate supporting documents	49,549,650.00	
West African Regional Communication Infrastructure Project	1st January, 2017 - 31st July, 2017	Payments without adequate supporting documents		51,841.09
Sierra Leone Water Company	2017 - 2018	Payments without adequate supporting documents	2,254,931,724.00	
Sierra Leone Agricultural Research Institute	2016 - 2017	Payments without adequate supporting documents	85,358,000.00	
National Social Security and Insurance Trust	2017 - 2018	Payments without adequate supporting documents	59,592,398.00	
Rights to Access Information Commission	2019	5.5% withholding tax not deducted paid to NRA	50,896,454.00	
National Council for Technical Vocational and Other Academic Awards	2019	Payments without adequate supporting documents	19,750,000.00	
Tertiary Education Commission	2018	Payments without adequate supporting documents	5,700,000.00	
Tertiary Education Commission	2019	Payments without adequate supporting documents	15,378,747.00	
Sierra Leone Road Safety Authority	2018	Payments without adequate supporting documents	2,012,301,596.00	

Table 4.2				
Payments without Adequate Supporting Documents				
Audit Client	Audit Year	Description	Amount	
			(Le)	US\$
Electricity Generation and Transmission Company	2016 - 2018	Payments without adequate supporting documents	967,628,006	
Sierra Leone Ports Authority	2019	Payments without adequate supporting documents	92,399,809.	
Sierra Leone Road Transport Corporation	2014 - 2016	Payments without adequate supporting documents	14,950,000	
Sierra Leone Water Company - Rural Water Supply Sanitation Project	2019	Payments without adequate supporting documents	2,475,000	
Sierra Leone Water Company - Three Towns Water Sanitation Project	2019	Payments without adequate supporting documents	9,419,000	
Ernest Bai Koroma University of Science and Technology	2016 - 2017			
Port Loko Campus		Payments without adequate supporting documents	660,358,000	
			157,079,000	
		UNICEF Fund Project payments without adequate supporting documents	392,788,000	
Secretariat		Payments without adequate supporting documents	321,308,500.00	
Makeni Campus		Payments without adequate supporting documents	327,276,654.00	
Total			7,842,692,142.00	51,841.09

DETAILED FINDINGS AND RECOMMENDATIONS

Accounts not Submitted

As at 31st March 2020, the following public enterprises and commissions had not submitted their accounts for the 2019 financial year:

Table 4.3 - Accounts not Submitted	
Institution	Financial Year
Western Area Hospital Board	Since formation
National Drugs Control Agency	Since formation
National Assets Commission	Since formation
Local Government Service Commission	Since formation
Ernest Bai Koroma University of Science and Technology	2018 - 2019

Late Submission of Accounts

A total of 49 public enterprises and commissions submitted their accounts after the stipulated submission date of 31st March, 2020.

Table 4.4 - Late Submission of Accounts		
Institution	Year	Date of Submission
National Revenue Authority	2017 - 2018	10th March, 2020
National Revenue Authority	2019	8th July, 2020
Sierra Leone Roads Authority	2016 - 2018	1st July, 2020
Sierra Leone Roads Safety Authority	2019	3rd August, 2020
Freetown Teachers College	2019	19th August, 2020
National Commission for Persons with Disability	2018 – 2019	2nd April 2020
Corporate Affairs Commission	2018	19th February, 2020
Sierra Leone Telecommunications Company Limited	2018	10th March, 2020
Sierra Leone Telecommunications Company Limited	2019	16th July, 2020
Sierra Leone Postal Services Limited	2015 - 2018	2nd March, 2020
Njala University	2019	2nd April, 2020
National Authorising Office	2019	21st April, 2020
Income Tax Board of Appellate Commissioners	2019	23rd April, 2020
Sierra Leone Agricultural Research Institute	2018 - 2019	31st April, 2020
University of Sierra Leone Teaching Hospitals Complex	2019	7th May, 2020
Pharmacy Board of Sierra Leone	2018 - 2019	11th May, 2020
Right to Access Information Commission	2019	20th May, 2020
National Telecommunications Commission	2019	27th May, 2020
Sierra Leone Cable Limited	2019	26th May, 2020
National Youth Service	2018 - 2019	19th May, 2020
Sierra Leone Road Transport Corporation	2019	4th July, 2020
Central Intelligence and Security Unit	2018 - 2019	2nd July, 2020
Produce Monitoring Board	2018 - 2019	2nd July, 2020
Electricity Distribution and Supply Authority	2019	29th April, 2020
National Electoral Commission	2019	23rd June, 2020
National Tourist Board	2019	25th June, 2020
Sierra Estate Management Company	2017	12th March, 2020
Sierra Blocks Concrete Limited	2018	17th July, 2020
Sierra Leone Small Arms Commission	2016 - 2018	8th April, 2020
Sierra Leone Small Arms Commission	2019	16th July, 2020
National Public Procurement Authority	2019	16th July, 2020
Teaching Service Commission	2019	15th July, 2020
NaCSA - GoSL Recurrent	2016 - 2019	17th July, 2020
Electricity Generation and Transmission Company	2019	13th July, 2020
Sierra Leone State Lottery	2019	21st July, 2020
Sierra Leone Roads Authority	2019	1st July, 2020
Sierra Leone Standards Bureau	2019	13th July, 2020
Sierra Leone Maritime Administration	2018 - 2019	17th July, 2020
National Water Resources Management Agency	2019	22nd July, 2020
National Protected Area Authority and Conservation Trust Fund	2016 - 2019	14th July, 2020
Sierra Leone Housing Corporation	2019	30th July, 2020
Independent Media Commission	2018 - 2019	30th July, 2020
National Youth Commission	2019	3rd August, 2020
Sierra Leone Civil Aviation Authority	2019	30th July, 2020

Table 4.4 - Late Submission of Accounts		
Institution	Year	Date of Submission
Sierra Leone Airports Authority	2019	6th August, 2020
Sierra Leone Health Service Commission	2019	22nd July, 2020
Sierra Leone Water Resources Management Agency	2018 - 2019	22nd July, 2019
Guma Valley Water Company	2018	31st March, 2020
Sierra Leone Water Company	2019	21st August, 2020
Nuclear Safety Radiation Protection Authority	2016-2019	17th November, 2020

4.1. SIERRA LEONE COMMERCIAL BANK - 2018

4.1.1. Incorrect Data for Journal Testing

We observed during the course of our audit that the information provided to us regarding journal testing was out of balance by Le246,949,899,581.20.

Below is a summary of the data provided by the client:

Total Debit (Le)	Total Credit (Le)	Difference (Le)
13,700,514,968,363.80	13,453,565,068,782.60	246,949,899,581.20

Management should ensure that all journals booked or posted in the bank's accounting records are approved by the appropriate authority. The Financial Controller should thoroughly review and ensure that an appropriate authorisation on journal is obtained prior to posting to the system.

Official's Response

The Managing Director in his response said: "We note that there were numerous multi-currency entries in the journal pool reviewed by the auditors. These entries were responsible for the imbalance noted by the auditors. These are however not real imbalances; they are mere translation issues. Converting foreign currency denominated items will eliminate the imbalance."

Auditor's Comment

We noted during our verification that the journal difference has not been resolved. The data was re-spooled using a different parameter. The difference however remained the same as what was previously identified. Summary of the differences for both the local currency and foreign currency are as follows:

Foreign Currency Total Difference (Le)	Local Currency Total Difference (Le)
246,949,899,581.05	250,066,128,737.10

The issue is yet to be resolved.

4.1.2. Additional Loan Impairment Provisioning

Following our review of loans provisioning in respect of the Bank of Sierra Leone regulatory requirements, we noted an additional loan loss provision of Le7.9 billion. We recommend that moving forward, management should step up efforts in evaluations and review of loans and advances and correct the anomalies on a timely basis.

Official's Response

*The Managing Director in his response said: "We note your recommendations and wish to state the following: **Isatu Jabbie Kabbah** - Settlement was agreed with customer and payment is ongoing; **National Hajj Committee** - Full payment was received and **United Business Systems Limited** - No comment".*

Auditor's Comment

Isatu Jabbie Kabbah - We verified that the payment for outstanding balance is ongoing, as the balance of Le256 million in 2018 has now been reduced to Le165 million. There is also a compromise settlement documents to back-up this claim.

National Hajj Committee - We confirmed and verified that the outstanding debt balance in this account has been fully paid, with the exception of Le24 million described as interest charge.

United Business Systems Limited - Still no comment.

The issue is partially resolved.

4.1.3. Facilities with no/Inadequate Collateral

The Bank's lending policy provided that security should be taken in support of facilities granted as considered appropriate when appraising the perceived risk. A facility will be considered as unsecured unless tangible security is offered. We observed that some of the facilities granted to customers are still not secured or adequately secured in order to protect the Bank's exposure. Management should ensure adequate and tangible security (perfected legal title) is obtained to cover exposures. All non-secured facilities should be pursued and regularised going forward, in order to minimise the Bank's exposure.

Official's Response

The Managing Director in his response said: "We note comments from the auditors. In future, collaterals will be requested before availing facilities".

Auditor's Comment

Some of the documents that Serve as collateral were still not made available for inspection. The issue remains partially resolved.

4.1.4. Unauthorised Overdrafts

We observed that customers with approved limit (Le50,000,000) were allowed to operate above their approved limit. Management should design, implement and monitor controls in place to ensure customers operate within their approved limits and that customers with no approved limit are encouraged to go through the pre-approval process before being allowed to have overdrawn balances.

Official's Response

The Managing Director in his response said: "We confirm that monitoring and controls are in place. These are overdrafts caused by interest or bank charges while accounts waited funding. All credit limits went through the pre-approval processes. All facilities of Le50,000,000.00 granted to Members of Parliament are fully repaid".

Auditor's Comment

We verified that the overdraft account balances for all Members of Parliament are fully recovered by the Bank, but the overdraft account balances for other customers are still outstanding and the market value of their collateral security are far above their respective outstanding balances. The issue is partially resolved.

4.1.5. Trading Limit

We noted that there were no policy or guidelines to monitor or check the following:

- Trading limits for dealers and the treasurer
- Aggregate or single foreign exchange trading limit
- Daylight trading limit

We recommend that management endeavour to design a treasury policy which clearly defines the liquidity risk and trading guidelines.

Official's Response

The Managing Director in his response said: "Policy on treasury management operations has been updated and forwarded to key management staff for review before presented to the Board for approval. At the moment, all limits setting and approval for Treasury Unit is being done by the Head of Systems Audit in conformity to the general policy under their operations".

Auditor's Comment

No verification and or comment was obtained from management on this issue. The issue is therefore unresolved.

4.1.6. Staffing

We noted that the Department is staffed with only three personnel including the Head of Treasury who handles all treasury bills, bonds, term deposit for local and foreign currency, inter-banks borrowing and lending, FX trading for individual, SMEs, corporate organisations and to deal with all treasury related issues and functions across the sixteen branches.

The Treasury Department is a specialised department and should be adequately staffed and trained to handle and deal with the complexity of transactions and functions such as those listed above.

Official's Response

The Managing Director in his response said: "Steps are on-going to increase staff strength in the Unit".

Auditor's Comment

Steps to increase staff in the Unit are still ongoing. The issue is therefore unresolved.

4.1.7. Minimum Cash Reserve Ratio

During our review, we observe that the Bank breached Section 7.4.2.7 of the Prudential Guidelines which states that all banks shall maintain at all times cash reserve of not less than 12% of total local deposits. The table below depicts the breach for the respective months:

Month	Ratio Computed	Regulatory Limit
July	10.69%	12%
September	11 %	12%

The Bank should ensure that it comply with the Central Bank Regulation and restriction to avoid fines and penalties from the Central Bank.

Official's Response

The Managing Director in his response said: "We note the recommendations and will ensure compliance moving forward. The situation was resolved within the two-week window provided for in the Prudential Guidelines".

Auditor's Comment

We verified through the cash flow monitoring spreadsheet that the Bank's average liquidity ratio for the fourteen days after the month of July was 12.54%. Thus, no breach of the regulations. No evidence was however provided for September. The issue is partially resolved.

4.1.8. Vault Insurance Limit Exceeded

We noted that in some instances the bank did not comply with the insurance limit set for cash in vault for the period under review. Details are given in the table below:

Branch	Date	Insured Limit	Vault Balance	Excess Cash
Kissy				
	10-Dec-18	SLL 2,500,000,000.00	SLL2,610,937,600.00	SLL 110,937,600.00
Lightfoot Boston Street				
	03-Jan-18	SL3,150,000,000.00	SL3,793,576,000.00	SL643,576,000.00
	20-Aug-18	US\$50,000.00	US\$51,652.00	US\$1,652.00

Branch	Date	Insured Limit	Vault Balance	Excess Cash
Cline Town				
	28-Feb-18	US\$30,000.00	US\$45,928.00	US\$15,928.00
	06-Mar-18	US\$30,000.00	US\$36,128.00	US\$6,128.00
	28-Mar-18	US\$30,000.00	US\$41,428.00	US\$11,428.00
	04-Apr-18	US\$30,000.00	US\$48,328.00	US\$18,328.00
	23-May-18	SLL3,000,000,000.00	SLL3,432,487,000.00	SLL432,487,000.00
	05-July-18	US\$30,000.00	US\$30,917.00	US\$917.00
	09-Aug-18	US\$30,000.00	US\$34,827.00	US\$4,827.00
	11-Sept-18	US\$30,000.00	US\$32,535.00	US\$2,535.00
	12-Oct-18	SLL3,000,000,000.00	SLL3,086,960,000.00	SLL86,960,000.00
	08-Nov-18	US\$30,000.00	US\$34,640.00	US\$4,640.00
	10-Dec-18	SLL3,000,000,000.00	SLL3,380,490,000.00	SLL380,490,000.00
Wilkinson Rd				
	23-May-18	SLL4,000,000,000.00	SLL4,289,566,000.00	SLL289,566,000.00
	20-Aug-18	SLL4,000,000,000.00	SLL4,449,694,000.00	SLL449,694,000.00

We recommend that the Bank strictly adhere to the insurance limit stipulated in the existing policy or consider increasing the insurance limit in line with the current volume of cash operation.

Official's Response

The Managing Director in his response said: "This is due to the deposit mobilisation drive and cash collection. Additional insurance premiums are secured for excess cash in vault on a daily basis. Additionally, we have increased vault limits at all branches to address this issue".

Auditor's Comment

Kissy Branch - We verified and confirmed that there is an additional insurance certificate for the excess in vault for this branch.

Wilkinson Road Branch - We verified and confirmed that there is an additional insurance certificate for the excess in vault for both amounts in Leones in this branch for those dates identified above.

Cline Town Branch - We verified and confirm that there is an additional insurance certificate for the excess in vault for only the amounts in Leones (23rd May and 12th October, 2018) for this branch.

The issue is partially resolved.

Daily Call Over

We noted that call over was not regularly done for the following branches: Siaka Stevens Street, Lightfoot Boston Street, Wilkinson Road and Cline Town. Management should design a strong control system to ensure call overs are done on a daily basis to ensure errors, mistakes and fraud are detected immediately and corrected or reverse.

Official's Response

The Managing Director in his response said: "Daily call over is done at branches. The call over certificates are usually sent together with the vouchers to the archive for safe custody".

Auditor's Comment

All 2018 and 2019 financial years call overs have been forwarded to the central archive in Kenema. They are therefore not available in Freetown for the verification process. The issue is unresolved.

4.1.9. Unclaimed Savings and Current Account

Section 56 sub section 1 to 4 of the Banking Act of 2011, sub-section 3 to 4 state: “A bank holding an abandoned property shall make a report to the Central Bank in the manner determined by the Central Bank, stating the nature of the property held and in the case of money, the amount of money. Sub-section 4 continued that, within six months after the expiry of seven years, the bank shall communicate to the customer by letter about the abandoned property and the letter shall be sent to the customer’s last known address by registered post; and if the customer fails to respond within six months, the property shall be deemed to have been abandoned and shall without formality be transferred to the Central Bank to be dealt with as may be decided by the Central Bank”. We noted that the credit balance of Le304, 895,723.64 as at 31st December 2018, includes amounts dating between 2006 and 2011 amounting to Le22,236,162.42 which are due to be transferred to the Central Bank, but yet to be transferred.

A strong monitoring and control system should be put in place by Management to identify on a monthly basis all inoperative accounts or unclaimed balances and transfer those balances to the Central Bank in order to avoid potential fraud and penalties against the Bank.

Official’s Response

The Managing Director in his response said: “A task force has been instituted to do final review of these outstanding items and necessary/ appropriate steps will be taken at the end of this review exercise.

Auditor’s Comment

The final review process is still ongoing. The issue is yet to be resolved.

4.1.10. Non-compliance with Account Opening Procedures

Based on our review, we noted that the bank did not fully comply with the stipulated account opening procedures. Some customers’ account opening files reviewed, lacked some required documentations like account opening form, know your customer form and identification documents.

We recommend that management should put in place measures to ensure that all account opening procedures are strictly adhered to.

Official’s Response

The Managing Director in his response said: “We have placed debit blocks to the affected accounts and pursuing the outstanding items from customers”.

Auditor’s Comment

We were provided with account opening form, form of identification, address confirmation and KYC form for the customers listed in the observation above, except for the ones highlighted above, who had no supporting documents for verification. The issue is partially resolved.

4.1.11. Staffing

A review of staffing in the department revealed that two (2) Banking Officers attached to the Operational Audit Unit recently resigned from the department and are yet to be replaced.

We recommend that the department liaise with Human Resources to adequately staff the department to enable them carry out its functions effectively.

Official’s Response

The Managing Director in his response said: “One of the resigned officers was replaced by another officer in 2019. Another officer was transferred in February 2020 from the unit who is yet to be replaced; therefore, the status quo is the same with two operations audit staff to be replaced. Process of replacing both staff is on-going”.

Auditor's Comment

The process of replacing both staff is still ongoing. The issue is yet to be resolved.

4.1.12. Branch and Departmental Reviews

We noted that the Department is divided into two units; one responsible for systems audit and the other for operational audit. No systems audit or review was done for the entire period under review. Although reviews were done for branches, departments and units during the year, we noted that the departments did not have the capacity to audit the technical functions, internal controls, processes and procedures relating to treasury, credit risk management, trade finance and the Finance Department as the reviews were more concentrated on departmental policies, housekeeping and prudential requirements.

The Department should design and focus their audit and reviews on the technical and specialised areas of the banking operations and processes.

Official's Response

The Managing Director in his response said: "Systems Audit Unit was dormant for October 2017 to November 2018. The current Systems Audit Manager and an officer were appointed in December, 2018. During 2019, five systems audit reviews were carried out as follows:

- *Core Banking Application*
- *Outsourcing Technology*
- *Disaster Recovery Plan*
- *Branch IT*
- *IT Infrastructure*

These reports were submitted with the operations audit reports as a batch from Internal Audit for your review during 2019 audit. We agree that the Department lacks the capacity to review the technical functions, internal controls, processes and procedures relating to Treasury and Trade Finance but for Credit Risk Management and Finance Department, we have the capacity to review the technical functions, internal controls, processes and procedures to review them. We welcome recommendations of areas we could include in our reviews to add value to the process to obtain the required comfort you desire".

Auditor's Comment

In 2018, the Systems Audit Unit was not operational, therefore, no audit reviews were done. During 2019, after the appointment of the Systems Audit Manager, they were able to conduct five systems reviews which were listed in the management's comments above. The team lacks the capacity to review the technical functions, internal controls, processes and procedures relating to Treasury and Trade Finance but the process is ongoing to identify appropriate personnel to handle it. The issue is still unresolved.

ICT Issues

Although a number of ICT issues were observed during the audit, due to their sensitivity and security implications, those issues have been restricted to correspondence with the client and Parliament.

4.1.13. Minimum Balance Threshold

Minimum daily balance is required and instituted by the bank to ensure account holders have sufficient amounts on account to cater for or waive maintenance fees. We noted that the bank has stipulated a minimum balance of Le50,000 on general savings account. Our review of the monthly savings balances via extracting account balances less than Le50,000 for savings accounts, we noted the following number of accounts had balances below the of Le50,000 minimums.

Total Number of Savings Accounts with Less than Minimum Deposit:

Month	Total Savings Account
January 2018	113,216
February 2018	113,097
March 2018	113,074
April 2018	113,067
May 2018	113,056
June 2018	113,061
July 2018	113,723
August 2018	114,859
September 2018	116,110
October 2018	117,550
November 2018	118,387
December 2018	118,802

We were informed by management that the possible reason for the above transactions was as a result of migrated balances from Flexcube application which previously allowed savings accounts to be withdrawn with no minimum balances. The balances therefore brought forward from Flexcube may still be below the current minimum balance, if such account were not funded or dormant.

Management should ensure that an effective minimum account balance is maintained which is backed by adequate system configuration of all savings accounts and any similar products.

Official's Response

The Managing Director in his response said: "The Mi-Yone teller product was created to answer to the clarion call of financial inclusions by the central bank. This product is designed to accept a minimum balance of Le20,000.00".

Auditor's Comment

We noted during our 2019 audit that savings account customers both for Mi-Yone and normal savings fell below the minimum required balances of Le20,000 and Le50,000 respectively. The issue is yet to be resolved.

4.2. ROKEL COMMERCIAL BANK SIERRA LEONE LIMITED – 2019

4.2.1. Review of Customers' Loans

The lending policy of the bank stated that, all non-personal borrowing customers will be required to submit audited accounts for facilities in excess of Le200 million. The following customers were issued loans without obtaining recent audited financial statements to determine whether the customers have a good financial standing, instead the bank was issued unaudited financial statements.

Name of customer	Date issued	Approved amount (Le)	Balance as at 31st December, 2019 (Le)
BSB International	27.06.2019	9,500,000,000.00	7,888,125,953
PEE CEE & SONS	23.10.2019	3,000,000,000	2,927,123,086
CSE	30.05.2017	4,000,000,000	2,001,599,422
Builders Enterprise	28.06.2019	3,000,000,000	2,806,194,414
Pavi Fort	Unknown	750,000,000	1,954,678,292
Aberdeen Water Taxi	03.10.2019	1,919,943,165	1,916,361,511

Management should ensure due process and all the relevant requirements such as audited financial statements are obtained and made available for all corporate customers before issuing loans to them, in order to safeguard the bank from bad loans which in turn will result in financial loss to the bank.

Official's Response

- *The Managing Director in his response said the following:*
- *“BSB International – Attached is a copy of customer’s audited financial statement (for the year ended 31st December, 2018).*
- *Pee Cee & Sons -The customer’s facility was extended for 3 months on 23rd October 2019, to provide the customer with ample time to submit all necessary documentation (including their audited financial statements). Thus, the facility was last reviewed and limit approved in 2018. Meanwhile, we have obtained customer’s audited financial statements for the year ended 31st December 2019, and we are in the process of reviewing the facility with the aim of renewing same – attached is a copy of the financial statement for the year ended 31st December, 2019.*
- *CSE - This is an international road construction entity maintaining presence in various countries. The audited financial statement is for the group, whilst the individual branches in the various countries prepare a management account. Our review of customer’s credit capability is based on an assessment and confirmation of their outstanding payments owed by the Government of Sierra Leone, for work already completed.*
- *Builders Enterprise – This was a newly registered business established less than a year prior to the granting of the facility. Our review of customer’s credit capability was based on the account performance and credit history that we maintained for a sister business in which the proprietor of Builders Enterprise was an active partner.*
- *Pavi Fort - Customer’s audited Financial Statements for the year ended 31st December 2017, and confirmation of their outstanding payments owed to them by the Government of Sierra Leone, for work already completed were used in assessing customer’s credit capability.*
- *Aberdeen Water Taxi - This was a newly registered business established less than a year prior to the granting of the facility. Our review of customer’s credit capability was based on the account operations of another sister account, customer’s level of stake in the business and its cash flow”*

4.2.2. Unapproved Credit Facilities

We noted during our review of loan and advances, the following overdraft customers with unapproved credit facilities without approved limit, approved date and expiration date. These loans issued to the customers were without adequate audit trail and indication of lack of proper management monitoring.

Management should ensure due process and that all the relevant requirements are met before issuing facilities to customers in order to safeguard the bank from the risk of bad loans which in turn will result in loss.

Official's Response

The Managing Director in his response said: “We note the comments. We have been writing Branch Managers advising them to desist from granting credit facilities without ensuring that due process and all relevant requirements are met. We shall continue to monitor the portfolio. We would recommend stringent actions if the situation persists. Meanwhile, some of these customers have submitted their requests and relevant documentation and we are in the process of reviewing same. A justified limit/facility would be approved accordingly”.

4.2.3. Perform ATM Reconciliation

It was observed that the bank’s ATM cash balance is reported under vault balance and as a result of that, no ATM reconciliation was done.

We recommend that an account code is created for ATM and ATM reconciliation is prepared regularly.

Official's Response

In his response, the Managing Director said: "We have noted your observation on the review of the ATM reconciliation. The reconciliation tool will be improved upon to forestall any error and possible misstatement".

4.2.4. Vault Balances Exceed Insured Valued

A review of cash at vault and cash insurance policy at the Siaka Stevens Street Branch revealed several instances where the bank exceeds its daily insured limits as shown below:

Date	Actual vault value (Le)	Insured value (Le)	Difference (Le)
2nd Jan. 2019	21,704,674,500	20,000,000,000	1,704,674,500
16th Jan. 2019	28,318,598,750	20,000,000,000	8,318,598,750
20th Feb. 2019	27,480,455,200	20,000,000,000	7,480,455,200
1st Mar. 2019	25,086,605,100	20,000,000,000	5,086,605,100
29th Mar. 2019	21,558,480,500	20,000,000,000	1,558,480,500
14th May, 2019	32,085,248,600	20,000,000,000	12,085,248,600
31st May, 2019	39,550,293,940	20,000,000,000	19,550,293,940
1st Jul. 2019	35,059,854,050	20,000,000,000	15,059,854,050
15th Jul. 2019	43,601,348,125	20,000,000,000	23,601,348,125
30th Jul. 2019	35,276,864,225	20,000,000,000	15,276,864,225
17th Sep. 2019	35,443,302,850	20,000,000,000	15,443,302,850

The vault insurance cover from Reliance Insurance Trust Corporation (RITCORP) indicating a vault limit of Le 40 billion for the business centre and not Le 20 billion as stated in the report. The business centre only breached this limit on 15th July, 2019 by Le3,601,348,125 as a result of huge cash deposited late by our customers and this was corrected the next business day.

Official's Response

The Managing Director in his response said: "The vault insurance cover from Reliance Insurance Trust Corporation (RITCORP) indicating a vault limit of Le40 billion for the business centre and not Le20 billion as stated in the report. The business centre only breached this limit on 15th July, 2019 by Le3,601,348,125, as a result of huge cash deposited late by our customers and this was corrected the next business day".

4.2.5. Cash Floats not Retired on Time and Accounted for

The following floats are long overdue for liquidation.

Date	Details	Amount Le
16th May, 2019	Cash Float ifo Trip to Makeni	5,000,000
27th Jun. 2019	Cash Float ifo Santigie Sesay	500,000
4th Jul. 2019	Float ifo Andrew Sam	500,000
5th Jul. 2019	Float Taken ifo Tree Planting At Masiaka	5,000,000
29th Jul. 2019	Cash Float ifo Subi Wurie	500,000
6th Sep. 2019	Travelling to Kabala With Bsl Personnel	2,500,000
12th Sep. 2019	Float Trip to Kabala With Bsl Personnel	2,500,000
7th Nov. 2019	Cash Float Sam Sesay	100,000
18th Nov. 2019	Cash Float to Foday Kamara	1,000,000
19th Nov. 2019	Cash Float to Cecil Riddle	250,000
22nd Nov. 2019	Cash Float to Samuel Sam Sesay	1,000,000
4th Dec. 2019	Cash Float to Jacob Philips	250,000

Date	Details	Amount Le
9th Dec. 2019	Cash Float to Issa Mansaray	1,000,000
12th Dec. 2019	Cash Float to Foday Kamara	1,000,000

We note your recommendation and confirm that all outstanding cash floats have been accounted for as reserve.

Official's Response

The Managing Director in his response said: "We note your recommendation and confirm all that outstanding cash floats have been accounted for as reserve."

4.2.6. No Contract is in Place for Engineering Consultants

Arrangements were made with a contractor/consultant (Medzick) without a signed contract. A signed contract shows the obligations of both client and contractor, and it is a useful document to refer to when one party feels that the other party has not fulfilled his obligations.

Official's Response

The Managing Director in his response said: "We have noted your comments/recommendation. We shall endeavour to prepare contracts as requested for all future works".

4.2.7. Records not Up-To-Date

We performed inventory count for territorial stationery for the year ended 2019 on 10th February, 2020. We requested to re-perform a reconciliation of the current inventory records to the year- end inventory records Management however told us that the records were not updated with the current inventory levels.

We recommend that the Bank update its inventory records on a regular basis.

Official's Response

The Managing Director in his response said: "Comments noted. The stationery records have been updated".

4.2.8. Incomplete Account Opening Requirements

The Bank account opening procedures were incomplete for some of its customers as relevant documents were not tendered during the process. We recommend that all account opening procedures should be complete and reviewed adequately. The bank is also encouraged to carry out account opening process with all the relevant details and procedures required.

Official's Response

The Managing Director in his response said: "We have taken steps to address the issue and to avoid any repetition. The bank has consulted an external firm to address the issue and has made it mandatory for all documents to be submitted before accounts are opened. It is now under the direct supervision of the compliance department".

4.2.9. Transactions Being Processed in Closed Accounts

We observed that the four accounts were classified as closed by the bank, even though transactions continued to be processed in these accounts up to 31st December, 2019. We recommend a regular review of all accounts classes to identify inactive and active accounts; and accounts that are to be turned over to the Bank of Sierra Leone. Regular review of account activities, such as automatic transfers standing orders should be carried out to prevent activation of inactive accounts without due processes being followed.

Official's Response

The Managing Director in his response said: "We noted the above and advised that the IT infrastructure is currently undergoing upgrade and this should be taken into consideration and the service provider would be notified to address the issue in the upgrade".

4.2.10. Regular Review of Call Over Sheets

Daily call over listings was prepared by the tellers and reviewed by management. We were unable to obtain call over transaction listings for the following days:

Date	Teller ID	Branch
11th Mar. 2019	Teller-05	Branch 1
12th Mar. 2019	Teller-06	Branch 1
5th Apr. 2019	Teller-07	Branch 1
23rd Apr. 2019	Teller-11	Branch 1
8th May, 2019	Teller-10	Branch 1
10th May, 2019	Teller-13	Branch 1
27th Jun. 2019	Teller-07	Branch 1
18th Jul. 2019	Teller-08	Branch 1
26th Aug. 2019	Teller-13	Branch 1
16th Sep. 2019	Teller-02	Branch 1
3rd Oct. 2019	Teller-05	Branch 1
7th Oct. 2019	Teller-06	Branch 1
25th Nov. 2019	Teller-13	Branch 1

Daily preparation of call over transaction listing and tracing supporting documents to listings with the appropriate approval is required.

Official's Response

The Managing Director in his response said: "This is a concern to the business centre and steps are being taken to address the issue. We are currently studying the situation and will shortly make a recommendation for all to follow. Meanwhile, a tentative measure whereby a register of call over sheets are logged will be put into operation".

4.2.11. Insufficient Supporting Documents for Transactions

Sufficient supporting documents were not provided for the following transactions, only impersonal accounts documents were provided.

Transaction Date	Details	Credit Balances (Le)
31st Jan. 2019	Comm Plus GST iro BI	(2,450,000.00)
29th Mar. 2019	Performance Bond 24/	(4,200,000.00)
17th Jan. 2019	1075167/1773908:	(4,980,000.00)
21st Jan. 2019	Bid Bond No. 04 /19 F	(4,980,000.00)
21st Jan. 2019	Bid Bond No. 05 /19 F	(4,980,000.00)
22nd Jan. 2019	Bid Bond 11/19:	(4,980,000.00)
22nd Jan. 2019	Bid Bond 10/19 01-17	(4,980,000.00)
17th Jan. 2019	1773908/1075167:	(5,810,000.00)
19th Feb. 2019	Bid Bond No 15/19 F/	(5,810,000.00)
19th Feb. 2019	Bid Bond No 17/19 F/	(5,810,000.00)
19th Feb. 2019	Bid Bond No 16/19 F/	(5,810,000.00)

Transaction Date	Details	Credit Balances (Le)
9th Jan. .2019	1075167:	(8,024,000.00)
4th Mar. 2019	Standing Orders Ext.	(20,000.00)
4th Mar. 2019	Standing Orders Ext.	(20,000.00)
3rd Dec. 2019	Charges iro Standing	(5,670,000.00)
18th Dec. 2019	Charges iro Standing	(5,835,000.00)

All documents should be made by vouchers supported by suitable documents and approved by authorised persons.

Official's Response

The Managing Director in his response said: "We note your comments. Necessary steps will be taken to ensure that sufficient supporting documents are provided for such transactions".

4.2.12. Open Ended Date on Cash Security

The following customers were issued cash security with an open-ended contract which shows no start date and no end date.

No.	Name of Customer	Cash Security A/C No. 3400820 (Le)	Issue Date	Exp. Date
1.	Davis & Dann Ltd.	160,000,000	None	None
2.	S.V Electricals	9,500,000	None	None

Official's Response

The Managing Director in his response said: "We note your comments and advise as follows:

- *DAVIS & DANN LTD. – A Performance Bond of US\$40,000 (equivalent to Le160,000,000), was issued to SL Ports Authority to guarantee performance of a contract entered into by Davis & Dann Ltd. Full cash was provided as security for the above. The Guarantee expired on 6th December, 2010. We understand that Davis & Dann Ltd. are out of the jurisdiction. We shall try to locate them and reverse the cash security.*
- *S.V. ELECTRICALS – The Bond/Guarantee for which the cash security was held has expired. We shall reverse the cash security to the customer".*

We recommend that, cash security register should be updated, reviewed, well supervised by senior management and ensure all cash security has start date and end date.

4.2.13. Difference in General Ledger/Register and Agreement on Cash Security

The client cash security register shows amount different from the contract.

No.	Name of Customer	Cash Security Register (Le)	Contract Amount (Le)	Issue Date	Exp. Date	Comments
1.	Ali Abess Transportation	2,500,000,000	5,000,000,000	23rd Nov. 2018	22nd Jan. 2019	According to the agreement Le5 billion is stated rather than Le2.5 billion
2.	De Wizzard Ent.	97,750	10,097,750	30th Jul. 2019	30th Oct. 2019	The amount stated on the supporting document is Le10,097,750 and the cash register shows Le97,750.

We recommend regular review and approval of the cash security register.

Official's Response

The Managing Director in his response said: "We note your comments and advise as follows:

- *Ali Abess Transportation – A cash security of Le5 billion was initially held as per the agreement. The customer later approached the bank for a release of part of the cash security to enable him pay the suppliers of the school buses. In a bid not to stifle the customer's ability to perform the contract awarded, 50% of the cash security was released to the customer. Meanwhile, the contract has been discharged.*
- *De Wizard Ent. - This was a typographical error. The Bond had expired and released in our books".*

4.2.14. Overdue Cash Security

According to the cash security register provided, the following customers' contracts have ended.

No.	Name of Customer	Cash Security A/C No. 3400820 (Le)	Issue Date	Expired Date
1	Marmad Global Business	8,000,000.00	29.8.19	29th Dec. 2019
2	Dokkal Enterprises	15,000,000.00	28.08.19	27th Dec. 2019
3	Njimbaleh	3,000,000.00	06.09.19	14th Dec. 2019
4	Njimbaleh	3,000,000.00	06.09.19	14th Dec. 2019
5	ACTB	6,000,000.00	15.04.19	16th Jul. 2019
6	Floyd Alex Davies	75,300,000.00	22.10.19	22nd Dec. 2019

Management should ensure all long contracts that have expired are retired or renewed to show their true value of cash security in the financial statements.

Official's Response

The Managing Director in his response said: "We note your comments and advise that the Bonds and Guarantees against which these cash securities were held have expired. We have reversed/released the cash security for Marmad Global Business, Dokkal Enterprises and Floyd Alex Davies. Cash security for Njimbaleh and ACTB will be reversed".

4.2.15. In-active Account on Other Liabilities

The amounts stated below are long outstanding in the other liabilities accounts and there have been no movement for the past two to three years.

Description	Prior Period	Current Period
Unclaimed Fixed Dep.	(454,886.37)	(454,886.37)
Unclaimed Rebate	(805,547.49)	(805,547.49)
Unclaimed-Office	(2,160,943.53)	(2,160,943.53)
Unclaimed-Misc	(459,432.36)	(459,432.36)
Unclaimed Bal-Call	(287,645.12)	(287,645.12)
Unclaimed-Dividend	(4,770,403.05)	(4,770,403.05)
Unclaimed BP Awt. Approval	(3,253,960.77)	(3,253,960.77)
Unclaimed BP Awt. Cover	(364,153.31)	(364,153.31)
Unclaimed Dep Accept BLS	(124,277.58)	(124,277.58)
Unclaimed Trf.Fho	(85,182,550.42)	(85,182,550.42)
BBSL We Yone Cocoa	(18,642,350.00)	(18,642,350.00)
Unclaimed Drafts/Transfers US \$	(382,707,534.50)	(382,707,534.50)

National Debate Entry Forms	(350,000.00)	(350,000.00)
Description	Prior Period	Current Period
School Feeding Programme Suspense	(26,806,912.00)	(26,806,912.00)
Kekeh Promotion	(6,800,000.00)	(6,800,000.00)
Free Quality Education for Various Schools	(16,280,000.00)	(16,280,000.00)
Unclaimed Cash Security	(5,428,567.00)	(5,428,567.00)
Suspense Account Return Cheques Foreign	(11,870,000.00)	(11,870,000.00)
Unclaimed Drafts/Transfers (Gbp)	(80,183,656.00)	(80,183,656.00)
TOTAL	(646,932,819.5)	(646,932,819.5)

Management should investigate these accounts and take appropriate actions to clean these outstanding amounts.

Official's Response

The Managing Director in his response said: "We note your comments and advise that necessary action would be taken to resolve all long outstanding items from our books".

4.2.16. Share Capital

The Central Bank of Sierra Leone issued a directive to increase minimum paid up capital of all banks in Sierra Leone. The Bank had issued and paid up share capital of Le38 billion and an authorised share capital of Le60 billion, to comply with the Bank of Sierra Leone directives. The Bank increased its authorised and paid up capitals to Le100 billion and Le76 billion respectively. The Bank in increasing its capitals did not comply with Sections 86(3) and 87(1) of the Companies Act of 2009 of the Laws of Sierra Leone and Regulations 13 and 15 of the Companies Regulations, 2015. The Bank also utilised its share premium for the increase of the share capital without reference to the provision in the Memorandum and Article regarding the use of a share premium account which requires a special resolution at a general meeting.

An extraordinary meeting should be called and get the consent of shareholders, at the extraordinary general meeting, the shareholders should approve the alteration or increase of the Bank's authorised share capital. A special resolution should also be made for the reduction of share capital.

Official's Response

The Managing Director in his response said: "We are unable to hold an AGM due to the current Covid 19 pandemic. We do hope that the pandemic will soon be over and the meeting will be held to seek the approval of the shareholders".

4.2.17. Banking Act 2019

The 2019 Banking Act requires:

The bank or financial holding company to have an internal auditor, appointed by its board who shall operate independently of the Board of Directors and report to an audit committee. The internal auditor shall be a certified chartered accountant or certified internal auditor. The internal auditor shall be given access to management to discuss matters relevant to its functions and shall have the right, upon request, to obtain from the bank or financial holding company, any information or documentation which he shall require. It was also observed that the internal auditor was well qualified and experienced but did not meet the requirement of the 2019 Banking Act, not been a Chartered Accountant. We recommend full compliance with the 2019 Banking Act.

Official's Response

The Managing Director in his response said: "This has been resolved. The Internal Audit position has now been filled in by a Chartered Accountant."

4.2.18. Software Upgrade and Software Package (Services)

According to Section 3.3.3 of the software upgrade agreement, the upgrade should be for a period of twelve (12) months. The upgrade of the software has exceeded twelve months and there is no addendum to the agreement for the extension of the upgrade.

We recommend that management obtain a status report of the upgrade and ensure that parties comply with the contract.

Official's Response

The Managing Director in his response said: "We have sought the required status report of the upgrade from the Banking Database providers; and note your comment for compliance with the contract".

4.2.19. Antivirus

The Bank has deployed Symantec Endpoint Protection Antivirus software on all work stations. On 15th January 2020, we reviewed the antivirus definitions of 10 workstations against the latest definition update as at the 15th Jan. 2020. Our observation was that some work stations were compliant with the latest update, whilst some were not. Some work stations also do not have the antivirus protection definition installed on it. As a result, antivirus and spyware protection definition for these workstations were out of date.

The following were recommended:

- The bank should regularly monitor the antivirus definitions on the servers and workstations to ensure that they are up running and up to date. This must be the default settings for the current security program.
- All environments that are vulnerable to viruses must have an approved anti-virus control package installed and running.
- The anti-virus package must screen all launched objects on the protected environment.
- System management activity must cooperate with the anti-virus control package to record detection logs.

Official's Response

The Managing Director in his response said: "We regularly monitor the anti-virus definitions on the servers and workstations and have set the default settings to automatically download the current security patches/upgrades. All environments do have the approved anti-virus control package installed and running. The anti-virus package automatically screens all launched objects".

4.2.20. Business Continuity Plan

We cited a copy of the branch resumption certificate which stated that a test was done on 4th February, 2019. The certificate states that a passive test was done at the head office based on the business resumption plan. We reviewed the list signed by all staff (**Alhaji Lewally, Raplh Taylor-Smith, Glenna Macarthy, Malcom Whenzle, Nathaniel Thomas, David Baddoo, Napoleon Manley, Joseph Quee and Lemuel French**) at the computer centre confirming that they are aware of their duties and responsibilities in the event of a crisis which may require operation from their backup site. The result of the passive test did not state or show what was actually done in terms of the following:

- Identification of critical IT assets
- Business impact analysis
- Recovery of critical assets and what was actually done to test the plan, infrastructure and
- Results of the test.

We recommend that management develop a business continuity plan document and ensure that the document is reviewed annually to reflect changes made to the system. The plan should be designed to ensure the continuation of vital business processes in the event that a disaster occurs. The following elements are essential for inclusion to develop a comprehensive Business Continuity Plan / Disaster Recovery Plan:

- Critical application assessment
- Backup procedures
- Recovery procedures
- Implementation procedures
- Test procedures
- Plan maintenance
- Name, Contacts and Address of all those to contacts in the event of any disaster.
- The DRP should be tested at least twice annually in order to provide an effective solution that can be used to recover all vital business processes within the required time frame using vital records that are stored off-site.

Official's Response

The Managing Director in his response said: "We do have a draft copy of the Business Continuity Plan. We will ensure all your recommendations are included in the Plan going forward".

4.2.21. IT Team Training

There was no IT training plan for the IT personnel. We recommend the bank to ensure continuous training for IT staff to keep in line with changes in IT technology and management should also develop and implement an annual IT training plan for staff of the IT department.

Official's Response

The Managing Director in his response said: "We note your comments on the need for continuous training for the IT staff to keep in line with the rapid pace of change in this domain. A comprehensive training plan has been drafted for all personnel in the IT department; to cover all aspects of the required skilled sets in the IT domain. We will ensure that training be a continuous process as advised".

4.2.22. Identification and Authentication

Passwords are used to access systems and the network. The application should provide for user authentication and access right control by integrating to Active Directory for authentication. There is however no policy relating to Generic and Duplicate users on the banks system. We performed a check of user ID's on the UNIVBANK Banking application and noted that user ID's were unique. We noted the existence of duplicate and generic user's IDs for users who are profiled on the banking application.

The following were recommended.

- Management should implement a policy that has to do with generic and duplicate users on the bank's system.
- Unique identifiers must be used to link a user to their user activities and access rights and to trace individual activities taken under the user identification.
- Delete existing generic user IDs and duplicate users on the network operating system and business applications, and discontinue the creation of generic user IDs.

Official's Response

The Managing Director in his response said: "We have deleted the generic and duplicated users from the system. We will ensure that such practice be discontinued".

4.2.23. Monitoring

The banking application automatically generates an audit trail of user activities on the system. We obtained and reviewed audit trail report for 31st January and 19th June 2019 respectively, and noted that it details the following; User ID, Job Description, Name, Log-in-Time and Date and Log-off-Time and Date. Our review revealed some inconsistencies in the audit trail report with regards log-in and log-off dates (some showing the login date coming after the log off date).

There must be an audit trail design (embedded in the system) and should be reviewed and modified to ensure that accurate and complete information is captured. In addition, the contents should be modified to capture more details to make management decision making easier and reliable.

Official's Response

The Managing Director in his response said: "The banking database providers have been informed to urgently looked into these discrepancies in the audit trail, and do a speedy modification for the correctness of the information therein".

4.2.24. Risk Assessment Activities

The Internal Audit Unit forms an integral part of good corporate governance for any bank. It is responsible for the examination and evaluation of the quality, adequacy and effectiveness of controls within the banking systems, as well as procedures and policies to reduce risks posed by failures of controls. Accordingly, the Bank has established an Internal Audit function that has been entrusted with the above responsibilities for all units and branches of the bank. Review and monitoring of IT operations is lacking and this was evidenced from our review of the quarterly reports generated by the Internal Audit.

We noted limited IT related issues in the reports. Ideally the IT related responsibilities of the Internal Audit function should include amongst others:

- Risk assessment reviews to identify significant risks in IT related processes.
- Monitoring and review of the IT function on an ad-hoc basis to assess controls (logical and physical access controls amongst others).
- Review system logs/audit trail to identify activities of users on the network and banking applications.

Review the general IT control environment of the bank for adequacy and efficiency of controls (antivirus updates, regular back-up of relevant and critical information amongst others).

The following were recommended:

- A risk assessment framework should be developed and documented by the bank and responsible personnel (either Internal Audit or another set of independent personnel) should be entrusted with the responsibility of performing regular entity wide risk assessment reviews to identify significant risks especially in IT related processes considering the fact that IT is critical to the operations of the bank.
- Management should ensure that these personnel have the requisite IT knowledge and experience to perform the above and their independence should be enforced by 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 ensure they are regularly performed.

Official's Response

The Managing Director in his response said: "We have developed a risk assessment framework for the IT unit. We are looking at engaging personnel with the required skills set to perform the required risk assessment of the IT unit. This function should be carried out by a Chief Information Security Officer (CISO)".

4.2.25. Overdrawn Savings Account

We noted instances where customer savings accounts were overdrawn for the month of January, April, August and December, 2019.

The monthly overdrawn cumulative amounts are stated below:

January	-40,050,349.00
February	-42,069,004.00
March	-62,787,939.00
April	-54,964,252.98
May	-58,803,033.00
June	-56,460,539.00
July	-47,740,066.00
August	-69,136,891.00
September	-69,962,712.00
October	-104,016,861.60
November	-79,176,073.00
December	-44,204,069.88
Total Overdrawn	-729,371,790.46

We recommend that the parameter settings on UNIVBANK as regards customers overdrawing their savings accounts be looked into and remedial measures taken to prevent this from recurring going forward.

Official's Response

The Managing Director in his response said: "The banking database providers have been notified and have implemented an upgrade to forestall such, going forward. We have diarised for continuous monitoring. The cumulative total for Savings Debits Balances as at end December, 2019 was Le 83,402,600.15. Reasons for the overdrawn Savings Accounts is been looked into. With the current upgrade of our IT system, we believe that this anomaly will be taken care of".

4.2.26. Property, Plant and Equipment

The fixed asset register excluded all fully depreciated assets even though these assets were still in use by the Bank. The fixed assets register should include all assets until they are disposed of.

Official's Response

The Managing Director in his response said: "We note your comment/recommendation. Asset would be kept in the register until they are disposed off".

4.2.27. Follow – Up on Prior 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:

- *With the exception of motor vehicles which are insured on the general third-party insurance, the Bank's other assets are not insured against the risk of fire, theft, damage or any natural or man-made disaster.*

- *Management last revalued head office building in 2008. According to best practice and prudent financial guidance, management should consider revaluing the head office building once every three to five years to be acceptable.*
- *According to section 44 of the Public Procurement Act 2016, request for quotation shall be used when the estimated value of the procurement is below L¢ 60 million in the case of contracts for the procurement of goods and services. It also states that the National Competitive Bidding (NCB) shall be used when the estimated value of the procurement is below L¢ 600 million in the case of contracts for the procurement of goods.*
- *Long outstanding other assets and liabilities had not been cleared up to 31st December, 2018.*
- *We were not provided with the account schedule for premier loan with a balance of L¢155, 668,000.*
- *Customers were issued loans without obtaining recent audited financial statements to determine whether the customers have a good financial standing instead the bank issued unaudited financial statements.*
- *Individuals obtained loan from the bank without any collateral to the Bank*
- *The Credit Risk Department does not perform an internal credit rating on its customers by using the five Cs: capacity, capital, collateral, conditions, and character, neither do they have an internal credit rating in place.*
- *During a review of cash at vault and cash insurance policy, we noted several instances in the Bank exceeds its daily limits.*
- *The IT Steering Committee (or its equivalent) is supposed to meet regularly to deliberate on IT related issues, directives and implementation of the Board and Senior Management initiatives. Minutes of such meetings were not available at the time for the period under review.*

4.3. ELECTRICITY DISTRIBUTION AND SUPPLY AUTHORITY (EDSA) – 2018

4.3.1. Unsupported Inventory Balance

The following issues were noted during the review of inventory:

- The inventory listing and stores movement ledger were not provided for review;
- Inventory count was not performed at year end;
- The supporting documents for the samples of purchases and issues of inventory items during the year were not provided for review.

It was recommended that management should put in place an effective inventory management system.

Official's Response

The Director-General in his response said: "The observations have been noted by management. Management is currently working on establishing a proper inventory management for the Authority".

Auditor's Comment

A request for the inventory listing, stores ledger movement and inventory count certificate for the year ended 31st December, 2018 was not made available to us for review. Supporting documents were not provided for samples of purchases and issues of inventory items during 2018 were not provided for review. We sighted procurement process flow that detailed procurement process of inventory, but finance committee is yet to approve this procedure manual for materials release and useable returns. We noted that management is still using direct purchase procedure of inventory. It was noted that the Manager is currently performing cleaning exercise of the store and upon completion at year end; all purchases of inventory would pass through the store before issuing out to requestor which will be effective in 2021 financial year. A site visit to the stores was not done. Based on the above, the issue is unresolved.

4.3.2. No Documented Policy on Petty Cash Replenishment Limit

A policy on petty cash replenishment limit is not included in the finance manual. In addition, no supporting documents were provided to confirm the approval of the petty cash replenishment limit

during the year. Management should set a limit for petty cash reimbursement and update its finance manual accordingly.

Official's Response

The Director General in his response said: "As part of the policies prepared for the Finance Department, a petty cash and cash handling policy has been prepared. This will be presented to the Finance and Audit Committee for approval".

Auditor's Comment

As at the date of verification, we sighted the petty cash policy and procedures, and we obtained appropriate and sufficient evidence whether management is following the policy and procedures. No exceptions were noted. Although management is fully following the policy and procedures, we noted that the petty cash policy and procedures being used by management issued on 1st July, 2020 was not signed by the Finance Committee. The issue is partially resolved.

4.3.3. Non-reconciliation of EDSA Sales Ledger

The sales ledger is used as a suspense account to record prepaid electricity sales to customers and free prepaid electricity token issued out to staff and other approved persons at the Authority sales points. Once the amount collected is deposited in the bank, a second entry is made to transfer the balance in the EDSA sales ledgers to the related accounts, which should lead to a zero balance in the EDSA sales ledger. Therefore, at the end of the year, the EDSA sales ledgers should have a nil balance. As at 31st December 2018, the balance was Le7.6 billion. A reconciliation of the balance was not provided for review.

Bank reconciliations and petty cash reconciliations should be prepared for all bank and petty cash accounts on a monthly basis. These reconciliation statements should be independently reviewed by a nominated senior officer who should verify the propriety of all reconciling items and ensure appropriate actions are taken to facilitate the speedy clearance of all outstanding items. Bank reconciliation is an effective management control tool for the monitoring of the accounting records and for the Authority's financial statements. Bank reconciliation are also associated with the Authority's internal controls over cash.

Official's Response

The Director General in his response said: "Management notes your observation. The Finance Department now reviews the EDSA sales account in order to ensure that EDSA prepaid sales recorded in this account matches with the necessary bank deposits".

Auditor's Comment

At the date of verification, we sighted reconciliation being reviewed and approved on 28th August, 2020 with ending balance of Le5.71 billion as compared to Le7.6 billion as at 31st December, 2018. We also obtained the approved journal vouchers for the corrections made after the reconciliation. We traced the adjustments to the respective aggregators' general ledger and other affected general ledgers. The issue is partially resolved.

4.3.4. ICT

Although a number of ICT issues were observed during the audit, due to their sensitivity and security implications, those issues have been restricted to correspondence with the client and Parliament.

4.3.5. Journal Entry Policy and Procedures

EDSA as part of its accounting and financial obligation has implemented an informal journal entry management process to support daily financial requirements. It starts from an individual preparing or raising a journal voucher which must be reviewed and approved by senior level personnel before final posting or entry in the financial application. We however noted no formal policy and procedures in place to guide the administration and management of these journal processes as narrated above.

We recommend that EDSA amongst other things implement the following:

- Develop effective policies and procedures that will guide journal entry processing, and enforce formal structure to aid approval and review of all journal entries to ensure completeness, accuracy, and prior to posting in the general ledger.
- Develop effective policies and procedures that will ensure that all routine or recurring journal entries are properly prepared and posted in the right journal entry ledger to support consistency.
- Periodic (at least annually) review and approval of various user access rights involved in the journal entries process.
- Confirm and ensure that authorized individuals within the department enforce and adhere to the established Journal Entry procedures.
- Provide training and ongoing assistance as necessary, to ensure that all policies and procedures are understood in the processing of journal entries.
- Develop effective policies and procedures that ensure proper preparation of journal entries.

Official's Response

The Director General in his response said: "EDSA finance have prepared a journal entry authorisation policy as part of the various policies and procedures that have been prepared for the department. This will be presented to the Finance and Audit Committee for approval".

Auditor's Comment

We noted that EDSA has established a Journal Policy (#: *FIN 04*) issued on 1st July 2020, to guide formal procedures to manage journal preparations, including review, approval and postings of journal entries. Our review of the policy noted that it covered: Policy, Scope, Purpose, Responsibility and Procedures. We noted that the policy is yet to be approved as at the time of this verification. The issue is partially resolved.

4.3.6. Journal Entry Weekend Posting and Reversal Transactions

In continuing our review of journal entry implemented by EDSA, and using the parameter 1-7 representing days of the week, we identified Sundays as (1) seemingly not a normal working day and therefore significant to our sampling, we ran a routine to identify and validate the following;

- All journals posted on a weekend
- End of the month journal to a specific week
- Duplicate entry and balances journals
- Out of balances journal
- Rounded amount journals
- Entries by users
- Journal posted with 999
- Identify reversal entries as reportable exceptions to the journals process owing to large reversal postings.

From the above routines, we noted the following exceptions in table 1-3 below:

TABLE 1 SATURDAY POSTING

ACCOUNT_NUMBER	TRX_DATE	ORIGINATING_SOURCE	DR_AMOUNT	CR_AMOUNT	ORIGINATING_POSTED_DATE	DAYS
HO/COMM/1103	1/6/2018	1-6 JAN-18		941,670.00	11/17/2018	7
HO/COMM/1081	1/6/2018	1-6 JAN-18		4,122,460.91	11/17/2018	7
HO/OOOO/5099	1/6/2018	1-6 JAN-18		1,662,000.00	11/17/2018	7
HO/OOOO/5044	1/6/2018	1-6 JAN-18		618,369.09	11/17/2018	7
HO/OOOO/5105	1/6/2018	1-6 JAN-18	7,344,500.00		11/17/2018	7
HO/COMM/1103	8/18/2018	12-18 AUG CORRE		138,981,808.50	11/17/2018	7
HO/COMM/1081	8/18/2018	12-18 AUG CORRE		2,783,220,100.42	11/17/2018	7
HO/OOOO/5099	8/18/2018	12-18 AUG CORRE		40,824,685.00	11/17/2018	7

TABLE 2 SUNDAY POSTING

ACCOUNT_NUMBER	TRX_DATE	ORIGINATING_SOURCE	DR_AMT	CR_AMT	ORIGINATING_POSTED_DATE	DAYS
HO/OOOO/7001	7/3/2018	PMTRN00000874	-	4,914,000	9/9/2018	1
HO/OOOO/7008	7/3/2018	PMTRN00000874	-	286,000	9/9/2018	1
HO/ICTE/2226	7/3/2018	PMTRN00000874	5,200,000	-	9/9/2018	1
HO/OOOO/7001	7/31/2018	PMTRN00000875	50	-	9/9/2018	1
HO/FINA/2234	7/31/2018	PMTRN00000875	-	50	9/9/2018	1
HO/OOOO/7001	7/31/2018	PMTRN00000876	16,952	-	9/9/2018	1
HO/FINA/2234	7/31/2018	PMTRN00000876	-	16,952	9/9/2018	1
HO/OOOO/7001	8/1/2018	PMTRN00000874	-	15,338,759,653	9/9/2018	1
HO/COMM/2015	8/1/2018	PMTRN00000874	15,338,759,653	-	9/9/2018	1
HO/OOOO/7001	8/18/2018	PMTRN00000874	-	910,000	9/9/2018	1
HO/ICTE/2243	8/18/2018	PMTRN00000874	910,000	-	9/9/2018	1
HO/OOOO/7001	8/28/2018	PMTRN00000874	-	2,929,500	9/9/2018	1
HO/OOOO/7008	8/28/2018	PMTRN00000874	-	170,500	9/9/2018	1
HO/HUMR/2238	8/28/2018	PMTRN00000874	3,100,000	-	9/9/2018	1
HO/OOOO/7001	8/28/2018	PMTRN00000874	-	2,910,000	9/9/2018	1
HO/HUMR/2238	8/28/2018	PMTRN00000874	2,910,000	-	9/9/2018	1
HO/OOOO/7001	8/28/2018	PMTRN00000874	-	8,794,170	9/9/2018	1
HO/OOOO/7008	8/28/2018	PMTRN00000874	-	511,830	9/9/2018	1
HO/HUMR/2238	8/28/2018	PMTRN00000874	9,306,000	-	9/9/2018	1
HO/OOOO/7001	8/28/2018	PMTRN00000874	-	3,524,850	9/9/2018	1

TABLE 3 REVERSAL ENTRY POSTINGS

ACCOUNT NUMBER	TRX_DATE	DR_AMT	CR_AMT	ORIGINATING POSTED DATE	ORIGINATING SOURCE
HO/FINA/2226	5/5/2018	80,000		9/26/2018	REV-002
HO/OOOO/6531	5/5/2018		80,000	9/26/2018	REV-002
HO/FINA/2226	5/5/2018	80,000		9/26/2018	REV-002
HO/OOOO/6531	5/5/2018		80,000	9/26/2018	REV-002
HO/FINA/2216	5/6/2018	20,000		9/26/2018	REV-002
HO/OOOO/6531	5/6/2018		20,000	9/26/2018	REV-002
HO/FINA/2216	5/9/2018	10,000		9/26/2018	REV-002
HO/OOOO/6531	5/9/2018		10,000	9/26/2018	REV-002
HO/FINA/2216	5/9/2018	25,000		9/26/2018	REV-002
HO/OOOO/6531	5/9/2018		25,000	9/26/2018	REV-002
HO/FINA/2216	5/9/2018	20,000		9/26/2018	REV-002
HO/OOOO/6531	5/9/2018		20,000	9/26/2018	REV-002
HO/FINA/2248	5/11/2018	45,000		9/26/2018	REV-002
HO/OOOO/6531	5/11/2018		45,000	9/26/2018	REV-002
HO/FINA/2216	5/11/2018	10,000		9/26/2018	REV-002
HO/OOOO/6531	5/11/2018		10,000	9/26/2018	REV-002
HO/FINA/2248	5/13/2018	30,000		9/26/2018	REV-002
HO/OOOO/6531	5/13/2018		30,000	9/26/2018	REV-002
HO/FINA/2248	5/13/2018	100,000		9/26/2018	REV-002
HO/OOOO/6531	5/13/2018		100,000	9/26/2018	REV-002
HO/FINA/2248	5/14/2018	40,000		9/26/2018	REV-002
HO/OOOO/6531	5/14/2018		40,000	9/26/2018	REV-002
HO/FINA/2216	5/16/2018	25,000		9/26/2018	REV-002
HO/OOOO/6531	5/16/2018		25,000	9/26/2018	REV-002
HO/FINA/2216	5/17/2018	10,000		9/26/2018	REV-002
HO/OOOO/6531	5/17/2018		10,000	9/26/2018	REV-002
HO/FINA/2216	5/17/2018	25,000		9/26/2018	REV-002
HO/OOOO/6531	5/17/2018		25,000	9/26/2018	REV-002
HO/FINA/2248	5/17/2018	20,000		9/26/2018	REV-002
HO/OOOO/6531	5/17/2018		20,000	9/26/2018	REV-002
HO/FINA/2216	5/18/2018	25,000		9/26/2018	REV-002
HO/OOOO/6531	5/18/2018		25,000	9/26/2018	REV-002
HO/FINA/2248	5/18/2018	30,000		9/26/2018	REV-002
HO/OOOO/6531	5/18/2018		30,000	9/26/2018	REV-002
HO/ICTE/2223	5/18/2018	100,000		9/26/2018	REV-002
HO/OOOO/6531	5/18/2018		100,000	9/26/2018	REV-002
HO/FINA/2216	5/23/2018	25,000		9/26/2018	REV-002
HO/OOOO/6531	5/23/2018		25,000	9/26/2018	REV-002

Management should implement formal policies and procedures in adherence to journal processing, approval and reviews.

Management should continue to ensure that proper segregation of duties is implemented on Great Plain application, enforcing IT best practice during the configuration of user's access rights and function on the system.

A review of all Journal entries and transaction, with a view of identifying and correcting postings errors. All journals posting should adhere to the management mandate including weekend transactions and journal activities, and followed up with regular review and monitoring.

Official's Response

The Director General in his response said: "The journal entry authorisation policy covers this. It is worth to note that due to backlog of postings in 2018 and 2019, finance staff were asked to work on Saturday and journal entries were posted during the weekends".

Auditor's Comment

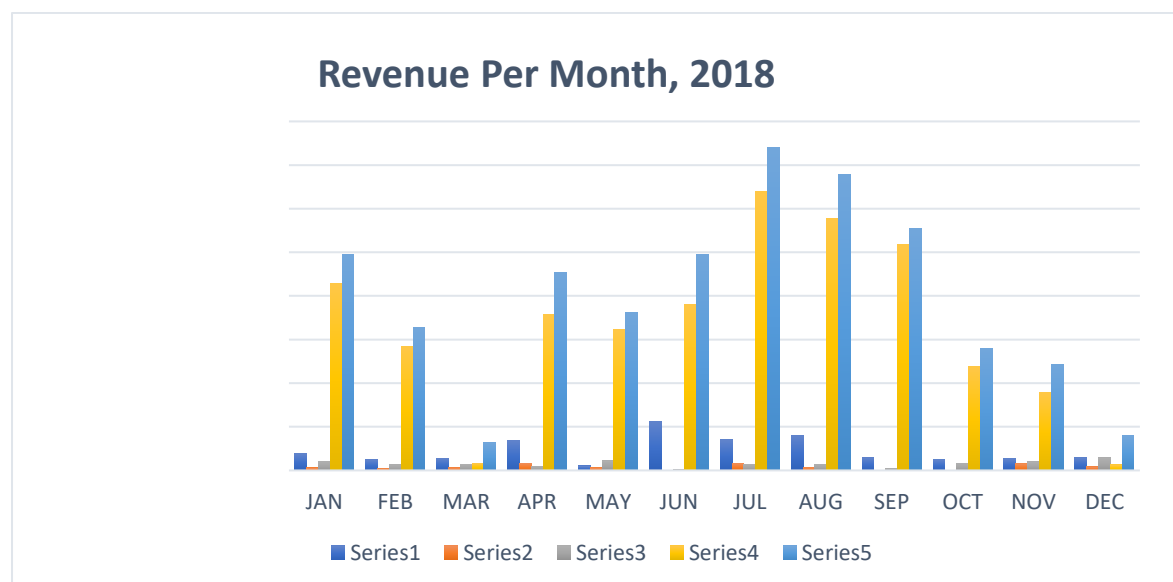
We noted that EDSA has established a Journal Policy (#: FIN 04) issued on 1st July 2020, to guide formal procedures to manage journal preparations including review, approval and postings of journal entries. Our review of the policy noted that it covered: Policy, Scope, Purpose, Responsibility and Procedures. We noted that the policy is yet to be approved as at the time of this verification. The issue is partially resolved

4.3.7. Data Analysis Post-paid Revenue and Reconciliation

Prompt reconciliation of post-paid billing transaction & financial records.

EDSA's revenue consists of prepaid and post-paid based on kilowatt or usage charges plus service charges that is then charged as cost to customers. Whilst prepaid revenue represents a real time automated process with less human intervention to complete a transaction, the post-paid revenue is more manually controlled through the billing department. Meter reading or data index is obtained and revenue evaluated based on different tariff types. To ascertain completeness of revenue on post-paid as recorded in the GEL account, we obtained monthly billing report and tariff of different categories. We compared it with the financial records, noting significant differences. Even though we noted a measure of reconciliatory GEL account, which made up for some of the differences, some differences noted still exist. Secondly, using our audit tool, we performed a trend analysis on the monthly billing data that is usage charges, which translate to monthly revenue, noting a considerable drop in transaction or data, which ultimately should determine revenue increase.

See Graph Below: Graph T1- T4 Compared per Usage Charge for the Period



Management together with the department involved should ensure proper process for managing comparing and matching different data sets between the billing system and financial statement at regular interval (weekly or monthly).

Management should ensure timely reconciliation, to avoid large reconciliatory data, items, journals, and backlogs between the billing department and the financial records, and evidence of reconciliatory process maintained for future records.

Prompt tracking and resolution of data or errors to avoid likely effects in the financial position of the company.

Update or improve the Utility 2000 to ensure an existing link between the billing system and the Great Plain application.

Ensure a sequential structure or formatting of billing report, and safely backup to drive completeness and accuracy of final revenue of post-paid system.

Official's Response

The Director General in his response said: "Management has noted the observation, the Finance and Commercial Department will work on monthly reconciliations in order to ensure that data extracted from the billing system reconciles with the entries posted in the accounting system".

Auditor's Comment

During our review, we sighted existing reconciliation between the billing and commercial department data. According to the finance department, the process of weekly reconciliation is being performed between the billing system and the accounting system. All adjustments are approved by the CFO on the billing report. The issue is partially resolved

4.4. ELECTRICITY GENERATION AND TRANSMISSION COMPANY 2016 – 2018

4.4.1. Ineffective Management of the Company's Budget and Budgetary Control Processes

There was no evidence to confirm that various departments in the Company were involved in the formulation of the budget.

An approved budget for the years under review (2016-2018) was not submitted for audit purposes.

Official's Response

The Director General in his response said the following:

- *"The management's Accountant always present a circular to all departments for their input to the budget process and a management meeting held to discuss and agree on the issues. Going forward, evidence of such meetings will be filed for future reference.*
- *Furthermore, EGTC is always part of the GoSL annual budget process, thus our budget is approved by the Board of Directors and further approved by the GoSL Budget Committee".*

Auditor's Comment

Evidence of minutes to confirm departmental involvement in the formulation of the 2016 - 2018 budgets was not presented during the verification exercise. In addition, it was also evident that departments were not involved in the formulation of the 2019 budget as minutes to justify this process were not submitted. The issue remains unresolved

Evidence of approval of the budget by the Board of Directors was not submitted during the verification exercise. This issue has not been resolved.

4.4.2. Lack of Documented Policies and Procedures

Little or no guidance material existed to provide direction to those capturing, processing and recording transactions for most critical functions such as logistics, asset management, finance, ICT internal communication, procurement etc., even those provided were not approved.

Official's Response

The Director General in his response said: "The Finance Department has developed a Draft Finance Manual and this was presented to the auditors. Furthermore, management is currently working with MCCU who assisted in the

development of EGTC business plan to develop EGTC policies and procedures for all departments. These concerns are noted and will be addressed accordingly”.

Auditor’s Comment

The draft Financial Manual was submitted. We also noted management’s response with regards to the development of the EGTC policies and procedures for all departments that are in working progress. We will keep this in view and follow up in subsequent audit.

4.4.3. Incorrect Procurement Method

A review of disbursement schedules revealed that some transactions for the acquisition of goods worth more than Le60 million from various suppliers were procured using shopping method instead of National Competitive Bidding method.

This was evident because Local Purchase Orders were attached to the payment vouchers, which in our view indicated that the shopping method was used. Based on the value of the contract, which was above Le60 million, the Procurement Act, 2016 requires for National Competitive Bidding (NCB) method to be used for contracts within this threshold. The total value of goods procured using the wrong procurement method amounted to Le1,026,395,000 and Le715,099,000 for 2016 and 2017 respectively.

Official’s Response

The Director General in his response said: “EGTC deals with specialised machines from specialised manufacturers. As a result, spare parts cannot be tendered but often sole sourced from the manufacturers and their authorised agents. EGTC will however meet with the NPPA to discuss the way forward in such situation”.

Auditor’s Comment

Management’s response has been noted. Even where sole sourcing method was used for the procurement of specialised items, that does not exempt the Company from applying appropriate procurement laws and regulations. We therefore implore management that going forward, procurement is undertaken in accordance with the appropriate procurement methods as per the monetary threshold in the First Schedule of the Public Procurement Act, 2016. We will keep this in view to be followed up in subsequent audits.

4.4.4. Inadequate Planning and Budgeting of Procurement Activities

In a review of the procurement plans, budgets and samples selected from the procurement activities reports submitted, the following issues were noted:

- Actual procurement activities undertaken worth €22,969, Le9,172,528,500, Le1,264,000,000 and Le328,300,000 for 2016, 2017 and 2018 financial years respectively, were neither budgeted for, nor traced to the procurement plan submitted for audit.
- Budgeted activities totalling Le4,937,011,847 and Le235,080,000 for 2016 and 2017 financial year respectively, were not included in the procurement plans submitted for audit.

Official’s Response

The Director General in his response said: “EGTC deals with specialised machines to generate electricity and during that process, breakdowns were usually envisaged never anticipated for a part of scheduled maintenance budgeted in the annual maintenance plan. EGTC being a corporate institution, always budget for planned maintenance. Breakdown activities were never anticipated for some of these costs as budgeted. All procurement activities mentioned in this appendix were due to emergency breakdown. Sequel to the above, EDSA being the only off taker of energy produced has never paid adequately to allow EGTC to work on the budget, based on procurement plan. Management will always work with NPPA to implement the activities and document for future audit. Going forward, especially for 2021 financial Year budget, appropriate actions will be taken as recommended by the auditors”.

Auditor's Comment

We note management's response on this issue. Please note that Section 29(5) of the National Public Procurement Act, 2014 requires MDAs to review and update their procurement plans where necessary and on a quarterly basis. Therefore, we further recommend that in future, when such emergencies occur, the plan must be updated. The issue remains unresolved.

Procurement plan, neither board approval authorising the procurement amounting to Le4,937,011,847 and Le235,080,000 for 2016 and 2017 financial year respectively were not provided during the verification exercise. Therefore, this issue still stands.

4.4.5. Irregularity in the Procurement of Generators

Generators costing Le1,567,600,000 and Le632,000,000 were procured in 2016 and 2017 respectively. A review of documents submitted revealed the following:

- Letters dated 15th March, and 5th December, 2016 were sent to the National Public Procurement Authority (NPPA) for "no objection" for a sole sourcing and restrictive bidding to be carried out respectively. It was stated in these letters that the Procurement Committee agreed that a sole sourcing and restrictive bidding should be applied in the procurement of these generators. Minutes of the committee's deliberations, justifying resolution made were not seen or submitted for audit.
- Even though there was a referral by the NPPA to get approval from the Procurement Committee, there was no evidence submitted to support the approval given by this Committee.
- The grounds for generators to be procured through sole sourcing and restrictive bidding was based on emergency. The grounds for emergency did not hold as there was a significant difference between the time the procurement was initiated and the time the contracts were awarded. In addition, none of the conditions as listed in Sections 41(1) and 46(1) of the Public Procurement Act, 2016 were upheld.
- Request for Quotation method was used instead of International Competitive Bidding as contract amounts exceeded the threshold for shopping method.
- Hundred percent (100%) payment was made in violation of Section 135 (3) of the Public Procurement Regulations of 2006. The contract agreement which stipulates for 90% to be paid upon supply and delivery of the generator, and 10% after the supplier's satisfactory assistance and technical support during installation, test-run and commission of the generator was also violated.
- Installation, test-run and commissioning report was not provided for inspection.
- The warranty certificate was also not provided as stipulated in the contract.

It was therefore our considered view that if the procurement processes were open and competitive, and concluded within the timeframe(s) outlined in the procurement laws and regulations, it would have attracted a large number of potential contractors both local and international.

Official's Response

The Director General in his response said the following:

- *"Minutes of the Procurement Committee deliberations, justifying resolution are available for review.*
- *Approval given by this Committee is submitted for your attention.*
- *The grounds for emergency did not hold based on the fact that EGTC did not proceed as expected, without approval given from NPPA. This statement is hypothetical, on the backdrop that this procurement gravitates around the Presidency.*

- *The immediate replacement of the generator was imperative; hence, the procurement process was treated as an emergency for security reasons. Consequent upon NPPA's approval, RFQ was sought for this procurement.*
- *Payment was delayed as per terms in the contract due to non-availability of funds. At the time of payment, EGTC decided to make 100% payment to mitigate the long delay without payment.*
- *Installation, test-run and commissioning report submitted for your review.*
- *The warranty certificate was provided as stipulated in the contract”.*

Auditor's Comment

- Procurement Committee minutes justifying the approval given by the Committee for the restrictive bidding was provided during the verification.
- Even if such procurement gravitates around the presidency, we should note that the President is the custodian of all procurement laws and his assent of such laws requires all institutions to follow the dictates as prescribed in them. In this vein, management must ensure that going forward, conditions as listed in Sections 41(1) and 46(1) of the Public Procurement Act, 2016 hold in the event of emergency.
- Although explanation was given by management why there was delay in the payment of fund to the supplier, no documentary evidence to prove correspondences with the supplier during the delay were submitted for the verification. The issue therefore remains unresolved.
- Installation, test-run, commissioning report and warranty certificate were not submitted during the verification. This issue therefore still stands.

4.4.6. No Procurement Documents Submitted for RFQ

Section 20(3) of the Public Procurement Regulations, 2006 stipulates for Local Purchase Orders (LPOs), Request for Quotations (RFQs) and other supporting documents such as suppliers' certificate of registration, certificate of incorporation, tax registration, tax clearance certificates to be obtained from suppliers. These documents were not seen for procurement undertaken worth Le.1,084,132,895, US\$4,400, Le126,613,525 and Le21,094,284 for 2016, 2017 and 2018 respectively.

Official's Response

The Director General in his response said: “Supporting documents such as suppliers' certificate of registration, certificate of incorporation, tax registration, tax clearance certificates as indicated in 6.4 are available for your review”.

Auditor's Comment

The relevant documents were only provided for US\$4,400 procurement in 2016. The relevant documents for the remaining amounts of Le1,084,132,895, Le126,613,525 and Le21,094,284 for 2016, 2017 and 2018 respectively, were not submitted during the verification exercise. Therefore, the issue still stands.

4.4.7. Liquidity Challenge

Electricity Distribution and Supply Authority owed EGTC over US\$10 million as unsettled electricity supply bills. As a result, EGTC could not meet all its financial obligations, including the purchase of fuel, payment for other consumables and management fees to Salini as possible cash is tied-up in receivables.

Official's Response

The Director General in his response said: “Management is constantly liaising with EDSA, Ministry of Energy and the Ministry of Finance on EDSA's indebtedness to EGTC. We are hoping that with the Power Purchase Agreement between EDSA and EGTC that is in its final stage of completion, this issue will be resolved”.

Auditor's Comment

Management's response is noted. We will keep this issue in view to be followed up in subsequent audits.

4.4.8. Inadequate Control over the Governance and Management of Information and Communication Technology

The following issues were noted:

The Company's human resources department used XPOS application to manage and process payroll information, while the accounting department used Great Plain (GP) application for its accounting function. We however noted that the two systems were not integrated; hence, information processed in the XPOS was manually posted in the GP application system.

The Company was yet to develop and implement formal policies and procedures guiding the following:

- Creation, modification and management of user profiles
- Change management
- Access rights and super user(s)
- Backup of data files and information
- Evidence in the form of backup logs and external hard drive to substantiate that data files /information from XPOS and GP application were backed-up and securely kept in an offsite location was not submitted for audit review.
- There was no maintenance agreement between the Company and service providers for the XPOS and GP systems to ensure that reported faults are resolved within an acceptable timeframe
- For the Company to reap the desired benefits of the Great Plains, staff members should be well trained on how to work with the system. The team noted that staff members were not entirely familiar with some of the modules of the Great Plains system, which might be attributed to inadequate training of the system users.

Official's Response

The Director General in his response said the following:

- *"MCCU is presently working to upgrade the existing Microsoft Dynamics Great Plains (GP) ERP system to fully Web-Based 2018r2 version with software licences which will solve the problem of software integration. These modules will be in the upgrade:*
- *Re-design dynamics GP to reflect current business processes of EGTC*
- *Implement additional modules like HR & Payroll, Assets Management, Procurement Module, Receivable and Billing, Business Intelligence, Fleet Management, Audit Trail, Fuel Management and Inventory Control*
- *There is a log book in the server room to document all activities and the D&R site for data testing*
- *Preparation of ICT Policy and Strategic Plan documents that will be presented to the Board for approval is part of MCCU upgrade plans for the ICT department. Management is working on a disaster recovery site at Blackball Road that will be connected through VPN to mirror the live server at the headquarters. This will perform automatic backup on a daily basis and solve the problem of system crash or disaster. All backup of XPOS and GP are available in an external drive that is not stored in the server room,*
- *There are contracts for the two service providers that cover maintenance agreement. Documents are with the Legal and Company Secretary.*
- *Every stage in the upgrade will be followed by a training programme for all departments in the Company as the software will encompass all EGTC activities".*

Auditor's Comment

- Management's response is noted. We will keep this issue in view and follow up in subsequent audit.
- Our recommendation was not implemented. Therefore, the issue still stands.
- Evidence justifying backups done was not provided during the verification. The issue therefore still stands.
- Maintenance clauses were embedded in the two contract documents of the two providers and were verified. This issue is therefore resolved.

4.4.9. Withholding Tax not Deducted and Paid to the NRA

The 5.5% withholding taxes totalling Le1,839,981,950, Le1,554,148,750 and Le1,964,181,392 for 2016, 2017 and 2018 respectively, were not deducted and paid to the National Revenue Authority for payments made to Salini for the operation and maintenance of the Bumbuna Hydro Power Station.

Official's Response

The Director General in his response said: "According to the contract signed between Salini and the Government of Sierra Leone, it was stated that the contract is free from withholding taxes. The reason taxes were not deducted from Salini payments. Management will forward your recommendations to the Government for consideration. Please note that, Salini signed contract with the Government of Sierra Leone and not with EGTC. Instructions for payment to Salini usually come from the Ministry of Energy. Since 2018, Salini is being paid directly by the Ministry of Finance from the electricity collection accounts".

Auditor's Comment

Our recommendation was not implemented, as parliamentary approval exempting Salini from the payment of all statutory taxes was not submitted during the verification exercise. This issue therefore remains unresolved.

4.4.10. Non-compliance with the Income Tax Act, 2000

Section 3(1) of the Income Tax Act of 2000 stipulates for income tax to be imposed on every person who has a chargeable income for the period of assessment. This section further implies that as long as an individual has a source of income in Sierra Leone and is not explicitly exempted as provided under Sections 8, 9 and 26, is liable to pay income tax from all income sources that originate in Sierra Leone. In addition, Section 23(1) of the Income Tax Act, 2000 provides for the taxation of payments and benefits that are deemed as employment income. A review of payments made revealed the following:

Although the Company deducted withholding taxes from payments made to contract staff for the years under review, it failed to deduct the appropriate tax, which in this instance is the income tax, from the payments made to these contract staff for 2016-2018 under review. This was a violation of the Income Tax Act, 2000.

Incentive allowances were paid to staff without deducting PAYE taxes.

Official's Response

The Director General in his response said: "the NRA conducted a tax audit during the year under review and discovered that, contractor's tax rather than PAYE was deducted from contract staff salaries. Necessary actions have been taken to correct the situation".

Auditor's Comment

Management's response is noted. This issue will be followed up in subsequent audits.

4.4.11. Unapproved Organisation Chart and Long Acting Position

EGTC did not have an approved organisational chart. In the interim, it has over 20 staff positions, including various management positions that were still vacant.

Staff acting for an extended period in a particular position serves as distinctive to the staff concerned, and it's also a deterrent to staff growth.

Official's Response

The Director General in his response said: "the EGTC's organisational chart is in the EGTC Business Plan. This Business Plan was approved by the Board of Directors. Management is currently working on filling the vacant positions on the organisational chart".

Auditor's Comment

The organisational chart was verified in the Business Plan during the verification exercise. We will still keep this issue in view as management is currently working on filling the vacant positions. This will be followed up in subsequent audits.

4.4.12. Salary Advanced to Staff

A review of the salary advance schedules revealed that advances made to staff which amounted to Le132,110,119, Le200,525,000 and Le299,800,000 for 2016, 2017 and 2018 respectively, were above monthly take-home salary, and the repayment periods were more than the three months spelt out in Section 7.1.5 of the EGTC Staff Hand Book.

Official's Response

The Director General in his response said: "We note the auditor's comments; , all salary advances given out were fully repaid. Going forward, we will ensure full compliance with the Staff Hand Book".

Auditor's Comment

Management's comment is noted. The issue however remains unresolved.

4.4.13. Inadequate Management of Payable

The Company did not submit an ageing analysis of its creditors. Negative balances totalling Le9,274,669,000, Le5,993,415,000 and Le2,901,447,000 for 2016, 2017 and 2018 respectively, were reported in the payables schedule submitted for audit, indicating that suppliers were indebted to the Company. There was no evidence of periodic reconciliation carried out by the Finance Department on payable balances. As a result, it was difficult to substantiate the negative balances recorded.

Official's Response

The Director General in his response said: "These issues have been resolved. Evidence is provided in the audit file".

Auditor's Comment

Ageing analysis of the Company's creditors was not submitted during the verification exercise. All negative balances, except for Salini's balance which is still in negative form, were reconciled during the verification with the auditor and the relevant supporting documents submitted. With regard to the Salini balance, management is still making efforts to reconcile the balance. Our recommendation was partly resolved. This issue will be followed up in subsequent audits.

4.4.14. Inadequate Supporting Documents

The following issues were identified:

- Section 73 (1) of the Financial Management Regulations (FMR), 2007 requires: "All disbursements of public monies should be supported by an appropriate payment voucher and other relevant documents." In our review of travel expenses, it was observed that payments made of Le803,907,295 and Le163,720,711 for 2016 and 2017 respectively, were

done without adequate supporting documents such as back-to-office reports and course certificates.

- Le47,087,301 paid to Light House Hotel for WAPP staff was wrongly classified under foreign travels.

Official's Response

The Director General in his response said: "After end of 2015 financial statement audit in 2018, actions have been taken to ensure that back-to-office reports are submitted to the finance office for all disbursements made. This will be evidenced in the 2019 audit, going forward. Le47,087,301 paid to Light House Hotel for WAPP staff wrongly classified under foreign travels has been reclassified to seminar/conferences 641717 (JV12249,12250 and 12251)"

Auditor's Comment

The relevant supporting documents were not provided during the verification exercise. Therefore, this issue still stands.

Journal adjustments have been made for transactions recorded in the wrong general ledger. Therefore, the issue has been resolved.

4.4.15. General Observation

The audit team conducted a verification exercise that included the visit to various power stations in the country. The following issues were identified during the verification exercise:

- The store at Lungi was not tidy, and the many items were not serially labelled. This restricted our movement in the store. The atmosphere in the store was stuffy, making it difficult for the Storekeeper to execute his duties effectively.
- There was no evidence of policy or career development plan for storekeepers. There were neither annual training plans, nor any needs assessment carried out. Storekeepers only had the opportunity to benefit from a week's induction training upon recruitment. There is no appropriate replacement when a storekeeper proceeds on leave.
- Considering the nature of work, the Company has not provided personal protective equipment (PPE) to engineers for a long time.
- Three MTU machines installed at the Bo Power Station meant for generating electricity were not operational. In addition, nine electricity generating plants were identified to be grounded and not operational at the time of our audit exercise. Despite the conditions of these plant and machinery, no evidence of impairment was carried out in accordance with IAS 36 – Impairment of Assets.
- At Goma, several cracks were identified on the walls of the building hosting the four turbines. Out of the four turbines verified, two were faulty and not operational. No maintenance plan was provided for our review. There is no central storage system at Goma for all the spares and scrap. Spares and scrap are left loosely scattered in the compound.

Official's Response

The Director General in his response said the following:

- *"Management is currently working on plans to refurbish all stores on the provincial power stations.*
- *There is a training plan for storekeepers; this is included in the general training plan for all staff.*
- *We have completed the procurement of personal protective equipment for all operational staff.*
- *EGTC has annual maintenance plan for all its plants. These plans are not met because of the lack of funds.*
- *MCCU contracted PWC Ghana to do a Power Sector Asset Inventory and Revaluation Exercise. This exercise is completed, reports presented and approved. Implementation is ongoing".*

Auditor's Comment

Management's comments have been noted, these issues will be kept in view and subsequent follow-up will be made during the next audit.

4.5. FOURAH BAY COLLEGE - 2018

4.5.1. Corporate Governance Problems

Inability to prepare financial statement

Failure to implement both internal and external audit recommendations as they relate to the financial statements, is a serious weakness in the governance arrangement of the university.

The internal auditors have severally warned that the lack of a structured explanation by way of schedules and notes of the figures reported in the financial statements is unacceptable but there is apparently no evidence of readiness on the part of the University administration to address this matter as the problem has persisted. Similarly, the external auditors have in their wisdom equally advised repeatedly that the lack of schedules and notes to the financial statements render them substandard and therefore find it difficult to express an opinion.

Where the SAFO can prepare financial statements that meet International Financial Reporting Standards, the college will gain a lot of technical and other advantages, otherwise it may be better off outsourcing that function.

Moreover, for the college to benefit from high level technical and economic efficiencies in the finance wing we strongly recommend a reasonable human resource investment which is geared towards professionalization of the staff therein.

Official's Response

The Principal in his response said: "This was not part of the mandate of the SAFO on the Financial Manual. The SAFO should submit the trial balance of the college to the Finance Director who in turn prepare the consolidated account for the university for audit purpose. If the External Auditor thinks that this should be the case, necessary action will be taken".

Auditor's Comment

It is our understanding that each collegiate institution within the University, as well as the secretariat, is a separate reporting entity; not the least because each of them is operating a separate cash flow regime under independent signatories to a large extent. Our audit engagement letter is based on this understanding and Fourah Bay College (FBC) has without question formerly and regularly prepared and signed off several financial statements even though such statements have hardly agreed with the consolidated statement.

4.5.2. Revenue Recognition

Revenue recognition continues to be a troublesome area in the financial reporting regime at FBC. The main explanation given in this regard is that the registry and exams office do not cooperate in availing the list of registered students on a timely basis and even when they sometimes provide such information, it is often inadequate.

In our view, this is due to a drawback at senior management level because they are responsible for proper coordination of various departments.

We therefore recommend that those charged with governance of the University should devise and monitor a coordination mechanism, within which the finance department will be able to collaborate with all relevant departments in order to obtain and facilitate the processing and eventual reporting of the financial performance and position of the college in due time.

Official's Response

The Principal in his response said: "Actions are being taken to ensure the relevant information are timely submitted by the relevant department".

Auditor's Comment

We are yet to see or receive any evidence that actions are in progress to address this issue. This issue remains unresolved hitherto, and revenue is materially misstated everywhere but especially in the area of fees.

4.5.3. Confusion of Revenue and Deferred Revenue

Another area of weakness in revenue recognition at Fourah Bay College is the confusion between Deferred Revenue and Revenue. For the purpose of context, revenue /income refers to the economic value measured in monetary terms, of work done regardless of whether or not cash has been received in respect of such performance. Deferred revenue on the other hand is cash that has been received before work done.

At Fourah Bay College, much of the revenue comprises cash receipts for which performance was yet to be delivered as at the time of recognition and this again is partly because receipts are issued before invoices are created. This situation is likely to continue especially because the financial year spans from January to December, whereas the academic year spans traditionally from October to June, unless the finance department is capacitated to address this matter.

We therefore recommend that manpower capacity is crucial in this matter. Those charged with governance of the university must ensure that the finance team is sufficiently resourced with adequately proficient personnel at all levels. In particular, this implies that the finance team must be professionally exposed to enable them develop the required amount of competence in handling financial reporting at this level. A performance framework must also be either designed or adapted from relevant sources and implemented to judge the performance of the finance team and the outcome of such assessment must be used to deploy finance personnel at all levels.

Invoices could be raised before performance is delivered due to the nature of the contract between the students and the college but in financial reporting substance supersedes legality.

Official's Response

The Principal in his response said: "Looking at best practices worldwide, there is no unified standard, most institutions wherein academic year overlap with financial year are using the same method as Fourah Bay College. We will continue to look at this and see what is the best method we could adopt".

Auditor's Comment

This audit is based on International Financial Reporting Standards (IFRS) and the financial statements at Fourah Bay College have simply not been prepared accordingly. We thus maintain that as long as fees are variable and/or varied, as the case at Fourah Bay College is, IFRS 15 is the best way forward. The logic around the straddling of the financial year by the academic years (both at the beginning and at the end), is untenable because in financial reporting, the timing of cash flows and the incidence of income are independent. This is due to the accruals concept. Thus, this matter remains unresolved.

4.5.4. Lack of Supporting Documentation

Supporting documents were not provided to evidence claims of revenue in the following areas:

- Matriculation
- Orientation
- Reference exams
- Other income

We recommend that the college should not recognize in the financial statements any income whose occurrence and valuation they cannot prove.

Official's Response

The Principal in his response said: "This has to do with the same issues in section 4 (Deficiencies in internal control and accounting issues) above".

Auditor's Comment

The amounts involved are material and therefore lack of supporting documentation will lead to a qualified audit opinion.

4.5.5. Procurement Lapses

Our audit was able to discover that some transactions were being done without due compliance with procurement laws. Examples include Value Point Enterprises with total invoice of Le59,600,000, Nab Tech. Printing with total invoice of Le59,800,000. We recommend that Fourah Bay College should comply with the procurement laws as and when it applies to their purchases. This will help to improve cash flow management and also enhance the corporate image of the institution.

Official's Response

The Principal in his response said: "This is not true, the relevant documents are available for inspection".

Auditor's Comment

This issue remains unresolved as at date as we have not received any documents disproving our initial findings.

4.5.6. Cash Flow Management Problems

We were unable even after days of requesting, to receive a copy of any functional budget and could therefore not perform the necessary review. We needed to perform that review because we observed that the college is faced with acute cash flow challenges as portrayed by the delays in settling many of its invoices wherein such delays are not justified by the details of the bank statements presented to us.

We strongly recommend that Fourah Bay College prepare a realistic functional cash flow budget or make such available to auditors in the future because an analytical evaluation of the budget and its related documents will help the auditors provide the college with much needed advice on fiscal prudence. This in turn will help the college improve immensely on the efficient matching of cash flows

Official's Response

The Principal in his response said: "This is not true the complete budget of the College is available in all arms of the university".

Auditor's Comment

As at date, we are yet to receive the said budget detailing affairs at FBC.

4.5.7. Financial Investment

The financial investments were found to be unnecessary as far as the benefiting of Fourah Bay College was concerned. This is because there is little or no evidence of net cash inflows generated by such investments and it was also baffling to observe that the investments at First Discount House Limited (FDHL), Capital Discount House Limited (CDHL) and Hong Kong and Shanghai Banking Corporation (HSBC) did not show movement from prior year.

We also did not have supporting documents for the FDHL and CDHL investments. The HSBC investment has been affected hugely by the depreciation of the Leone, but there is no recognition of that in the financial statement.

To avoid the suboptimal allocation of the scarce finances of the college, we recommend that alternative investment opportunities must be firstly rigorously evaluated by senior members of the finance team and the most responsible person amongst them should undertake in writing, to accept blame for avoidable poor performance of the selected investment.

Official's Response

The Principal in his response said: "Necessary action has been taken as at the time of the auditing exercise, evidence of which was produced to the auditors. The funds from HSBC were transferred in December 2019".

Auditor's Comment

The only evidence received was that proving existence of the investments- i.e., some correspondences between Fourah Bay College and the investing partner. In fact, those evidence were found to be appropriate but not sufficient. We did not receive evidence proving viability of the investments and meanwhile the college is experiencing cash flow difficulties.

4.5.8. Too Many Errors in the Account

The accounts are fraught with too many errors. A lot of assets are posted as liabilities and vice versa. Typical examples include assets coded 133/13/1(inventory) which was reported as a credit balance of Le 16,421,960, 137/13/1(inventory) which was reported as a credit of Le5,226,391, 154/15/1(cash & cash equivalent) which was reported as a credit balance of Le1,923,026,038.51 and liabilities coded 201/20/2(account payable local) which was reported as a debit of Le2,940,597,202.29, 208/20/2 (payroll payable) which was reported as a debit of Le8,254,887,403.93, 205/20/2 (NASSIT Payable) which was reported as a debit of Le1,905,265,539.34.

We therefore recommend that either the set-up of the Sage system be thoroughly reviewed or the users be trained enough to operate it efficiently.

As it is, the Sage system needs to be reset to make it amenable to financial reporting instead of management reporting which it currently tends to suit.

Additionally, the college should capacitate the relevant staff with the requisite bookkeeping skills in order to be able to distinguish between timing of cash flows and accruals accounting as this appears to be a big area of confusion in the financial reporting regime at Fourah Bay College.

Official's Response

The Principal in his response said: "Necessary action has been taken to correct these errors".

Auditor's Comment

We are yet to receive any evidence that management is working on this issue. This matter remains unresolved as at this date.

4.5.9. Non-current Asset Register

This has been a prominent but unresolved area of our audit over the years. FBC did not maintain a noncurrent asset register and this together with the lack of schedules and key supporting documents such as land conveyance, means that we cannot verify the existence, ownership and valuation of the items referred to as noncurrent assets in the 2018 accounts.

We therefore recommend that the university administration makes it an imperative that the finance team as a whole are up to the task of properly recording and reporting financial transactions to a befitting standard.

Assets whose accountability status are not easily verifiable but which the college thinks are bona fide, could be disclosed in the notes to the accounts, instead of recognizing them on the financial statement. Disclosure in such a manner is likely to be fairer because it is less assertive about measurement.

Official's Response

No official response provided.

Auditor's Comment

The figure is material and in the absence of a noncurrent asset register, we cannot verify the assertion. Our recommendation was not implemented. The issue Therefore remains unresolved.

4.5.10. Follow-up on Prior 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.

Difference in Depreciation Charge

During the course of our audit, it came to our notice that land and buildings were joined together; depreciation is charged on them at two percent. This goes against the accounting policy of the university which states that land should be a stand-alone asset and no depreciation should be charged on it. Also, there was no depreciation charged on motor vehicles for the year under review. Recalculation of depreciation was done and we noticed that charges were understated by a significant figure of Le831,234,855.38.

Research and Development Cost

Another key amazing observation we made was that the financial statements did not report on research and development cost which should be the hallmark of a university, especially in this twenty-first century where research is the order of the day in academia.

Payroll

During our audit, documents relating to payroll computations were not made available to us.

Receivables and Payables

During our audit, ledgers for both receivables and payables were not made available to us.

Lack of Supporting Document

During our audit, it came to our notice that receipts for the asserted transactions relating to NRA and NASSIT were unavailable.

4.6. FOURAH BAY COLLEGE-2017**4.6.1. Fixed Assets**

The auditors observed that the fixed assets register presented for review was not reliable, as the figures in the asset register were different from the figures in the system as net book value.

The asset classification in the asset register was also different from the one in the accounting system.

At that point, it was safe to state that the team was unable to verify the balances of the fixed assets register. We recommend that a comprehensive assets register must be set up and updated regularly and it must contain information about the location, value, depreciation rate applicable to the assets and the condition of the assets. All documents that show ownership of these assets must also be kept in file and made available for inspection.

We recommend that a non-current asset register be set up and updated regularly. Such updates must be reviewed by a senior finance personnel to confirm authorisation control is working and that depreciation charges are done properly and correctly.

Official's Response

The Vice Chancellor noted that necessary action will be taken to correct this.

4.6.2. No Supporting Documents

During the audit exercise, the auditors observed that transactions totalling Le 5,495,498,544.10 lacked some or all supporting documents. We recommend that, all supporting documents for each transaction should be filed properly and submitted for audit inspection. We recommend that secure receipts are attached to transaction documentations.

Official's Response

The Vice Chancellor noted that all payments have supporting documents, this could be cross checked.

4.6.3. Income

We observed that other types of income like orientation and attestation fees were incorrectly posted as tuition fees account. The Finance Officers in charge should ensure that every transaction is being posted to the correct account type and class. Reviews should also be done regularly (monthly) to ensure postings are done correctly and by senior member of the finance team.

We therefore recommend that an up-to-date categorised registered student list must be established on a term by term basis at the start of every term. This must be categorised by faculty and also based on type of student, current year student, repeaters, re-joiners etc.

Official's Response

The Vice Chancellor noted that there was no separation of these fees as composite fees were charge to students and no break down was given for the composite fees for apportionment.

4.6.4. Non-compliance with NASSIT

The team observed that deductions were made throughout the year in respect of NASSIT contributions, but payments were not made to the Trust as no evidence of such was seen.

We therefore recommend that schedules and documentation with respect to these ledgers are prepared, reconciled and kept in order to show that these transactions occurred and reflect the figures stated in the financial statement.

Official's Response

The Vice Chancellor noted that all NASSIT payments were done with all receipts available for inspection.

4.6.5. Accounting Standards

During the field work, the team noted that little or no accounting standards were applied in preparing the financial statements. Example; IAS1, IAS18 etc.

Official's Response

The Vice Chancellor noted necessary action would be taken to correct this.

4.6.6. Follow-up on Prior Year's Recommendations

- *During the audit exercise, the team followed up on all recommendations made in previous years. A summary of the status of these recommendations is given below:*
- *During the review of the trial balance, the team observed that income had debit balances.*
- *During the review of expenditure, the team observed that payments were made for the student orientation expenses; however, they were not posted into the sage accounting software for the whole period under review.*
- *During the review, the team observed that there were no supporting documents such as receipts that were attached to the payment vouchers.*
- *During the review performed on expenses transactions, the team noted that no adequate supporting documents were sighted for staff training and development for the whole ledger presented to the audit team.*
- *During the review performed on expenses transactions, the team noted that no adequate supporting documents were sighted for miscellaneous expenses for the whole period under review.*

- *During the review performed on payroll expenses, the auditors observed that NASSIT expenses have been posted incorrectly because of mis-posting of the amount to the liability code on the trial balance. As a result, the total amount (Le 34,710,365) stated on the trial balance for NASSIT expenses is not correct.*
- *During the review performed on payroll expenses, the auditors observed that no ledgers or listings were seen for PAYE and withholding tax expenses and they are not stated on the trial balance given to the team. This implies that transactions undertaken for these expenditures were not included into the financial statements presented to the audit team.*
- *During the review of payroll expenses, the auditors observed that the ledgers provided for salaries for senior and junior staff and the amounts posted do not agree. The auditors were able to sight these differences due to our analytical risk assessment performed by comparing previous year figures to the current year amount.*
- *During the review of stocks/inventories, the auditors were not provided with supporting documents/ schedules for the following inventories ledgers stated on the trial balance provided for the year under review. These items were not written off during the year to the income statement upon usage.*
- *During the review of stocks/inventories, the auditors observed that some inventory balances stated on the trial balance for the period were seen on the credit side instead of the debit side of the trial balance.*
- *During the review process on trade receivables, the auditors observed that no adequate supporting documents were sighted or made available to the audit team during the field work. No listing or schedules were provided to substantiate the amounts stated on the trial balance as trade receivables for the year ended 31st December, 2016.*
- *During the course of the audit, the team observed that the closing balances of the previous year audited accounts, 31st December 2015 were not brought forward to the current year.*

4.7. INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT(IPAM): USL-2018

4.7.1. Commitment to Competence

Commitment to competence is one of the principal hallmarks of a professional environment and during our audit at IPAM, we performed a couple of tests to determine the strength of the control environment in line with corporate governance principles.

Based on the results of our findings we could opine that the financial control environment is very weak in many ways and a typical example relates to the fact that key finance staff need up-to-date skills, we found no internal evidence that the university administration is trying to solve this problem.

We therefore recommend that the University administration that is charged with governance should invest in the professional development of the finance team. This could take the form of customized training programme or may be extended to general professional exposure leading to membership of a professional body such as The Institute of Chartered Accountants of Sierra Leone (ICASL).

Even though such an investment may be quite involving in financial terms, the resulting savings will more than offset the cost and where there are concerns around manpower installation, this could be counterbalanced as long as IPAM attains remains competitive in the labour market

Official's Response

In his response, the Principal said: "Management takes this recommendation seriously. Funds have been set aside for staff training and development. Also, internal training is ongoing".

4.7.2. Poor Supervision over the Recording of Transactions

In addition to the fact that the SAGE software may need to be reset due to the need of aligning it to financial reporting, we also discovered that non-coding of source documents prior to posting them

into the ledgers was responsible for the many wrong postings in the accounts. We recommend that IPAM's finance team embeds stages of supervision and reviews within its structure and leverage same in its financial recording and reporting process.

Official's Response

In his response, the Principal said: "Supervision and continuous monitoring are now provided to ensure accurate recording. Management has engaged the service provider of the SAGE software to conduct training for staff".

4.7.3. Financial Investment

The financial investment of Le8,699,422,000 did not show movement between prior year and current year. This is baffling because such investments are bound to attract interest income, reflecting at least, their opportunity costs. We recommend that preparation of schedules of all investments in the financial market, clearly showing interest accruing. All supporting documents related to the investments should also be provided to facilitate verification.

We also strongly recommend that those charged with governance of the university, consider our recommendations and take appropriate actions.

Official's Response

The Principal in his response said: "The recommendation is noted and management is working on it".

4.7.4. Revenue Recognition

As indicated above, IPAM recognises revenue in a haphazard manner which makes the financial statements look awkward because of the resultant inconsistency between Income and Receivables, whereby the income tends to be recognised partly on a cash basis and partly on an accrual's basis but at the same time the receivables reflect the whole of the annual invoices. By reporting financial statement balances in this manner, material misstatement becomes inherent. Moreover, the anticipation of revenue at the pre-performance invoicing stage is a breach of the prudence concept. Gown rental fee was also not posted and short courses fees were not supported by documentation.

We therefore recommend that all the stated problems of misstatement associated with the revenue figure in this 2017 Financial Statements, we recommend that the necessary journals be passed to rectify the flaws. This may require a special consultancy on the expenses of the university or an in-house cleaning up of the system where the capacity to do so is available in-house. Furthermore, going forward the operation of the sage system should be done in such a way that there is a designated person who posts transactions and this individual must have the capacity to do so with high level of accuracy.

Official's Response

The Principal in his response said: "Revenue is recognised on an accrual basis and receivables created.

Other items which are not fees are paid for by cash at the bank as and when required. Your recommendation is noted and management has tabled it for discussion".

4.7.5. Quality of Financial Reporting

The financial statements produced at IPAM are not based on the applicable reporting framework prescribed by the Accounting Policy Manual of the university and it is not consistent with any known conventional Financial Reporting Framework whether Accruals Accounting or Cash Accounting. This is because transactions are treated on both Cash Accounting and Accrual basis and this sort of obscured reporting has resulted in a lot of internal inconsistencies within the accounts. Revenue is a big example of this erroneous reporting; some portion is recognised on a cash basis but at the same time the associated receivables for the annual invoices raised are recognised in the position statement. The academic year straddles two financial years and revenue must thus be prorated as per IFRS 15 but this is not done and no other Accounting standard was applied throughout the accounts as a matter of

fact. There were also several wrong postings that were wrongly reversed if at all. An example was Le744,828,538 salaries posted to withholding tax ledger. The level of reversals and corrections in the ledgers indicate a complete lack of supervision from senior officers.

We recommend that manpower capacity is crucial in this matter. Those charged with governance of the university must ensure that the finance team is sufficiently resourced with adequately proficient personnel at all levels. In particular, this implies that the finance team must be professionally exposed to enable them develop the required amount of competence in handling financial reporting at this level. A performance framework must also be either designed or adapted from relevant sources and implemented to judge the performance of the finance team and the outcome of such assessment must be used to deploy finance personnel at all levels.

There is need for a review of the authority and access level of each staff within the financial system in terms of right to hold, post, review and make corrections, in line with qualifications and experiences.

Official's Response

The Principal in his response said: "Management is looking into all these issues raised and appropriate actions will be taken to produce quality financial reporting".

4.7.6. Non-current Assets Register

We did receive an asset register after the field phase of our 2017 audit, but the figures stated for noncurrent assets are vastly different from what was reported in the financial statements. We cannot confirm the existence, valuation and ownership of the assets recognised in the position statement because no supporting documents were provided.

We recommend that going forward you endeavour to update your asset register as this is a very important element of your financial report. Regarding this year's audit we can only conclude that your assets are not truly and fairly presented unless you make available an updated non-current assets register together with supporting documents to help us verify existence, ownership and valuation.

Official's Response

The Principal in his response said: "Management is aware that non-current asset register is a very important element of the financial statement. We are working assiduously to improve on the asset register and make supporting documents available".

4.7.7. Incomplete Payables

The payables figure did not include employee benefits which should be worked out according to the policy provided for in the employee terms and conditions of service of the University of Sierra Leone.

Employee benefits had been paid on an ad hoc basis; some in tranches and this had been charged directly to the income statement instead of the annual provision for employee benefits charged and creating the necessary liabilities.

We recommend that the schedule of employee termination benefits be computed in compliance with the terms and conditions of service of the university and this liability be provided for immediately in the financial statements. In respect of this particular audit we can only conclude that your accounts are materially misstated unless you provide a satisfactory measure of employee benefit payables as part of your liabilities.

Official's Response

The Principal in his response said: "Benefits are been computed in line with the University conditions of service. Treatment and recording will be done as per reporting standards and evidence provided for your review".

4.7.8. Salary Misstatement

A total of Le1,934,804,161 is reported for salaries in the FS whereas the sum of salaries determined from the salary register is less than that by Le 204,498,504.67. We recommend that you ensure proper controls over your procedures of posting transactions in to your sage system and also that when you post gross salaries in to your ledger you should not also post NASSIT and Tax separately as that will amount to double counting. unless you correct this misstatement, we can only conclude that the accounts are materially misstated.

Official's Response

The Principal in his response said: "This will be looked into and all necessary corrections made. Training and supervision are now being provided to ensure accuracy".

4.7.9. NASSIT and PAYE Compliance Failures

We did not find any evidence in your financial records that you paid PAYE and NASSIT expenses. We recommend that you institute proper procedures over your handling of statutory obligations especially in respect of employees because failure to do so will invalidate your financial statements as it is and could also impair your public image. Regarding this 2017 audit, except the relevant documentary proofs are provided we can only conclude that your accounts are materially misstated

Official's Response

The Principal in his response said: "Management is aware of this challenges and action has been taken. Reconciliation is now ongoing".

4.7.10. No Bank Reconciliation

At IPAM, no bank reconciliation statements were prepared or tendered to us for review. We recommend strongly that the bank reconciliation for each bank account be prepared immediately as a matter of urgency as this is a key control mechanism. Going forward, they should be done regularly and on a weekly basis because of the level of transactions.

Official's Response

The Principal in his response said: "Management is aware of this challenges and action has been taken. Reconciliation is now ongoing".

No Supporting Documents for the Financial Investments at First Discount House Limited and Capital Discount House Limited

The supporting documents provided relate to 2018 and the discrepancy which is around Le4 billion between the carrying value of the investment and that which was recognised in the financial statements was not justified by movements in the bank accounts or any other related material available to us in the course of our audit.

We recommend that IPAM do a complete schedule of its investment holdings and present such to us for each type of investment in each financial institution. As long as this issue remains unresolved the relevant amount of misstatement must be reversed down to the carrying value recognized by the discount houses otherwise the accounts are not true and fair.

Official's Response

The Principal in his response said: "The investment ledger will be updated and forwarded to you for review".

4.7.11. Follow-up on Prior Year's Recommendations

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

No Fixed Asset Register - Primarily, the absence of a non-current asset register implies that we are unable to express an opinion on the values reported for non-current assets.

Difference in Depreciation Charge - During the course of our audit, it came to our notice that land and buildings were joined together; depreciation is charged on them at two percent. This goes against the accounting policy of the University which states that land should be a stand-alone asset and no depreciation should be charged on it. There was also no depreciation charged on motor vehicles for the year under review. Recalculation of depreciation was done and we noticed that charges were understated by a significant figure of Le 831,234,855.38.

No Accounting Standard Applied - We observed with amazement that the financial statements were not prepared with any accounting standard in mind.

Research and Development Cost - Another key amazing observation we made was that the financial statements did not report on research and development cost which should be the hallmark of a university especially in this twenty first century where research is the order of the day in academia.

Income - We could not confirm the income received for the year as no class list of registered students was made available to us for the year under review. This list was needed to reconcile with the bank accounts for fees paid by student and to establish debtors.

Bank Reconciliation - We were only provided with an incomplete bank statement for Sierra Leone Commercial Bank, and no bank reconciliation for all the banks.

Payroll - During our audit, documents relating to payroll computations were not made available to us.

Receivables and Payables - During our audit, ledgers for both receivables and payables were not made available to us.

Lack of Supporting Document - During our audit it came to our notice that receipts for the asserted transactions relating to NRA and NASSIT were unavailable.

4.8. INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT (IPAM): USL- 2017

4.8.1. Revenue Recognition

As indicated above, IPAM recognises revenue in a haphazard manner, which makes the financial statements look awkward because of the resultant inconsistency between income and receivables whereby the income tends to be recognised partly on a cash basis and partly on an accruals basis but at the same time the receivables reflect the whole of the annual invoices. By reporting financial statement balances in this manner, material misstatement becomes inherent. Moreover, the anticipation of revenue at the pre-performance invoicing stage is a breach of the prudence concept. Gown rental fees were also not posted, while short courses fees were not supported by documentation.

Indeed, it was determined from our calculations that tuition fees were materially misstated by at least Le 136,673,405,095.86. This was largely because; neither the financial reporting framework nor the reporting standards were used to prepare the accounts. Failure to include the gown rental fees within income could also be a material misstatement, and the lack of supporting documentation for short courses fees of Le 170,914,000.00, implies that we cannot tell whether the figure reported is true and fair. We recommend that the necessary journals be passed to rectify the flaws. Furthermore, going forward the operation of the sage system should be done in such a way that there is a designated person who posts transactions and this individual must have the capacity to do so with high level of accuracy.

Official's Response

The Vice Chancellor noted that revenue is recognised on an accrual basis and receivables created. Some items are paid for at the bank as and when required such as transcript, statement of result etc. These are not mandatory and are paid for by cash. Supporting documents will be provided for short courses.

4.8.2. Non-Current Asset Register

The auditors received a very scanty asset register after the field phase of the 2017 audit, but the figures stated for noncurrent assets were vastly different from what was reported in the financial statements. We cannot confirm the existence, valuation and ownership of the assets recognised in the position statement because no supporting documents were provided. We recommend that, an updated noncurrent asset register together with supporting documents to help us verify existence, ownership and valuation are submitted for audit inspection.

Official's Response

The Vice Chancellor noted that management is aware that Non-Current Asset (NCA) register is a very important element on the financial statement. The auditors are working assiduously to improve on the asset register and make supporting documents available to you.

4.8.3. Salary Misstatement

A total of Le1,934,804,161 was reported for salaries in the FS, whereas the sum of salaries determined from the salary register is less than that by Le 204,498,504.67. We recommended that, proper controls procedures are instituted for posting of transactions into the sage system and also when gross salaries are posted in to the ledger, NASSIT and PAYE taxes should not be posted separately as that will amount to double counting.

Official's Response

The Vice Chancellor noted that this would be looked into and all necessary corrections made. Training and supervision would be provided to ensure accuracy.

No. 2017 Supporting Documents for the Financial Investments at First Discount House Limited and Capital Discount House Limited

The supporting documents provided relate to 2018. The discrepancy which was around **Le4 billion** between the carrying value of the investment and that which was recognised in the financial statements was not justified by movements in the bank accounts or any other related material which was available to the auditors in the course of the audit.

We recommend that, IPAM do a complete schedule of its investment holdings and present such to us for each type of investment in each financial institution. As long as this issue remains unresolved the relevant amount of misstatement must be reversed down to the carrying value recognised by the discount houses otherwise the accounts are not true and fair

Official's Response

The Vice Chancellor said management is working on the schedule of investment and this would be made available to the team.

4.8.4. Follow-up on Prior Year's Recommendations

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

No Fixed Assets Register

Primarily, the absence of a non-current asset register implies that the auditors are unable to express an opinion on the values reported for non-current assets

Difference in Depreciation Charge

During the course of the audit, it came to the notice of the auditors that land and buildings were joined together; depreciation is charged on them at two percent. This goes against the accounting policy of the university which states that land should be a stand-alone asset and no depreciation should be charged on it. There was also no depreciation charged

on motor vehicles for the year under review. Recalculation of depreciation was done and the team noticed that charges were understated by a significant figure of Le831,234,855.38.

Weak Corporate Governance

The Finance Director attends the University Court meetings but does not vote at such meetings as the auditors were able to find out during the audit. Whether because she is only operating in an acting capacity or the finance function as a whole is not considered necessary to participate in strategic decision making, remains a clear evidence of weakness in the corporate governance arrangements of the university.

Income

The audit team could not confirm the income received for the year as no class list of registered students was made available for the year under review. This list was needed to reconcile with the bank accounts for fees paid by students and to establish debtors.

Bank Reconciliation

The team was only provided with an incomplete bank statement for the Sierra Leone Commercial Bank, and there was no bank reconciliation for all the banks.

Payroll

During the audit, documents relating to payroll computations were not made available to the audit team.

Receivables and Payables

During the audit, ledgers for both receivables and Payables were not made available to the audit team.

Lack of Supporting Document

During the audit, it came to notice of the audit team that receipts for the asserted transactions relating to the NRA and NASSIT were unavailable.

4.9. COLLEGE OF MEDICINE AND ALLIED HEALTH SCIENCES (COMAHS-USL) -2018

4.9.1. Accounting system

The institution was not using an accounting software. We recommend that the institution install and customise an appropriate accounting software which would improve the financial reporting of the institution.

Official's Response

The Deputy Vice Chancellor (DVC) in his response said: "Management takes note of your recommendation. Action has already been taken to procure a software. We have signed a contract with Complete Solutions who are the service providers and we have got the SAGE – EPR Solution Unlimited installed and implementation is now in progress".

4.9.2. Accounts with no Movement During the Year

It was noted that the following account balances have been reported in the financial statements with no movements during the period:

- Prepayments - Le70,036,000
- Pension sum fund - Le121,588,000
- Loan to USL - Le1,042,916,000
- Inventory & stores - Le17,752,000
- Stationery items - Le133,963,000

We recommend that the issue of these balances be looked into so that corrective measures are taken to either write off or maintain the accounts.

Official's Response

The DVC in his response said: "Management takes note of your recommendation. We will take immediate action to seek approval from the University Court to write off these balances".

4.9.3. Revenue Recognition

We noted that revenue was not recognised properly in the financial statements for the year ended. The cut off period was not accounted for based on standard accounting practice.

We recommend that this issue be given serious consideration and the corrections made so that the total income for the year would be fairly stated in the financial statements for the year ended.

Official's Response

The DVC in his response said: "Management takes note of your recommendation. Action is being taken to correct that aspect of revenue recognition by the next audit".

4.9.4. PAYE and NASSIT

We observed that:

A long outstanding balance of Le380,712,649 in respect of PAYE was still maintained in the ledger that has not been paid over the years.

Documents were not seen for payments made in respect of September through December, 2017 which amounted to Le97,165,351.

The ledger was not posted correctly with the NASSIT amount of Le102,020 as this balance did not show the true picture of this account.

We recommend that going forward, the College should take immediate steps to correct this compliance issue. Additionally, adequate supporting documents should be provided for verification of these payments. The NASSIT ledger should be looked into and the necessary corrections made so that the ledger would show the right picture as at the year end.

Official's Response

The DVC in his response said: "Management notes your recommendation and action has already been taken to pay part of that balance. Payment of Le180,858,889.87 was made in April, 2019 with supporting documents available for inspection. The necessary journal will be passed to correct the balance".

4.10. COLLEGE OF MEDICINE AND ALLIED HEALTH SCIENCES (COMAHS-USL)-2017**4.10.1. No Provision was Made for End of Service Benefit**

Provision for employees and end of service benefits were not reported on both existing and retired personnel. We recommend that the management of COMHAS should ensure that the end of service benefit for every employee should be calculated as it accrues. It should also be updated by charging revenue with the paid-up portion and retaining the unpaid portion as a liability.

Official's Response

The DVC said: "Management accepts the audit recommendation, and would ensure this is done going forward, with proper coordination between the Human Resources and Finance Department".

4.10.2. No Ledgers and Schedules were Provided for Inspection

No ledgers and schedules were provided for the following accounts; Account Receivables; Account Payables and Inventories. See analysis below:

Account Name	Trial Balance Amount (Le)
Prepayments	70,036,000
Pension Funds	121,588,000
Loan to USL	1,042,916,000
USL –Creditors	62,045,000
Students Union Payables	14,186,000
JSS Dues Payable –USL	5,869,407
SLG –Payables to USL	279,374,000
Suppliers Registration Forms	1,890,000
Expense with Credit Balance	3,979,000
Stock/Inventories	275,695,000

Management should ensure that ledgers and schedules are made available for verification.

Official's Response

The DVC in his response said: "Management accepts the audit recommendations and we are trying to get the necessary approval to remove these balances from the account. Meanwhile, the ledgers and schedules will be made available for verification".

4.11. UNIVERSITY OF SIERRA LEONE SECRETARIAT-2018

4.11.1. Corporate Governance

An area of weak corporate governance practice within the University was the weak or non-application of both internal and external audit recommendations. As an example, the internal audit report makes it very clear that the consolidated financial statement prepared by the University Secretariat is not supported by the financial statements prepared by the arms of the University. The needed reconciliations must be done but this was not effected and this pinch of salt approach to the auditors' recommendations is disturbing. As the external auditors, we do agree with the internal auditors' observation in this area and can confirm it.

Official's Response

The Vice Chancellor (VC) in his response said: "Balances were submitted by the campus for the preparation of the 2018 Accounts. The draft financial statement should be prepared by the campus in readiness for the external audit verification".

Auditor's Comment

The question of discrepancy between the individual financial statements and the consolidated financial statement as pointed out by the Internal Auditor, remains unresolved.

4.11.2. Non-compliance with Tax Laws

There was poor oversight in the areas of statutory compliance such as non-payment of NASSIT contribution when at the same time the related payroll deductions are sufficiently authorised. We recommend that signatories to the University account must ensure that statutory deductions are duly paid over to the appropriate authority before authorising the related payment to staff.

Official's Response

The VC in his response said: "The University of Sierra Leone is underfunded and as a result, the University was not able to meet its obligations when they fall due. Management is making efforts to improve coordination with government so as to improve the receipts of subvention and SLG".

Auditor's Comment

The amounts involved are material and must therefore be provided for within liability.

4.11.3. Lack of Fixed Assets Register

The University Secretariat did not maintain a fixed asset register of its noncurrent assets and it was therefore impossible for the auditors to confirm whether the reported figure for noncurrent assets was true and fair. We recommend that those charged with governance of the University task the finance team to produce an up-to-date asset register within a reasonable timeframe and ideally before the next audit commences.

Official's Response

The VC in his response said: "The Fixed Assets Register is available in the soft copy which can be viewed for further audit actions".

Auditor's Comment

Our recommendation was not implemented. The issue therefore remains unresolved.

4.12. UNIVERSITY OF SIERRA LEONE SECRETARIAT-2017

4.12.1. Financial Statements Review

We observed that the following issues were highlighted in the financial statements of the Secretariat which threatens the financial stability of the University.

- The deficit for the year – Le 12,769,419,000
- Net liabilities for the year – Le 30,634,287,000
- Accumulated losses brought forward - Le 10,902,439,670
- The net liabilities increased from 2016 to 2017 by a colossal 114 %

We recommend that the University Secretariat put in place corrective measures to address the above anomalies affecting the financial statements as they are not reflecting the true position of the University Secretariat.

Official's Response

The VC in his response said: "The Secretariat only generated limited funds and also received subvention from government. It was however expected to meet the emolument cost of all the staff of the University. This has resulted in huge deficit and liabilities. We have recommended to the Finance and General-Purpose Committee, a subcommittee of the University Court that tuition fees should be centralised in order that the University could meet its obligation and reduce the deficit."

4.13. MILTON MARGAI COLLEGE OF EDUCATION AND TECHNOLOGY – 2019

4.13.1. Fixed Assets Management

We observed the following:

- The fixed assets register was not updated and regular physical verification of assets was not carried out. Items that should be expensed were classified as assets on the register.
- During our physical verification of assets, we noticed that some assets were not coded. Steps should be taken by management to ensure that all assets are coded as soon as possible.
- The title deed of land property of the MMCET were not provided for review. In addition, we are still concerned about the encroachment of land property at various campuses. Title deed should be obtained and the issue of land encroachment settled as soon as possible.
- The college did not have insurance cover for its assets. The college assets should be insured to safeguard their assets.

Official's Response

The Principal in his response said: "The recommendation is noted by management. Appropriate actions will be taken by the Estate Office and the Practical Arts Department to properly and correctly code all College assets".

The Principal in his response said: "Management has noted the recommendations and will meet with the Estate Department and the Internal Audit Unit to take the necessary actions to maintain a proper Asset Register that will provide full details of the College assets and to agree on a threshold for the capitalisation of Fixed Assets. Management will take the necessary actions to develop a proper Asset Management Policy, which will serve as an instrument to be used for the regular update of college assets and carrying out physical verification of all College assets".

The VC in his response said: "The title deed on the College land is now available for verification and the issue of encroachment on the College land is being pursued by the College legal representative for redress".

The Principal in his response said: "The recommendation is noted. This issue will be presented to the MMCET Polytechnic Council for consideration of insurance coverage for the College properties and equipment.

Auditor's Comment

We note management's comments but the issue is still outstanding.

4.14. MILTON MARGAI COLLEGE OF EDUCATION AND TECHNOLOGY - 2018

4.14.1. Expenses on Fixed Assets

We noted that expenses relating to vehicle and building repairs were capitalised in the non-current assets account, instead of been treated as an expense item and written off in the expenditure account. We recommend that Management treat this expenditure under the Profit and Loss and written off in the period of account for 2018.

Official's Response

The Principal said that the recommendation is noted by management. Appropriate action will be taken by the Finance Department to treat the repairs of vehicle and building as expenses in the profit and loss and it will be written off in the expenditure account.

Auditor's Comment

We note management's comments but the issue is still outstanding.

4.14.2. Internal Audit Function

We noted that no Internal Audit Committee was set up to review reports and recommendations of the Internal Audit Unit. Furthermore, activities in the work plan for the year were not accomplished.

We recommend that steps are taken by the college to set up the Internal Audit Committee with clear terms of reference and the agreed internal audit plan at the beginning of the year should be accomplished.

Official's Response

The Principal in his response said: "Management noted the audit recommendation and will endeavour to establish the Audit Committee which will be charged with the responsibility to monitor and review the internal control system. The finding is noted by management. For subsequent audit, the Internal Audit Unit will take necessary action to carry out effective internal audit work as plan. The outstanding activities in the work plan were completed in 2019".

Auditor's Comment

We note management's comments but the issue is still outstanding.

4.14.3. Lease Agreement

The auditors revived a lease agreement between the College and SALCAB and noted that SALCAB has not made any payment to the College for the past two years. We recommended that, action is taken for recovery of this outstanding amount from SALCAB.

Official's Response

The Principal said that management has noted the finding. Meanwhile, the administration has written a letter to the management of SALCAB, requesting the payment of the outstanding rent.

Auditor's Comment

We note management's comments but the issue is still outstanding.

4.14.4. Follow-up on Prior Year's Recommendations

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

- *We realised that the QuickBooks as a software was an expense instead of being treated as an intangible asset in the account of 2017*
- *We noticed that there was no capitalisation policy for 2017 at the Institution.*
- *The College did not have insurance cover for its assets for 2017.*
- *There was an encroachment of land at MMCET in the court.*
- *There was a bulk amount of fees without a breakdown as to what each campus generated*
- *There was no Internal Audit report for 2017.*
- *There was no evidence of a formal handing over note from the former Internal Auditor to the present one for 2017.*

4.15. ERNEST BAI KOROMA UNIVERSITY OF SCIENCE AND TECHNOLOGY: 2016 – 2017 -PORT LOKO CAMPUS

4.15.1. Insufficient Information on Revenue

We reviewed the revenue management records of the EBKUST Port Loko Campus with respect to fees and SLG for the period under review and we observed the following:

The class lists submitted for 2016 and 2017 were not comprehensive. The total student fees of Le443,696,041 and Le2,066,585,288 reported in the financial statements for 2016 and 2017 respectively, were disproportionate to the number of students on the class lists. We therefore could not confirm the total income generated from fees.

The team further noted that there were no receivables reported in the financial statements for the SLG for the period under review. Moreover, based on the lists submitted to the team for students who received the SLG during the period under review, Le154,880,000 (Le30,000,000 and Le124,880,000 for 2016 and 2017 respectively), was not received from the central government for the students who benefited from the SLG.

The Senior Finance Officer in collaboration with the Deputy Registrar should ensure that a comprehensive list of students is made available to the audit team for inspection and the financial statements be revised to capture all receivables for the period under review. This is to present the true and fair financial position of the University.

Official's Response

The VC in his response said: "Having carefully revised the GL for fees and sundry income, we noticed the following: (a) entries were wrongly classified between the two accounts (b) the wrong opening balance was initially posted for 2017, resulting in a very huge disproportionate balance of about Le2billion. The necessary action has been made to correct these discrepancies. The class list has been vetted with the records maintained at the Finance and Exams Department, which

is ready for verification. Receivables totalling Le154,880,000 (Le30,000,000 and Le124,880,000 for 2016 and 2017 respectively), have been reported in the financial statements accordingly, and ready for verification”.

Auditor’s Comment

The class lists for 2017 has been submitted and verified. There is still a mismatch between the amount reported in the revised financial statement and the recomputed amount as per class list submitted. The class list for 2016 was not submitted for verification. This issue therefore remains unresolved.

The issue on receivables have been disclosed and has therefore been resolved.

4.15.2. Revenue not Accounted for

A cheque valued at Le40,165,000 was written in the name of Ahmed A. Koroma, in December 2017 as EBKUST Port Loko Campus’ own share of revenue from the sale of application forms. There was however no record of deposit of the said amount into the Port Loko Campus’ administrative bank account and we could neither find supporting documents relating to its disbursement, nor trace it to the cashbook.

The Senior Finance Officer (SFO) in collaboration with the former Principal should provide supporting documentary evidence relating to the said amount; otherwise, the total amount should be refunded/deposited into the campus’ administrative bank account and evidence of deposit made available to the team for verification.

Official’s Response

The VC in his response said: “Cheque amount of Le40,165,000 paid to the staff as reported was cashed and handed over to the Finance Officer since there was an urgent need for finance activity, in which case, the service provider was sourced locally. Please see attached written instruction from the vote controller to the Senior Finance Officer, containing details of such activity along with other supporting documents, for your verification. In future, all amounts received will be promptly deposited in the campus’ account before disbursement”.

Auditor’s Comment

We reviewed the supporting documents in respect of the utilisation of the above amount. The said documents worth Le38,000,000 were not genuine and the amount involved is fairly big for cash payment. The issue is therefore not resolved.

4.15.3. Discrepancies between Confirmed and Reconciled Bank Account Balances

We compared the confirmed bank balances and bank statement balances of the EBKUST Port Loko campus and noted a difference of Le12,053,390.65 between the two balances for an account maintained at FI Bank.

The SFO should liaise with the bank to ensure that the correct balances as at 31st December, 2016 and 2017 are confirmed, agreed with the reconciled balances and submitted to the ASSL for verification. In future, reconciliations should be done on a monthly basis to avoid such discrepancies.

Official’s Response

The VC in his response said: “We confirmed with our banker and realised that the bank erroneously gave the balance as at the date of the ASSL’s request, instead of the balance for the year ending 31st December, 2016. The balance as indicated by bank reconciliation is confirmed to be the same as that of the period under review. Please do a second confirmation to verify this”.

Auditor’s Comment

No second bank confirmation was received from the FI Bank; hence, we could not confirm the said balance. The issue therefore remains unresolved.

4.15.4. Payments without Supporting Documents

Payments totalling Le411,270,050 (Le52,805,000 and Le358,465,050 for 2016 and 2017 respectively), were made without supporting documents such as payment vouchers, requests, invoices, delivery notes, reports, etc. to substantiate the utilisation of funds.

We recommended that the SFO should ensure that the required supporting documents are provided for verification.

Official's Response

The VC in his response said: "A good number of supporting documents for activities as listed in Appendix 4A, in monetary value of Le464,075,050 (for 2016 and 2017) was destroyed in the fire incident that occurred at the administrative building which was duly reported. Others were misfiled during the process of rearranging documents at the archive/store. These documents have been retrieved and are ready for verification".

Auditor's Comment

Of Le411,270,050, supporting documents were submitted, reviewed and verified for only Le306,996,050, leaving a balance of Le104,274,000. This issue is partly resolved.

4.15.5. Payments without Adequate Supporting Documents

Payments totalling Le955,634,250 (Le388,235,250 and Le567,399,000 for 2016 and 2017 respectively), were made without adequate supporting documents such as requests, invoices, delivery notes, monitoring reports, etc. to substantiate the utilisation of funds.

The SFO should ensure that the required supporting documents are provided for verification.

Official's Response:

The VC in his response said: "A good number of supporting documents for activities as listed in Appendix 4A, in monetary value of Le955,634,250 (for 2016 and 2017) was destroyed in the fire incident that occurred at the administrative building which was duly reported. Others were misfiled during the process of rearranging documents at the archive/store. These documents have been retrieved, and are ready for verification.

Auditor's Comment

Out of an amount of Le955,634,250 queried, supporting documents were submitted, reviewed and verified for Le295,276,250, leaving a balance of Le660,358,000 unverified. This issue therefore remains partly resolved.

4.15.6. Withholding Taxes not Deducted and Paid to the NRA

A review of payment vouchers and other supporting documents revealed that withholding taxes of Le36,155,839 (Le25,287,619 and Le10,868,220 for 2016 and 2017 respectively), deducted from payments made to suppliers'/service providers were not paid to the NRA. In this regard, withholding tax liabilities were understated by the same amount.

The VC in collaboration with the SFO should ensure that the Le36,155,839 is paid into the NRA's account and the pay-in slip and NRA receipt forwarded to the ASSL for verification.

Official's Response

The VC in his response said: "We acknowledged the fact that withholding taxes were not deducted from suppliers for payment made to them during the period under review but this situation has been corrected as all taxes within the stipulated threshold have now been deducted".

Auditor's Comment

There was no pay-in slip or NRA receipt to indicate that the said taxes deducted were paid to the NRA. This issue is therefore unresolved.

4.15.7. Inadequate Control over the Management of Funds Provided by UNICEF

We observed that payments amounting to Le86,400,000 for 2016 and 2017, were made without supporting documents such as request forms, payment vouchers, invoices, business registration certificates, tax and NASSIT clearances. Further payments totalling Le372,788,000 for 2016 and 2017 were made without adequate supporting documents such as requests, invoices, delivery notes, monitoring reports, etc. to substantiate the utilisation of funds.

The SFO should ensure that the required supporting documents are provided for verification.

Official's Response

The VC in his response said: "The said amounts were disbursed from transfers made by UNICEF in respect of a project for training in various programmes linked to education for which the facilitators were staff of the University. During the audit exercise, they had not submitted returns for funds disbursed to them. We have however received returns from them containing the required supporting document, which is now available for verification".

Auditor's Comment

The management of the PLUC submitted documents in respect of the queried transactions. We reviewed the documents and noted the following:

- All the business documents attached were either registered/renewed in 2018 or 2019 after the date of the transaction.
- The proforma invoices attached were not genuine as the name and address of the payee and the amount of transaction were not indicated on the invoice.

This issues therefore remain unresolved.

4.15.8. Sitting Fees Paid During the Period without Evidence of Meetings Held

Sitting fees amounting to Le187,339,000 (Le105,618,000 and Le81,721,000 for 2016 and 2017 respectively) was paid for various meetings held during the period under review.

There were no records of attendance or minutes to indicate that such meetings were held.

The SFO should ensure that the necessary supporting documents to substantiate that such meetings were held in the interest of the University be submitted to the ASSL for verification.

Official's Response

The VC in his response said: "The minutes were initially misfiled after the Finance Department had a fire incident which was duly reported. These documents have been retrieved and ready for verification".

Auditor's Comment

Out of Le187,339,000 queried, minutes and attendance lists were submitted for Le40,000,000 leaving a balance of Le147,339,000 unverified. This issue remains partly resolved.

4.15.9. Salaries Paid to Part-timers

Salaries paid to part-timers for the period under review amounted to Le385,041,000, (Le237,386,000 and Le147,655,000 for 2016 and 2017 respectively), for which there were inadequate supporting documents such as contract, attendance register, payment voucher etc.

The SFO should ensure that the queried supporting documents to substantiate the utilisation of the said amount are made available to the ASSL for verification.

Official's Response

The VC in his response said: "The required documents were mistakenly filed among other documents and could not be seen at the time of the review. These have been retrieved and are now ready for verification".

Auditor's Comment

We reviewed and verified some of the supporting documents for the queried Le150,286,000. Other supporting documents such as appointment letters for payments totalling Le234,755,000 became effective on 1st November, 2016 while payment vouchers and claim sheets referred to the months of April, June and August, 2016. Those documents were not acceptable and this issue is therefore partly resolved.

4.15.10. Unrealistic Budgeting

A review of the annual budget for the period under review revealed inadequate budgeting by the EBKUST Port Loko Campus. For example, the 2017 financial year showed a budget deficit of Le14,776,337,074 and the campus did not show any other source of revenue to cover the deficit. In the same vein, the estimated revenue for 2017 was Le1,709,500,000 as per budget whilst the actual revenue was Le11,083,700,124. This means that there was no prudence in the preparation of the budget.

The SFO should ensure that appropriate measures are used in the preparation of the annual budget so as to avoid huge budget variance.

Official's Response

The Principal in his response said: "Prior to the amendment of the University's Act in 2014 that ushered in the EBKUST, budgets were prepared at the campus level. Since January 2019, the operations of the University have now been consolidated, so the budget process starts at the campus level which is later consolidated by the University Secretariat for onward submission to the Tertiary Education Commission for approval".

Auditor's Comment

Your response is noted; however, the finance department should always play the leading role in the preparation of budget.

4.15.11. Assets not Disclosed in the Financial Statements

Physical verification of the campus' assets in comparison with the financial statements revealed that no values were recorded for land and buildings as well as plant and equipment of the University which is worth millions of Leones.

The VC should ensure that all properties of the campus are valued and the financial statements be revised to show the value of the land, buildings, plants and equipment.

Official's Response

The VC in his response said: "All items as stated in Appendix 6B can now be seen on the fixed assets register of the PLUC, duly updated".

Auditor's Comment

There are still no values in the revised FS for land and buildings. This issue therefore remains unresolved.

4.15.12. Non-disclosure of Expenses in the Financial Statements

The following were observed:

A review of the financial statements revealed that there was no depreciation charge in the income statements for furniture and fittings, plant and equipment and office equipment for 2016 and 2017 though note 4 indicated that depreciation was charged in both years on those assets.

Furthermore, the depreciation charges calculated for motor vehicles and furniture in note 4 for 2017 were not in line with the percentages indicated in the financial statement. Similarly, the composition of the accumulated depreciation for office equipment for 2017 financial year was not shown in the general ledger.

The SFO should revise the FS to ensure consistency in the calculation of depreciation charges on the assets and clearly show the depreciation expense in the income statements. The composition of the accumulated depreciation should be shown in the general ledger and the revised FS be made available to the audit team for verification within 15 days of the receipt of this report.

In future the SFO should ensure that depreciation charges are calculated based on the rates stated in the FS and annual depreciation expenses should be clearly disclosed in the income for the year in which it is incurred.

Official's Response

The Principal in his responses said: "The depreciation charges have been reviewed and now stands at 10% office equipment and furniture, fittings and 20% motor vehicle."

Auditor's Comment

The depreciation charges were disclosed in the income statement for both years and the percentages corrected. As not all assets were recognised in the financial statements, the total depreciation charge for both years is misstated.

4.15.13. Documents not Submitted for Audit Inspection

The following documents were not made available for audit inspection. Finance and operational manual for 2016 and 2017 financial years, attendance lists and minutes of management and various committee's meetings, transfer letters for all funds received during the periods under review, accountable document register, revenue register, fuel register, fuel chits, fuel policy, fuel reconciliation statements, estate policy, annual leave roster, staff personal files, staff daily attendance registers and cheque stubs for all accounts maintained during the period.

4.16. ERNEST BAI KOROMA UNIVERSITY SECRETARIAT: 2016 – 2017

4.16.1. Revenue from the sales of application forms, not properly accounted for

Receipts books to support the revenue collected from the sales of application forms to the tune of Le164,051,000 were not submitted for audit inspection. The audit team only received one receipt book which recorded payments for the use of the University's facilities. The amounts recorded as income received were Le49,224,795 and Le49,122,500 for 2016 and 2017 respectively. Furthermore, our examination of income schedules/general ledger revealed that the Secretariat shared more funds from the sale of application forms of Le175,759,250 than the total income of Le164,051,000 received from the sale as disclosed under sundry income for 2017.

The Deputy Director of Finance (DDF) should ensure that the relevant reconciliation is undertaken to determine the actual revenue generated from the sale of application forms. Afterwards, the correct amount generated from the sale of application forms should be recognised in the financials with copies of same and other relevant documents submitted to ASSL for verification.

Official's Response

The Principal in his response said: "Payments for application forms were done through the banking system, so it was difficult for the University Secretariat to keep receipts for such activity because the Secretariat does not have students on campus. These receipts books in question should be obtained at the campus level since they have an operational student campus where bank deposit slips are deposited and receipts obtained by students for payment made at the bank. Also, the ratio of sharing proceeds from the sale of application forms has been reconciled with the proceeds received from the total sale".

Auditor's Comment

Management's response is noted. The relevant reconciliation was not done to determine the actual revenue generated from the sale of application forms.

4.16.2. Inadequate Control over the Printing and Distribution of Application Forms

The Secretariat did not submit for audit inspection, invoice, receipt and delivery note for the printing of application forms costing Le26,540,000. The distribution list with recipients' signatures for the issuance and receipt of application forms to the various campuses to determine the number of application forms issued were not submitted for audit.

The DDF should ensure that adequate controls are put in place over the printing, receipt, issuance and sale of application forms.

Official's Response

The Principal in his response said: "Invoice, receipt and delivery note for the printing of application forms that were not filed properly have been discovered and are ready for inspection".

Auditor's Comment

Invoice, receipt and delivery note were not submitted to substantiate management's response. This issue therefore remains unresolved.

4.16.3. Non-disclosure of Assets in The Financial Statements

During a review of the fixed assets register and the financial statements submitted for audit, the audit team noted that land and buildings were not recognised in the financial statements for 2016 and 2017 respectively. Furthermore, the audit team was unable to determine the value of the land and buildings as no document showing valuation or cost information in respect of those assets were made available for audit. Moreover, title deeds for the university's land and buildings were not submitted to the audit team for review. The audit team also noted documents relating to procured assets for the Vice-Chancellor and Principal's residence. No evidence of delivery was provided, and the assets were not recorded in the FS. Additionally, these assets were not made available during the physical verification exercise.

The DDF should ensure the following:

- Title deeds are obtained for all University property purchased/donated;
- Measures are taken to value all land and buildings owned and controlled by the University. Thereafter, cost information obtained from the valuation of these assets should be included in subsequent financial statements submitted for audit.
- The logistics officer in collaboration with the finance officer should ensure that the assets in question are provided to confirm their existence; otherwise, the amount involved should be refunded to the University's account and the paying-in slips forwarded to ASSL for inspection.

Official's Response

The Principal in his response said: "The land and buildings that housed the University Secretariat were inherited by the Government from the former Islamic College. The University Administration has made tremendous strides in regularising the ownership of this property by contacting its superintending Ministry (Ministry of Technical and Higher Education) and the Ministry of Lands with the later doing a comprehensive mapping and surveying of the entire property to have a professional surveyor to give a reasonable estimate on the value of this asset which will be disclosed in the next financial statement.

Physical verification showed two generators owned by the University, the one at the VC's residence was accounted for in the assets register with purchase date 3rd June, 2016 for a cost of Le58,500,000 which forms part of the total cost of plant and machinery of L74,850,000. Also, the other generator located at the Secretariat was inherited from the former Islamic College so its purchase was not from funds from the University, we will put together assets specifically owned by the University and those given by donors".

Auditor's Comment

We note management's comments but the issue is still outstanding.

4.16.4. Inaccurate Computation of Depreciation on Fixed Assets

Re-computation of depreciation for fixed assets, using the rate (8%) indicated in the notes to the account, revealed differences of Le64,033,298 and Le250,827,452 for 2016 and 2017 respectively, in respect of amount charged to the income statement for the years under review. The audit team also noted that the University applied a uniform rate of 8% to depreciate all fixed assets except for land and buildings (2%), even though the assets had different life spans.

The DDF should ensure the following:

- Re-compute the depreciation to establish the correct depreciation to be charged to the income statement and ultimately to the statement of financial position.
- Review the current depreciation rate in line with the expected life spans for each category of asset.

Official's Response

The VC in his response said: "We acknowledge the fact that the depreciation rate in the note to the financial statement which was 8% was typed in error. The actual rate used was 10% for office furniture, office equipment and 20% for motor vehicle".

Auditor's Comment

Depreciation rate has been applied in accordance with the policy. Since some assets were still not recognised in the financial statement, the total depreciation charge for both years is misstated.

4.16.5. Assets not Made Available for Physical Verification

An asset verification exercise revealed the non-existence of assets worth Le325,115,000 and Le101,247,845 as reported in the statements of financial position for 2016 and 2017, respectively. The team also noted that an amount of Le71,440,000 was reported to have been spent on the rehabilitation of library, clinic and computer laboratory. The audit team was unable to verify the existence of any of these structures on campus during the audit field work.

The DDF should ensure that the assets are made available for verification; otherwise, the procured amount should be refunded by those that were involved in the decision to acquire the said assets.

The VC should ensure immediate action is taken to recover the amount of Le71,440,000 from officers involved in the said rehabilitation of inexistent structures and evidence of refund into the University's bank account forwarded to ASSL for verification.

Official's Response

The VC in his response said: "The assets worth Le325,115,000 and Le101,247,845 as disclosed in the financial statement have been put together and are ready for inspection".

Auditor's Comment

The assets were still not submitted for verification. The issue therefore remains unresolved.

4.16.6. Private Structures Erected on University Property

The audit team discovered that property (land) belonging to the University was not protected. As a result, several private houses had been erected on the said land by private individuals. We recommend the University authorities ensure adequate measures are taken to protect the University property from further encroachments by private individuals.

Official's Response

The VC in his response said: "The University has taken steps to protect its property by contacting the Ministry of Lands and a fresh survey has been taken with poles now erected to protect and demarcate the said property".

Auditor Comment

During the verification exercise, we observed that the entire perimeter did not have poles erected. The survey plan was also not submitted for verification. The issue therefore remains unresolved.

4.16.7. Leave Allowances Paid to Ineligible Staff

An examination of documents revealed that staff were paid leave allowances of Le286,757,860 and Le3,785,626 for the 2016/2017 leave year respectively, even though they were on probation.

The VC should ensure that the practice of paying leave allowances in advance is stopped henceforth and going forward, leave allowances should only be paid when they fall due.

Official's Response

The VC in his response said: "We are not oblivious of the fact that employees are paid leave allowance upon confirmation of their service and for which they should have spent at least a year before being eligible to receive leave allowance; In the case of public universities in Sierra Leone, leave allowances are paid on a fixed date to all staff based on the availability of funds from government. The rationale behind this strategy is to avoid payment of leave to the staff at their anniversary date since often, cash may not be available to effect such payments, so leave allowance has its anniversary date in the University which old and new staff do maintain".

Auditor's Comment

Management's response is noted. No document/policy was however submitted to support management's assertion. Therefore, this issue still stands.

4.16.8. Understatement of Income Tax

Income taxes recomputed and compared to the NRA receipts showed an understatement of Le7,258,219.23 and Le7,727,380.60 for 2016 and 2017 respectively. We recommend that the DDF ensure that the understated amount should be paid to the NRA and the receipt forwarded to ASSL for verification.

Official's Response

The VC in his response said: "The income tax figure has been recomputed and the necessary action will be taken by the University".

Auditor's Comment

PAYE provision has been made in full in 2016 FS. As at 31st December 2017, the full provision was not made.

4.16.9. Loan Given to Staff without Loan Policy

An examination of documents revealed that staff were given loans amounting to Le20,000,000 and Le37,131,447.00 for 2016 and 2017 respectively. No loan policy, repayment plan and evidence of repayment were made available for audit inspection. Additionally, details of full recovery of these loans were not evidenced by the team.

In the absence of records to justify that the loans given were recovered, it is advised that frantic efforts are made by the VC to recover amounts in question from the affected individuals and submit same to the audit office for verification.

Official's Response

The VC in his response said: "Loan policy forms are integral part of the conditions of service of the staff at the University. Staff loans amounting to Le20,000,000 and Le37,131,447 for 2016 and 2017 were given based on a payment plan, all documents to support this claim are now ready for inspection."

Auditor's Comment

Evidence of four loan application letters was provided and a letter of staff salary transfer to two banks where the loan deductions were made. Bank statements were however not submitted to ascertain the recovery of the various loan amounts. No loan policy was provided during the verification exercise.

4.16.10. Recruitment Process not Followed in the Recruitment of Staff at the Secretariat

Upon review of the HR documents and some personal files of staff, the audit team observed that no recruitment process was followed in the recruitment of staff at the Secretariat. Adverts, application letters, short listings of applicants, invitation to interview letters and interview assessment reports were not submitted for review. It is therefore clearly evident that the staff were selected/handpicked, suggesting that the recruitment process was not competitive to allow deserving candidates to apply and be recruited based on merit.

The VC & P and the Registrar should ensure that proper recruitment procedures are followed and all records pertaining to the process should be filed for audit or reference purposes.

Official's Response

The Vice Chancellor in his response said: "The University Vice-Chancellor was appointed in February 2016, and the Registrar a retiree, was appointed in March 2016 by the Government on contract. It was difficult to advertise and recruit without a functional court that has the ultimate authority to approve all recruitments. Notwithstanding, these staff in question were junior staff, mostly volunteers that were given letters of appointment because the campus had to be cleaned. These appointments were regularised when the court was inaugurated".

Auditor's Comment

Management's response is noted. Evidence of court regularisation of these appointments were not submitted for verification. The issue therefore remains unresolved.

4.16.11. Payment without Adequate Supporting Documents

From the review of payment vouchers and other supporting documents, the audit team noted that payments made for various activities amounting to Le158,543,500.00 and Le162,765,000.00 for 2016 and 2017 respectively, were without adequate supporting documents such as receipts, delivery note, approved distribution list, signed lists of beneficiaries for goods, etc.

The Deputy Director of Finance in collaboration with the then Finance Officer should ensure that the supporting documents in respect of the expended amounts are submitted to the audit service for verification.

In addition, the Deputy Director of Finance should ensure that in future, payments from initiation to completion, are supported with payment vouchers and their relevant supporting documents; and these should be numbered and cross-referenced so that in cases of missing documents, such documents can be easily traced.

Official's Response

The VC in his response said: "We acknowledge the fact that proper documentation was not maintained since there was only one staff at the Department and he was overwhelmed with work and also the University had just started with lots of issues to grapple with. Over the past years, tremendous improvement has been made in the area of documentation and proper filing system. All supporting documents that were inadvertently missing are now ready for verification".

Auditor's Comment

Management submitted supporting documents for some of the payments. Monies amounting to Le158,543,500 and Le162,765,000 for 2016 and 2017 respectively, were without adequate supporting documents. This issue therefore still stands.

4.16.12. Statutory Deductions (Withholding Tax) not Deducted and Paid to the NRA

From the examination of payment vouchers and supporting documents, the audit team noted that withholding taxes amounting to Le107,719,927 and Le79,396,411 were not deducted at source and paid to the NRA from payments made to suppliers for goods and services for 2016 and 2017 respectively.

The DDF should ensure that prompt action is taken to pay all outstanding taxes to the NRA and evidence of payment submitted to the ASSL for verification.

Official's Response

The VC in his response said: "We are cognisant of the fact that deductions for withholding taxes were not done for some payments made to various suppliers during the period under review, but as a University, we had worked retrospectively to tally our figure and the figure indicated in the management letter, but we are ready to reconcile the two schedules and act accordingly".

Auditor's Comment

Management's response is noted. Withholding tax of Le107,719,927 and Le79,396,411 for 2016 and 2017 respectively, were however not deducted and paid to the NRA.

This issue therefore still stands.

4.16.13. Donations without Clear Policy/Guidelines

Financial statements showed that the University provided gifts and donations valued at Le240,916,000 and Le46,700,000 for 2016 and 2017 respectively, to various institutions and organisations without any written policy or guidelines on donations. The audit team was unable to determine the rationale behind those donations as they fall outside the remit of the University. Of utmost concern to the audit team was the fact that a total amount of Le220,916,000 and Le25,000,000 for 2016 and 2017 respectively was reported to have been spent on activities related to the National Girls Camp organised by the Office of the First Lady. From our review of payment records relating to the said programme, we observed that a request for the use of the University facilities was made by the Office of the First Lady without clear insight as to what was needed for the programme. We however noted from our review that out of the Le220,916,000, an amount of Le36,980,000 was spent on the rehabilitation of various structures such as basketball court, volley ball court, electrification of student hostels and auditorium, general cleaning of the University campus and other ancillary expenses. The remaining amount of Le183,936,000 was separated into four payments for the same activities mentioned above. Furthermore, we observed that the amount of Le25,000,000 for 2017 was said to be a loan repayment for activities undertaken during the National Girls Camp. We consider this amount as ineligible, as it was outside the request submitted by the Office of the First Lady and the University's functions.

The VC should ensure the following:

- A clear policy/guideline should be established for gifts and donations.
- The former VC should refund the amount of Le208,936,000 and evidence of payment forwarded to the ASSL for verification.

Official's Response

The VC in his response said: "The Girls Camp was an activity organised by the office of the former First Lady and a letter was written to the University to give support in that direction, since it was serving as the host institution, so it was incumbent on the University administration to give its support, since it was an appeal from the Office of the First Lady which was geared towards the girl child. In essence, it was but fitting to classify the expenditure as donations from the

part of the University for which the University's Act is not silent about. It must be noted that though classified as donation, the money was used to refurbish the infrastructure of the University in readiness to host the event".

Auditor's Comment

Management's response is noted. The response proffered did not fully address the issues raised. Moreover, the activities undertaken were neither budgeted for, nor was the supervising Ministry consulted. Furthermore, no clear guidelines/policies were submitted to justify the provision of gifts and donations. In conclusion, we consider the above expenditure as extra budgetary expenditure. This issue therefore remains unresolved.

4.16.14. Improper Management of Fuel

In the absence of a fuel policy, we observed that fuel was not properly managed and controlled. In this regard, we noted that fuel valued at Le46,352,250 and Le100,974,000, representing approximately 58% and 69 % for 2016 and 2017 respectively, of the total fuel consumed by the University Secretariat was utilised by the VC.

We recommend that a fuel policy be put in place so as to assure the judicious use of resources. Such a policy should be clear to the officers that are entitled to receive fuel, the quantity to be issued and the timing for the issuance of fuel.

Official's Response

The VC in his response said: "We agree there was no policy for the management of fuel, but a fuel register was maintained with the supplier and a prepaid arrangement was done with the fuel supplier. Naturally, the VC will consume more fuel because of his frequent travels for meetings across the country. He also should have a running generator at his residence as provided by his conditions of service. A fuel policy has however been established and the necessary corrective measures to show accountability".

Auditor's Comment

Management's response was noted. The fuel policy was however not submitted for verification. The issue therefore remains unresolved.

Bank accounts maintained by the University but not disclosed in the financial statements

Petty cash expenses amounting to Le202,983,000 were recognised in the 2017 statement of financial position instead of being expensed.

Furthermore, the audit team could not confirm the existence of a cash balance of Le512,224,000 reported in the statement of financial position as at 31st December, 2016. Our review of bank confirmation submitted by the Sierra Leone Commercial Bank showed a nil balance for the social services accounts for 2016. In addition, the audit team also discovered that a social services account operated with the Sierra Leone Commercial Bank showed a bank balance of Le481,233,676, but a balance of Le447,000,000 was reported in the statement of financial position giving rise to a difference of Le34,233,676 (Le481,233,676-Le447,000,000).

The DDF should ensure the following:

- The cashbooks and bank reconciliations for all accounts operated by the University are submitted for our review.
- The amount of Le202, 983,000 recognised under cash and bank should be expensed in the income statement as petty cash expenses.
- The cash balance of Le512,224,000 relating to the Social Services Account should be derecognised in the 2016 financial statements, as this balance may be incorrect. Further to this, the difference of Le 34,233,676 relating to the same account should be investigated and if

necessary adjusted in the 2017 financial statements and evidence of the adjusting journals submitted for audit verification.

Official's Response

The VC in his response said: "petty cash of Le202,983,000 recognised in the Financial Statements for 2017, has been expensed in the revised financial statements. Cash balance amounting to Le512,224,000 reported in the Financial Statements for 2016 has been reviewed and necessary action is taken. Bank balance in the social service account of the University has been reconciled as shown in the revised financial statements".

Auditor's Comment

The audit adjustment was not done in respect of petty cash expenses recognised under cash and bank balances in the statement of financial position.

MAKENI CAMPUS

4.16.15. Wrong Presentation of Revenue in the Financial Statements

A review of various bank statements and Note 1-Income of the FS revealed an understatement of Le3,008,589,632 in respect of sundry income/subventions in the FS for the two years under review. In the same vein, fees paid to different accounts totalling Le92,683,665 were overstated for the two years under review. In addition, these misstatements were not disclosed as receivables in the financial statements.

The SFO should ensure that necessary action is taken to adjust the misclassification in the financial statement (FS) and submit the revised FS to ASSL for verification.

Official's Response

The VC in his response said: "The relevant misclassifications have been adjusted in the financial statement and the revised FS is available for audit inspection"

Auditor's Comment

With the exception of the sale of application forms and hostel fees for 2017, the other relevant adjustments have been effected in the revised FS that was submitted for review. The issue is therefore partly resolved.

4.16.16. The Sale of Application Forms and Hostel Fees not Recognised in the Financial Statements

A review of the year one class list for the different programmes/courses offered revealed that an amount was collected in respect of the sale of application forms which was not disclosed in Note 1-Income of the FS. This amounted to Le159,200,000 and Le87,400,000 for 2016 and 2017 respectively. In the same vein, a review of the ledger in respect of rooms allocated to students revealed that revenue collected for student hostels were not disclosed in the financial statements. This amounted to Le15,300,000 and Le12,750,000 for 2016 and 2017 respectively. In addition, there was no evidence to confirm that receipts were issued for these amounts collected as receipt books for both application forms and hostel fees were not made available for inspection.

The VC in collaboration with the SFO should provide the following:

- Written explanation backed by supporting documents justifying the reason for not recognising these charges in the FS and not submitting receipt books in respect of these fees to the audit team for inspection.
- Relevant receipt books for inspection.
- Evidence that the amount is recognised in the financial statements.

Official's Response

The VC in his response said: "The receipt was not used but a register was maintained where the names of all students' buying forms were entered. Going forward receipt books will now be used in such instances".

Auditor's Comment

- The amount for the sale of forms and hostels fees for 2017 was not recognised in the revised FS.
- The register used to record the sale of forms was not submitted for verification.
- The team could not therefore confirm the revenue generated from the sale of forms.

The issue therefore remains unresolved.

4.16.17. Amount Remitted as Share of Application Forms not Traced in any Bank Statements

A review of the payment voucher from the Secretariat revealed that an amount of Le32,165,000 was remitted to the former Principal as a share of application forms sold by the EBKUST Makeni campus. This amount was however neither traced in any of the bank statements nor disclosed as revenue in the FS. We recommend that the VC liaise with the former Principal to ensure that the amount is paid into the University's bank account and evidence of payment in the form of bank statement submitted to the ASSL for confirmation.

Official's Response

The VC in his response said: "The former Principal has been contacted and he hopes to submit written response to the queried amount".

Auditor's Comment

A letter from the former Principal was submitted, stating the reason for not depositing the amount into the University's bank account. He stated in his letter that the said amount was used for the purchase of 300 classroom furniture which are currently in use at the University. Upon verification of the relevant supporting documents, we however noted the following:

- The amount paid for the furniture exceeded the queried amount by Le21,835,000.
- Evidence of authority granted by the University Council to purchase the furniture was not made available for audit verification.
- The period of payment for the furniture falls outside the scope of audit as the payment was done on 9th January 2018, whereas the chairs were delivered from 1st February to 23rd April, 2018.

Therefore, the issue remains unresolved.

4.16.18. Revenue not Traced in the Bank Statements

There was no trace of revenue in the bank statements in respect of an amount totalling Le3,496,000 paid as fees for students for 2016. The SFO should ensure that the amount is paid into the relevant bank account and evidence of payment in the form of bank statement submitted to the ASSL for confirmation.

4.16.19. Evidence of Revenue Reconciliation not Made Available

There was no evidence of revenue reconciliation between the Finance Unit and the different departments in the University in respect of fees paid in order to track students that have paid from the total students in each class. This situation is heightened as not all departmental heads are signatories to the accounts where fees are paid.

The SFO in collaboration with the departmental heads should ensure that regular revenue reconciliation is done in respect of all fees.

In addition, the SFO should ensure that revenue reconciliation report is prepared, reviewed and approved by the DVC.

Official's Response

The Principal in his response said: "Going forward we guarantee your office that revenue reconciliation is done in respect of all fees. The revenue reconciliation is now available for audit inspection".

Auditor's Comment

We note management's comments. The revenue reconciliations were however not submitted for verification. Therefore, the issue remains unresolved.

4.16.20. Non-disclosure of Arrears of Fees in the Financial Statements

Even though the SFO in his interview noted that students did not pay fees regularly, we observed that there was no disclosure of arrears of fees for the period under review.

The SFO should ensure that the necessary adjustments are done to the financial statements. The revised financial statements should reach the ASSL for verification.

Auditor's Comment

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

4.16.21. Payments without Supporting Documents

A review of bank statements revealed that withdrawals of Le602,441,000 from the account held at the FIBank were not supported by payment vouchers and relevant supporting documents such as signed list of recipients, delivery notes, receipts, etc.

The SFO should ensure that the required supporting documents are provided for verification.

Official's Response

The VC in his response said: "Vouchers together with their documents attached to it got missing due to unexpected fire outbreak which forced the Department to be transferred. We however managed to find few vouchers and other supporting documents and these documents have now been traced, attached and are now ready for audit inspection".

Auditor's Comment

The documents were not submitted for verification. The issue therefore remains unresolved.

4.16.22. Payment without Adequate Supporting Documents

Payments to the tunes of Le919,874,608 and Le769,266,660 for 2016 and 2017 respectively, were made from different accounts in respect of computers, stationery, travelling, etc. for which adequate supporting documents such as attendance lists, signed acknowledged lists of beneficiaries, delivery notes, receipts, etc. were not made available for inspection to justify the utilisation of the payments. It was recommended that the SFO should ensure that payments from initiation to completion are supported by payment vouchers and the relevant supporting documents; and these should be numbered and cross referenced so that in cases of missing documents, such documents can be easily traced.

In addition, the VC in collaboration with the SFO should ensure that the supporting documents in respect of the expended amounts are submitted to the ASSL for verification.

Official's Response

The VC in his response said: "Documents were missing due to unexpected fire outbreak in the Admin Building which forced the Department to be transferred. These documents have however now been traced, attached and are now ready for audit inspection".

Auditor's Comment

Documents in support of transactions totalling Le727,512,954 and Le634,351,660 for 2016 and 2017 respectively, were submitted and verified, leaving a balance of Le192,361,654 and Le134,915,000 still not submitted for verification. The issue therefore remains partly resolved.

4.16.23. Non-payment and Non-disclosure of Withholding Tax to NRA

Withholding taxes totalling Le82,198,335 (Le53,305,650 and Le28,892,685) for 2016 and 2017 respectively, in respect of payments for goods and services were neither deducted nor paid to the NRA. In addition, Le5,975,000 of Le82,198,335 was disclosed leaving a balance of Le76,223,335 not disclosed.

The SFO should ensure that the outstanding withholding taxes are paid to NRA and evidence of such payment forwarded to the ASSL for verification. In addition, the SFO should ensure that the necessary disclosures are made in respect of the outstanding withholding taxes.

Official's Response

The VC in his response said: "The regulation of deducting and paying withholding taxes to the NRA will be strictly adhered to going forward. With the reported amount not paid to the NRA, the Finance Department has examined all payment vouchers that relate to withholding taxes and will ensure that payment is made as and when allocation is received. The queried amount has been disclosed in the FS and ready for audit inspection".

Auditor's Comment

Upon verification, we noted that the unpaid withholding taxes had been disclosed in the revised FS. Evidence of NRA receipt confirming the payment of withholding tax was not submitted for verification. The issue is therefore partly resolved.

4.16.24. Sitting Fees Paid without Evidence of Meeting

A total of Le64,892,000 and Le7,700,000 for 2016 and 2017 were paid as sitting fees. There was however no documentary evidence such as signed minutes, attendance register, no policy/guideline as to what should be paid of such meeting.

The VC should ensure that the relevant evidence is made available for audit inspection; otherwise, the whole queried amount should be recovered and paid back into the Consolidated Fund and evidence of such payment made available to the ASSL.

Official's Response

The VC in his response said: "As a corrective measure, the University has decided going forward to share copies of minutes with the Finance Department who are responsible for the payment of these fees to ensure that these staff signed upon receipt of their monies. The minutes are ready for audit inspection".

Auditor's Comment

Evidence of meeting held in the form of minutes was not submitted for verification. The issue therefore remains unresolved.

4.16.25. Non-submission of Documents

Several documents such as, accountable document register, estate policy, staff loan policy, fuel entitlement list, fuel chit stubs for 2017 were not made available for inspection.

We recommend that the VC collaborate with the responsible officers in charge of these documents to ensure that they are made available for audit inspection.

Official's Response

The VC in his response said: "The relevant documents are now ready for audit inspection".

Auditor's Comment

The required queried documents were yet to be submitted for verification. The issue therefore remains unresolved.

4.16.26. Bank Balances not Confirmed by the Bank

The FIBank did not confirm a bank balance totalling Le5,177,679 for 2016. It was recommended that the VC in collaboration with the SFO should ensure that action is taken to ensure that the Bank responds to the ASSL's request.

Official's Response

The VC in his response said: "We have communicated the matter to the branch manager of FIBank and the confirmation will be sent when received from them".

Auditor's Comment

The bank confirmation for FIBank was not submitted for verification. The issue therefore remains unresolved.

4.16.27. Incomplete Bank Statements Details

Are view of the bank statements submitted revealed that the details in the bank statements were not complete as it does not have cheque numbers. In spite of the fact that the SFO sent a letter to the Bank Manager for the complete bank statements to be submitted for review, there was no evidence that these were submitted. The VC should make frantic effort to ensure that the complete bank statements are made available for audit inspection.

Official's Response

The VC in his response said: "The matter was forwarded to the bank with their response that there was a technical issue with the machine which caused the statements not to be able to print all the relevant details., the matter will however still be sent to the Branch Manager for action to be taken".

Auditor's Comment

Management's response is noted. This however has a limitation on the work of the audit team as we were not able to review the bank statements submitted. The issue therefore remains unresolved.

4.16.28. Cash Balances in the FS not Confirmed

The team could not confirm the existence of the cash balance of Le86,575,000 and Le176,000,000 reported in the statement of financial position as at 31st December, 2016 and 2017 respectively. The SFO should provide adequate supporting documentation to confirm the cash balances presented in the statements of financial position.

Official's Response

The VC in his response said: "The amount stated in the FS as cash balances is imprest and not cash at hand. The relevant documents were submitted together with the other documents to the audit team for audit inspection. The documents however are still available for inspection".

Auditor's Comment

Management's response is noted. The journals for the reversal were however not submitted and the amount claimed to be the petty cash expense was not included in the expenses figure in the FS. The issue therefore remains unresolved.

4.16.29. PAYE Deduction Neither Paid nor Disclosed in the Financial Statements

A review of the staff payroll vouchers revealed that PAYE deductions totalling Le1,220,759,829 and Le1,829,211,946 in respect of senior and junior staff were made for the years 2016 and 2017 respectively. Receipts of payment to the NRA in 2017 totalling Le127,584,979 for 2016 and

Le494,666,336 for 2017 were submitted, leaving a balance of Le1,093,174,850 and Le1,334,545,610 yet to be submitted.

We also noted that out of the outstanding amount of Le1,220,759,829 for 2016, only Le3,100,000 was disclosed in the financial statements as arrears in 2016 leaving a balance of Le1,217,659,829 for 2016 and Le1,334,545,610 for 2017 not disclosed.

The VC should ensure that the queried amount should be recovered and paid back to the NRA with evidence of such payment made available to the ASSL for verification.

Officials Response

The VC in his response said: "The amount has now been disclosed in the FS. A plan of action has also been set for payment of all statutory deductions".

Auditor's Comment

Upon review of the revised FS, we noted that the unpaid PAYE has been disclosed in the revised FS. Evidence in the form of receipt of PAYE payments made was however not submitted for verification. The issue therefore remains partly resolved.

4.16.30. Social Security Contributions Deducted but Neither Paid to NASSIT nor Disclosed in the FS

A review of the staff payroll vouchers revealed that NASSIT deductions totalling Le657,381,231 and Le785,202,334 in respect of senior and junior staff were made in 2016 and 2017 respectively. Evidence of payment in the form of NASSIT receipts amounting to Le556,314,461 and Le545,016,356 in 2016 and 2017 respectively were submitted for inspection, leaving outstanding balances of Le101,066,770 and Le239,470,763.

In the same vein, the outstanding social security contributions were not disclosed in the FS as amount due in the FS.

The following were recommended:

- The VC should ensure that the NASSIT contribution is paid to the relevant authority and evidence of payment forwarded to ASSL for verification.
- The amount representing unpaid social security liabilities should be disclosed in the financial statements.

Official's Response

The VC in his response said: "The amount has now been disclosed in the FS. A plan of action has also been set for payment of all statutory deductions."

Auditor's Comment

The unpaid NASSIT has been disclosed in the revised FS. Evidence in the form of receipt of NASSIT payments made or the agreed action plan with NASSIT was however not submitted for verification. The issue therefore remains partly resolved.

4.16.31. Staff Who Had Attained the University Retirement Age

A review of the payroll vouchers revealed that senior staff who had attained the statutory retirement age of 65 years were still on the payroll vouchers and were still in active service. Total salaries paid to senior staff amounted to Le562,087,639 and Le713,824,642 for both 2016 and 2017 respectively. In the same vein, there were junior staff who had attained the statutory retirement age of 65 years whose names were still on the payroll vouchers and still in active service. Total salaries paid to the junior staff amounted to Le120,228,757 and Le133,775,262 for both 2016 and 2017 respectively. Moreover, documentary evidence to confirm that these staff were on contracts was not made available.

The VC should provide written explanation backed by supporting documents justifying why salaries were paid to these staff of the University. He should also inform the Human Resources Management Office to correct this anomaly and evidence of such action submitted to the ASSL for audit inspection.

Official's Response

The VC in his response said: "The period under review was the transition period from college to university. Retirement of these staff were not taken into account. We have however informed the Human Resources Management Office to take action".

Auditor's Comment

Management's response is noted. Documentary evidence of effort made to inform the HRMO of the anomaly was however not submitted for verification. The issue therefore remains unresolved.

4.16.32. Payroll Vouchers not Submitted

Payroll vouchers in respect of junior staff were not made available from April and May 2016 as well as January to May 2017 were not made available for inspection. The VC in collaboration with the SFO should submit written explanation why payroll vouchers were not made available for audit inspection. He should also ensure that the payroll vouchers for the remaining months are made available for audit inspection.

Official's Response

The VC in his response said: "Some of the payroll vouchers were not seen during the audit as a result of the transfer of documents from the previous admin building. They have however been seen and are ready for audit inspection".

Auditor's Comment

The payroll vouchers were not submitted for verification. The issue therefore remains unresolved.

4.16.33. Assets not Valued and Recognised in the Financial Statements

A review of the land documents and interview with the Estate Officers revealed that the University had lands (Plots 1, 2 and 3 in Mamankie - Agriculture farm land) and buildings costing millions of Leones which were neither recognised nor disclosed as assets in the statements of financial positions for 2016 and 2017. We were also unable to value these assets as no evidence of valuation or cost information in respect of those assets were made available to the audit team for review. In the same vein, review of the fixed assets register revealed that the University had several plants, machineries and equipment such as perkins generator, submersible pump, Mercedes Benz Yamaha, power saw, etc. owned and controlled by the University were not recognised in the financial statements submitted for audit inspection.

No schedule was submitted showing the total cost of assets, depreciation charge and net book value at throughout 2016.

The following were recommended:

- The VC in collaboration with the SFO should provide written explanations backed by supporting documentation why these properties were not valued and included in the financial statement.
- The SFO together with the Estate Officer should ensure that all land and buildings, plants and machinery and office equipment owned and controlled by the University are valued and recognised in the revised financial statement.
- The SFO must ensure that schedule of assets for 2016 are prepared and submitted to the audit team for inspection.

Official's Response

The Principal in his response said: "We were not able to value and include the assets in the financial statements".

Auditor Comment:

Management's response is noted. There as on for the non-valuation of fixed assets was however not stated in the response. There vised FS showed values for some fixed assets but values for plant and equipment, motor vehicles and buildings were not included in the FS. The issue therefore remains unresolved.

4.16.34. Depreciation of Fixed Assets not Computed Correctly

Computation of depreciation of fixed assets using the rate (8%) as indicated in the notes to the account, revealed that total depreciation of Le5,760,000 and Le12,873,440 were not accounted for as depreciation charge in the income statements. We also observed differences between the amount recognised in the statements of financial position as depreciation and the depreciation value computed by the audit team. The total difference was Le8,640,000 and Le4,892,160 for 2016 and 2017 respectively. In another instance, we noted that the University applied a uniform rate of 8% to depreciate all fixed assets with the exception of land and buildings (2%), even though the assets had different life spans.

The following were recommended:

- The SFO should provide written explanation backed by supporting document stating the reasons for the differences in the depreciation charges.
- Adjustments should be made to the financial statements to correct this misstatement.
- The VC in collaboration with the SFO should provide written explanations backed by supporting documentation as to why uniform rates were applied to depreciate these fixed assets with different life spans.

Official's Response

The VC in his response said: "The depreciation has now been computed correctly and disclosed in the FS. The revised FS is now ready for audit inspection".

Auditor's Comment

Management's response is noted. The depreciation charge was recalculated using the correct rate. Nonetheless, since the EBKUST did not recognise all its property plants and equipment, the total depreciation charge in the FS is misstated.

4.16.35. Lack of Controls in the Management of Fixed Assets

There were inadequate controls over the management of fixed assets. This was evidenced by the fact that:

- no policy was designed for the management of fixed assets;
- the assets register was not updated; and
- a reasonable number of the assets were not marked with unique identification codes.

The VC in collaboration with the Estate Officer should ensure the following:

- A prescribed assets policy is maintained for the purchase, maintenance and replacement of all assets of the University.
- The assets register is updated regularly with details including the date of purchase, cost, assets type, location and status of assets is maintained.
- All assets owned and donated to the University are coded with unique identification marks.

Official's Response

The VC in his response said: "I have instructed the SFO to collaborate with the Estate Officer in order to set up an assets policy. This will be done soon. The assets register has now been updated and ready for audit inspection. Codification of assets is cost demanding and will be done for the remaining assets not coded when there is allocation".

Auditor's Comment

Management's response is noted. The updated assets register was however not submitted for verification. The issue therefore remains unresolved.

4.16.36. Ineffective Internal Audit Function

The Internal Audit Directorate was staffed with only one Internal Auditor. In 2016, only one report was issued for which evidence of working papers and management's response were not made available for audit inspection. In addition, no internal audit work was performed in 2017. Moreover, there was no Internal Audit Committee during the period under review. The VC should complement the work of the current Internal Auditor by increasing the staff number or seeking the assistance of the internal audit directorate. In addition, the VC should ensure that an Internal Audit Committee is established to support the functions of the Directorate.

Official's Response

The VC in his response said: "Management acknowledge your recommendation of the Internal Audit. The Department had been grossly under staffed and that will be looked into".

Auditor's Comment

Management's response is noted. The issue however remains unresolved as we were not provided with evidence of action taken.

4.16.37. Lack of Internal Audit Charter

The Internal Audit Unit at the University did not have an audit charter detailing Internal Audit purpose, authority, responsibility, line of reporting and position within the University.

The Internal Auditor to ensure that an audit charter be developed approved and implemented within the University.

Official's Response

The VC in his response said: "Management acknowledge your recommendation of the internal audit. The Department had been grossly under staffed and will be looked into".

Auditor's Comment

We note management's response. The issue however remains unresolved as we were not provided with evidence of action taken.

4.16.38. Ineffective Operations of the Accounting System

Our review of the University's accounting system and general ledger used revealed the following:

- The general ledger had account codes 2055 and 3699 for imprest and petty cash during the financial year under review, even though the two sub heads served the same purpose.
- There was no ICT Policy and ICT Officer attached to the University.
- There was no back-up (on-site and off-site) system in place to protect the University's data against loss in the event of systems outbreak.
- Most of the other computers verified did not have a valid licensed antivirus installed.
- There was no fire extinguisher to protect the University's property, plant and equipment (PPE) in the event of a fire outbreak. Even though there had been incidents of fire outbreak twice at the University, the issue is yet to be addressed by the University.

We recommend the following:

- The SFO should ensure that the necessary adjustments are done in the general ledger.
- The VC should ensure that an ICT Policy is designed as soon as possible to address antivirus matters, regular data backup, proper handling and maintenance of electronic devices and the storage of data.
- The VC should ensure that antivirus software is purchased and installed on the University's equipment with immediate effect.
- Immediate steps should be taken to institute an ICT back-up system to protect the University's electronic information.

Auditor's Comment

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

No Disaster Recovery or Business Continuity Plan

There was no evidence of an approved Business Continuity and Disaster Recovery Plan in place in relation to backup, retention and recovery policy in place to ensure business continuity within a reasonable period, in the event of a disaster.

We recommend that the VC develop a Disaster Recovery Plan and Business Continuity Plan within the shortest possible time.

Auditor's Comment

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

4.17. TERTIARY EDUCATION COMMISSION (TEC) – 2019

4.17.1. Insufficient Supporting Documentation

Some transactions had insufficient supporting documentation. These transactions totalling Le15,378,747 had no receipts attached to them. We recommend that when payments are made on behalf of the Commission, all payment vouchers must be supported by third party documents and that missing supporting documents should be located and produced for examination.

Official's Response

The Executive Secretary in his response said: "Management in consultation with a cross section of commissioners would like to assure you that all necessary internal controls procedures were followed before the above transactions were processed. The payment requests and vouchers together with other relevant supporting documents are usually approved before the procedures were made and available for review. EDSA Receipt: In relation to the electricity bill, which gives a total value of six million Leones (Le6,000,000). Management has discussed and agreed that the Commission will do a letter to EDSA, requesting them to provide a statement for the Commission to confirm that the above payments were credited into the account. Cleaning materials and printing of banner: For transactions with a total value of Le8,878,745.50 and Le500,000, all necessary documentations such as payment vouchers, RFQ, request letters and approval together with receipts and submitted to the auditors during their review. Management is forwarding the receipts for your attention and necessary actions".

Auditor's Comment

The action relating to EDSA was noted. With regard to the cleaning materials and printing of banner, we did not receive documents.

4.17.2. Procedures not Properly Followed in the Treatment of Bad Debts

A total of Le13,200,000 was written off as bad debts without going through the normal procedures according to IAS 39/IFRS 9.

In order to enable the Finance staff to effectively monitor the Commission's debtor levels, a monthly ageing debt report should be produced. This will identify movements of the debtor balances and contain narratives of key risks. Once it is established that the debts are irrecoverable, each proposed bad debt will be presented to the appropriate authority for approval before final write-off action is taken in line with established internal control.

Official's Response

The Executive Secretary in his response said: "In accordance with International Financial Reporting Standards (IFRS) on revenue recognition, the Commission recognises income from an institution effective the following academic year in which it was granted registration status. The Christian Leadership College was invoiced for the academic year 2013/2014 and 2014/2015 with a total of Le13.2 million for which it was operating under provisional registration status. When the Finance Department was preparing the Commission's financial statements for the 2019, it was realised that renewal fee was charged to the institution during their grace period. Management in consultation with a cross section of commissioners have discussed and agreed that the said amount be recovered and the institution in question be charged for the period under review".

Auditor's Comment

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

4.18. TERTIARY EDUCATION COMMISSION (TEC) – 2018

4.18.1. Insufficient Supporting Documentation

Some transactions had insufficient supporting documentation. Transactions totalling Le5,700,000 had no receipts attached to them. We recommend that all payment vouchers must be supported by third party documents and missing supporting documents should be located and produced for examination.

Official's Response

The Executive Secretary in his response said: "Management will like to assure you that all necessary internal control procedures were followed before the above transaction was processed. The payment requests and vouchers together with other relevant supporting documents are usually approved before the procedures were made available for review. A set of such documents are attached for ease of reference and as an example".

Auditor's Comment

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

4.19. NATIONAL COUNCIL FOR TECHNICAL, VOCATIONAL AND OTHER ACADEMIC AWARDS (NCTVA) – 2019

4.19.1. Land and Buildings

We physically verified the existence of three buildings in the complex, office furniture and equipment located in the area occupied by the NCTVA and observed the following:

- that NCTVA does not possess any legal document such as conveyance for the plot of land on which their complex is built;
- that the buildings are not insured;
- we could not ascertain whether or not the University of Sierra Leone contributed towards the maintenance and security of the complex as agreed; and

- we could not ascertain the terms of UNESCO'S occupation of the complex.

We recommend that:

- the NCTVA should secure a copy of the conveyance or documentary evidence supporting its ownership of the land.
- a fire and extra perils insurance cover be taken for the complex.
- the NCTVA ensure the other establishments using the complex be contacted to meet the cost of insurance premium as recommended above.

Official's Response

The Director in his response said: "Council notes the recommendations made by the auditors and will adhere to the fullest".

Auditor's Comment

We note the comments of the Council, but they fall short of addressing the issues raised.

4.19.2. Statutory Deductions

It was noted that the Council did not deduct the statutory withholding tax of 5.5% totalling Le28,784,758 from eligible payments.

The NCTVA take appropriate measures to rectify this lapse, by ensuring that the withholding taxes, which should have been deducted for the period, are retrieved from the contractors in question, and paid to the National Revenue Authority; otherwise, the NCTVA will be liable to pay the due amount because they failed to implement relevant statute.

Official's Response

The Director in his response said: "Management would ensure the effective deduction of withholding tax from suppliers and contractors to prevent the contravention of Section 129 of the Income Tax Act of 2000. Management will also endeavour to notify all suppliers/contractors in the earliest possible time in relation to this lapse and to ask them to make the necessary deductions of the stated withholding tax and pay to the NRA via NCTVA".

Auditor's Comment

We note Management's response. There is however no evidence of concrete steps taken by management to implement our recommendations.

4.19.3. Write-off of GoSL Grant-in-Aid

It was noted that the GoSL subvention due to the Council between 2012 and 2017 of Le720,000,000 was short paid by Le56,800,000 in 2018, and this amount was slated for write-off without any authority. We recommend that all amounts due from Government should not be written off until authority is obtained.

Official's Response

The Director in his response said: "Since 2012 there was no government subvention allocated to the Council. The current administration through the Ministry of Technical and Higher Education (MTHE) allocated Le663,200,000 to Council in the form of subvention in November 2018 to ease the suffering Council has been going through in the past years, with the understanding that there will be no further backlog of subvention. The total subvention due was Le720,000,000, paid Le663,200,000 and balance Le56,800,000. Council will however further negotiate with the MTHE for the payment of the balance subvention".

Auditor's Comment

We recommend that the NCTVA seek official documentation from the MTHE for the amount already paid is the final for 2012 through 2017.

4.19.4. Field Visit Report (Regions and Western Area)

During the course of our audit, we visited various institutes which took the National Council for Technical, Vocational and Others Academic Awards (NCTVA) exams in the country, and made the following recommendations.

- Council should establish offices in the various regions in order to facilitate efficiency
- Council should try to increase their examiners' fees and make payment on time inline with their agreement.
- Council should endeavour they publish the original results early.
- Council should publish the reference examination timetable and results on time.

Official's Response

The Director in his response said the following:

- *"The establishment of regional offices has always been in the Council's strategic/development plan and will be executed when funds are available. It is also part of our projects for submission to donors.*
- *In relation to the payment of examiners, it indicated that it was looking into the matter.*
- *The exams fees charged by Council are not enough to organise conference marking. Also, some institutions submit their continuous assessments late. These sometimes cause the delay in publishing the results. Management is however addressing this matter as situation keeps improving".*

Auditor's Comment

We note management's comments but the issue is still outstanding.

4.20. NATIONAL COMMISSION FOR PRIVATISATION (NCP) – 2018

Management System, West Africa, Sierra Leone – Cargo Tracking Note System Agreement – Balance Owning as at 31st December, 2018

The team noted a difference of US\$85,789.39 in the amount disclosed by the Commission as owed by the Transport and Ports Management System West Africa, as service provider at the Ports. The Commission should review the amount recorded in its accounting books with regard this matter with the view of correcting the records.

Official's Response

The Chairman said: "The contract between TPMS and the Government of Sierra Leone (GoSL) was terminated in 2018 due to persistent breaches, the revenue collection and other aspects of the enforcement of the agreement were taken over by the Anti-Corruption Commission (ACC) in 2018. As part of the agreement with the ACC, the management of TPMS made several payments directly to the ACC. For example, the following payments were made to the ACC before and after the year end.

In this regard, the project is no longer managed by the Commission but directly under the supervision of the ACC."

Auditor's Comment

We note the involvement of the Anti-Corruption Commission in this matter, and the conclusion by the Ministry of Finance that the amount owed by TPMS-SL is US\$ 8,983,533.68 plus estimated interest of US\$ 2,156,048.

4.20.1. Repayment of Staff Advances

We observed that some members of staff of the Commission did not adhere to the repayment conditions of advances granted to them during the accounting period under review.

We noted that monthly repayment of advances should have been made by Messrs. Ibrahim Swarray and Augustine Pujeh, but Mr. Ibrahim Swarray only paid Le800,000 out of Le6,000,000 and Mr.

Augustine Pujeh paid Le300,000 out of Le3,500,000. It was recommended that, staff advances report should be reviewed by a senior officer of the Commission on a monthly basis.

Staff advances report should be reviewed by a senior officer of the Commission on a monthly basis.

Official's Response

The Chairman stated that a repayment plan has been agreed to by the above staff and the following payments were made as follows: Mr. Ibrahim Swarray paid Le2,000,000 on 22nd August, 2019 and also Mr. Augustine Pujeh paid Le700,000 on 24th August, 2019. The balances outstanding will be repaid before the end of the year 2019.

Auditor's Comment

We were informed that the outstanding balance of Le3,200,000 owed by Mr. Swarray and Le2,500,000 by Mr. Augustine Pujeh will be paid in equal instalments during the remaining four months of the year.

Evidence of the Le2,000,000 paid by Mr. Ibrahim Swarray and the Le700,000 paid by Mr. Augustine Pujeh were seen and verified.

4.20.2. Computations of Rental Tax

Section 120 of the Sierra Leone Income Tax Act, 2000 (as amended) and Section 6 of the 2013 Finance Act provides that the following deductions should be made to rental income before the application of the 10% tax.

- Tax free threshold of Le3,600,000 per tax payer per annum.
- Tax deductible allowances of 20% of the excess of tax-free threshold for repairs and maintenance.
- We observed that the Commission applied a tax-free threshold of Le1,500,000 instead of Le3,600,000 in computing the rental tax in respect of the Tower Hill property.

We recommend that the Commission should take cognisance of the above-mentioned provisions when computing rental tax.

Official's Response

The Chairman said: "The Commission has contacted the NRA and obtained the revised tax tables that contain the 2019 tax free thresholds and the current rates will now be applied for the 2019 rental tax computations, and adjustments will be made to capture the difference".

Auditor's Comment

The 2019 rent has not been paid. This issue is still unresolved.

4.21. SIERRA LEONE LIBRARY BOARD – 2019

4.21.1. Property Title Deed

There is no legal property title deed for the building. Management should ensure that they obtain the title deed for the building as soon as possible and make this available to the auditor for inspection.

Official's Response

The Chief Liberian in his response said: "Management will take necessary action when funds are available".

Auditor's Comment

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

4.21.2. Insurance

Sierra Leone Library Board not have insurance cover for its assets.

Official's Response

The Chief Librarian in his response said: "Management will take necessary action when funds are available".

Auditor's Comment

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

4.21.3. Improper Cashbook

The description of expenditure in the savings and revolving account cashbook is not detailed enough. We recommend that every expenditure made should be adequately described in the cashbook.

Official's Response

The Chief Librarian in his response said: "Detailed description of expenditure in the said accounts has been made".

Auditor's Comment

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

4.21.4. Health and Safety

We observed that five fire extinguishers have expired since 13th August, 2016. Without a fire extinguisher, the health and safety of staff in the Sierra Leone Library Board are at risk.

Official's Response

The Chief Librarian in his response said: "Management will take necessary action when funds are available".

Auditor's Comment

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

4.21.5. Follow-up on Prior 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 description of expenditure in the savings account cashbook is not detailed.

4.22. INDEPENDENT POLICE COMPLAINTS BOARD – 2019**4.22.1. Assets not Coded**

It was noted that some assets were not coded. We recommend that assets should be coded as soon as possible.

Official's Response

The Board Secretary in his response said: "After the 2018 audit, we undertook a complete overhaul of the assets (over 300 items). The 3 items listed as not coded were actually sent to our Port Loko office. Because of the travel restrictions currently in force, we could not have these assets coded. We however have a planned trip to Port Loko before the end of June 2020 and these assets will be coded".

Auditor's Comment

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

4.22.2. Follow-up on Previous Year's Recommendations

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

It was noted that the Independent Police Complaints Board did not have an accounting software.

4.23. SIERRA LEONE INVESTMENT AND EXPORT PROMOTION AGENCY - 2018

4.23.1. Other Matters

The following issues were noted.

- The agency did not have a structured salary scale.
- The agency did not use the prescribed NASSIT tax returns.

We recommend that, the agency should develop a structured salary scale. We further recommend that, the agency should collect the appropriate certificates and forms for monthly returns from the NRA and NASSIT.

Official's Response

The Executive Director said the following:

- *"The salary scale to be reviewed – going concern for next FY.*
- *The agency will collect the appropriate certificates and forms for monthly returns from the NRA and NASSIT going forward.*

Auditor's Comment

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

4.24. FINANCIAL INTELLIGENCE UNIT - 2018

4.24.1. Internal Control

According to Section 3.1.3 of the Financial Intelligent Unit Sierra Leone (FIUSL) Accounting Policies and Procedures: "The requesting Department should raise a memo to the Director, the Director minutes it to the head of Finance for advice when necessary, the Finance Department should ensure completeness and accuracy of the relevant documents and forward to the Director for approval." The team however observed that there was no evidence of this in the supporting documents that we reviewed. We recommend that Section 3.1.3 should be strictly adhered to.

Official's Response

The Director said: "Management has noted these concerns and will take necessary steps to ensure compliance.

Auditor's Comment

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

4.24.2. Property, Plant and Equipment

We physically verified all acquisition of property, plant and equipment for the year under review and noted that they were not coded. We recommend that necessary corrective actions be taken to address issues noted above.

Official's Response

The Director said: "The assets in question were procured in 2018 but actually installed in 2019. Action has however been taken by management to ensure that the said assets are coded".

Auditor's Comment

Management's response is noted but the issue is still outstanding.

4.24.3. Confirmation

ISA 500 indicates that corroborating information obtained from a source independent of the entity, such as external confirmations, may increase the assurance the auditor obtains from evidence existing within the accounting records or from representations made by management. Third party confirmation requests for the unit's donor were sent and no replies have been received for our review and inspection. We recommend that management do a follow-up on the above issue.

Official's Response

The Director said: "All confirmation letters were sent out to the parties concerned and copies of same were forwarded to your office. Several follow-ups have been made to ensure that the said confirmations are sent to your office directly".

Auditor's Comment

Management's response is noted but the issue is still outstanding.

4.24.4. Follow-up on Prior Year's Recommendations

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

Compliance

Section 4(1) of the Anti-Money Laundering and Combating of Financing Terrorism Act of 2012 states: "The Inter-Ministerial Committee shall meet for dispatch of business at the time and place the chairman may decide but shall meet at least once a month". Section 6(a) states: "The technical committee shall meet regularly, but not less than two times a year".

During the course of the audit, the auditors were provided with only one minute for both inter-ministerial and technical committees for the period under review. This means that there is a breach of the above requirements and the effectiveness of the Committees are questionable.

Employee Annual Performance Appraisal

Section 8.4 of the FIUSL Human Resources Manual deliberate on conducting annual performance appraisal for employees, the auditors were not provided with any evidence that this was done in the year under review, so the matter remains unresolved.

Internal Audit Function

The internal audit function within an organisation measures, evaluates and reports on the effectiveness of internal controls, both financial and otherwise, as a contribution to the efficient use of resources within the organisation. It was however observed that no internal audit activity was carried out during the period under review, we therefore conclude that the division is ineffective.

4.25. PHARMACY BOARD OF SIERRA LEONE - 2017

4.25.1. Procurement

The following issues were noted

(i) Institutional setup

The assessment of this indicator covers the following: aptness of the established Procurement Committee; suitability of the Procurement Unit; and knowledge of the committee members and procurement staff in applying the Procurement Act of 2004/2016 and its Regulations of 2006.

The assessment revealed that the agency has a Procurement Committee and an official who is entrusted with the responsibility to procure the needed logistics. The team also discovered that those managing the procurement function have little knowledge of the Procurement Act and its Regulations.

(ii) Management of the procurement filing system

The following areas were assessed under the management of procurement records: Availability of complete records in the Procurement Unit; adequacy of office space for maintaining procurement records; and whether records are arranged in a chronological order and well kept.

The entity has enough office space for procurement records management., the team noted that the Procurement Unit did not maintain complete records of the procurement, transactions, and in some instances, records of most of the transactions were scattered in various departments contrary to Section 32(1)(2) of the Public Procurement Act.

(iii) Appropriate preparation of procurement plan

The assessment under this performance area covered the appropriate application of the templates issued by the NPPA, appropriateness of allocating bid processing time; whether requirements were properly aggregated; and whether the procurement plan was approved and updated periodically.

The analysis indicated that the entity prepared their procurement plan properly by applying the appropriate templates, allotted the required bid processing times as provided in the Public Procurement Act of 2016, and operated a properly approved procurement plan. Conversely, the audit noted that most business needs were disaggregated. This is contrary to Section 29(3) of the Procurement Act. The procurement plan was not updated, and this is contrary to Section 29(6) of the Public Procurement Act. A total of 14 transactions were executed without being planned for. This is contrary to Section 29 of the Public Procurement Act of 2016.

(iv) Appropriateness of Request Processing

The assessment under this performance area covered approval to start procurement process, appropriate preparation of tender document, unambiguous evaluation criteria, appropriate use of procurement methods and adherence to the terms of the contract.

During the audit, the team discovered that 7 out of the fourteen transactions reviewed did not comply with the provisions of the Public Procurement Act and Public Procurement Regulations. The analysis below explains the weaknesses found in five of the seven noncompliant transactions.

Procurement for the printing of Newsletter Volumes I and III at a contract amount of Le 90,666,000.00.

We noted the following: The scope of service was not detailed enough to attract healthy competition. This is contrary to Regulation 56; the criteria for contract award were not detailed in the bidding document, which is contrary to Regulation 57; the procurement method employed was Request for Quotation instead of National Competitive Bidding; the evaluation process for the quotations sourced was not documented; and the contract for the services rendered could not be located. This is contrary to section 32(1)(2) of the Procurement Act, 2016.

Procurement of office furniture at a contract amount of Le43,800,000.

We revealed that the evaluation process for the solicited quotations was not documented, which is contrary to Procurement Regulation 111 of 2006, and the local purchase order could not be located at the point of audit, which is contrary to the Procurement Act of 2016.

Procurement for anti-microbial resistance contract amount of Le31,050,000

We noted that the decision for the award of contract was not documented, which is contrary to the Procurement Regulation 111 of 2006, and at the time of the audit, the entity could not make available the local purchase order to the audit team.

Procurement of office stationeries contract amount of Le53,802,820.

The documents reviewed noted the following: The entity failed to document their decision for the award of contract, which is contrary to Procurement Regulation 111 of 2006, and the signed contract

document between the two parties could not be located, which is contrary to the Procurement Act of 2016 and its Regulations.

The following were recommended:

- The staff charged with the responsibility to procure on behalf of public institutions should have a thorough understanding of the Procurement Act and Regulations to guard the state against unscrupulous suppliers and delivers best value to the ordinary taxpayers.
- The staff charged with the procurement function maintain all records and reports of the procurement proceedings in the Procurement Unit in accordance with Section 32(1)(2) of the Public Procurement Act of 2016.
- Every procurement activity should be properly planned so as to achieve maximum value for state resources expended, and create an accurate information base for decision-makers.
- The staff trusted with the procurement function in the entity be trained on public procurement management to enable them better manage the processes.
- The entity fully complies with the procurement laws governing the acquisition of goods, works and services so as to save the entity from thoughtless spending.
- The staff trusted with the procurement function have the requisite skills, which enable them better manage the processes so as to increase competition and contribute best value to public contracts.
- The staff charged with the responsibility to procure the business needs of the entity has the right skills to enable them effectively manage the processes so as to protect state resources.
- The staff charged with the responsibility to procure the business needs of the entity have an in-depth understanding of the Procurement Act and its Regulations.

Official's Response

The Registrar said the following.

- *"The records of the procurement transaction are kept on a monthly basis which is used to provide update report to the NPPA on a monthly basis. Sometimes, records are also kept separately in files and some are kept at the Finance Department. Moving forward, the Board would ensure a single file copy for all transaction is maintained at the Procurement Unit.*
- *All activities undertaken were part of the approved budget of the Board, procurement activities will hence forth be updated on the Procurement Plan.*
- *The request for quotation for the printing of Newsletter Volumes I and III was sent out to suppliers on different date. Payment for the service was however made on the same date.*
- *The contract for the service is available for verification.*
- *The local purchase order for the office furniture was available but filed in the Finance Department. Moving forward, the Board will prepare separate evaluation report on procurement activities as it was mostly captured in the minutes of Procurement Committee meeting.*
- *The decision for the award of contract is usually recorded in the Procurement Committee minutes. The Board will prepare separate evaluation report on procurement activities from now onward.*
- *Contract is available for the printing of posters of antimicrobial resistance for verification.*
- *The decision for the award of contract is usually recorded in the minutes of Procurement Committee meeting. Going forward, the Board will prepare separate evaluation report on procurement activities. Contract is available for this transaction.*
- *The contract is available for the supply of the used Land Cruiser engine".*

Auditor's Comment

Management's response is noted but the issue is still outstanding.

4.25.2. Payroll

According to Section 130 sub section 1 of the Income Tax Act of 2000: “Any tax that has been withheld by a withholding agent shall be paid by such agent to the Commissioner within fifteen days of the end of the month in which or should have been withheld”. We however noted that PAYE deductions from employee salaries were not paid over to the NRA within the stipulated time stated in the Income Tax Act. Instances of these are noted below:

Month	Date Paid
January	23rd February, 2017
February	22nd March, 2017
March	17th July, 2017
April	17th July, 2017
May	17th July, 2017
June	7th August, 2017
July	6th October, 2017
August	23rd November, 2017
September	27th November, 2017
October	5th January, 2018
November	7th February, 2018
December	7th February, 2018

We recommended that, all statutory deductions be paid over to the NRA within the stipulated time that is stated in the Act.

Official's Response

The Registrar said the following:

- *"Salaries and allowances are paid by the government through the Ministry of Finance. Timely release of fund is an issue that most subvented agencies face and as a result, it becomes almost impossible to comply with timely payment of income tax.*
- *Management also noticed that you used the receipt date as date paid, this will give an inaccurate picture as payments are most times made to the bank account of the National Revenue Authority who will only issue out receipt after they have received their monthly bank statements and have carried out reconciliation. This is mostly done within two months or more".*

Auditor's Comment

Management's response is noted but the issue is still outstanding.

4.25.3. Cash and Bank

- (i) During the review, the audit team noted a list of outstanding items in the bank reconciliation statement, some of which were transacted as far back as in 2015. Instances of these are listed below:

Date	Description	Amount (Le)
20th February, 2015	Head Office	2,705,400
30th April, 2015	Head Office	1,000,000
20th May, 2015	Head Office	7,071,000
21st August, 2015	Head Office	1,417,500
29th September, 2015	Head Office	2,887,500
23rd September, 2015	Head Office	770,000
23rd December, 2015	Head Office	3,050,000

- (ii) We also reviewed petty cash balances at the end of the year and noted the undermentioned differences between amount on cash count certificates and the trial balance as outlined below:

Details	Amount in Trial (Le)	Amount as per Certificate (Le)	Difference (Le)
Cash	68,456,445	60,367,285	8,089,160
Cheque	479,500	-	479,500
Lungi Cash Advance	1,000	2,237,000	(2,236,000)
Petty Cash- East	15,000	4,989,000	(4,974,000)
Petty Cash – North	205,000	265,000	(60,000)
Petty Cash – South	5,000	821,000	(816,000)

We recommend that the list of long outstanding items be reviewed and investigated. We further recommend that the reconciliation controls be properly monitored.

Official's Response

The Registrar said the following:

- *"Bank reconciliation statement is prepared on a monthly basis and differences are followed up with the bank. As a result, management has been having problems with the delay in response by the bank to an extent that one donor account has to be closed. This is no longer an issue as the Board is no longer dealing with the same bank.*
- *Based on the cash count certificate on file, the amount recorded in the trial balance is the same as the one recorded on the certificate. These certificates are available for further verification.*

Auditor's Comment

Management's response is noted but the issue is still outstanding.

4.26. SIERRA LEONE HEALTH SERVICE COMMISSION – 2018 - 2019

4.26.1. Follow-up on Prior Year's Recommendations

During the audit exercise, we followed up on all recommendations made in 2013 - 2017 previous years. A summary of the status of these recommendations is given below:

- **Software Accounting System not used by the Commission**
During the audit exercise, it was observed that the Commission still uses the manual accounting system based on Microsoft Excel Spread Sheet Platform. The difficult use of the platform by the Finance and Accounting employees in preparing the Commission's financial statements is susceptible to misstatements and errors. The entire finance and accounting system need to be re-designed and properly customised. Accounting software has been an issue of heated discussion from the Board report, but has not been effected by the Board.
- **Procurement of Motor Vehicle without Cognisance of the NPPA Act of 2004**
During our audit filed work, it was observed that procurement of a vehicle was done without recourse to the NPPA Act of 2004. The Motor Vehicles was procured without a response from the NPPA. The total sum of Le170,362,500 was expended for the purchase of a vehicle without going through proper procurement process and procedure. The Commission did not make available any documentary evidence to support the procurement of the vehicle with proper notification from the NPPA.

4.27. SIERRA LEONE NATIONAL SHIPPING COMPANY LIMITED – 2018

4.27.1. Corporate Assets Management not in Place

We observed during the fixed assets verification exercise that most of the items did not have proper unique identification codes to distinguish them from other assets. There was no asset listing and proper assets register maintained by the Company. The assets register provided was not with adequate information and needed to be re-designed with full information in it. The assets register and listing needed to be re-constituted and presented by management. We recommend that, fixed assets should be embossed with their proper unique identification code which should matched with the fixed assets register.

Auditor's Comment

There was no management's response and no evidence that the audit recommendation was implemented. The issue therefore remains unresolved.

4.27.2. Chart of Accounts and Software Accounting System

During the audit exercise, it was observed that the Company used sage software accounting package but the customisation of the package was not properly and professionally done. Many accounts not necessarily needed by the Company were opened in the charts of accounts, leading to misstatements or errors in postings into the system. The entire finance and accounting package need to be re-designed properly and professionally customised. Several accounts were observed to be static and stagnant in the trial balance and chart of accounts. Account openings were done by past Finance Manager, making it difficult for the new Manager to corroborate with documentary evidence.

We recommend that, management should ensure that the software accounting system is procured and installed with capacity building given to the employees manning the finance and accounting functions of the Commission. The entire system needs to be re-designed and properly customised.

Auditor's Comment

The audit recommendation was not implemented. The issue therefore remains unresolved.

4.27.3. Trade Receivables and Prepayments

The observation during the audit has confirmed that the figures stated for the trade receivables were old and cannot be supported with documentary evidence. The debtors age analysis revealed that most of the debts were over five years old, which were no longer collectible. For the year ended 2017, the figure stood at Le3,373,770 while in 2016 it was Le2,632,464. This shows that the figures are not the correct status of the Company trade debtors figure.

We therefore, recommend the following:

- The Company management and the Board of Directors must ensure that the amount to be stated on the Company financial statements can be verified and confirmed with adequate financial transaction documents to depict the transaction trail.
- The management must ensure that the figure stated be investigated and written off that part that could not be collected due to age analysis reports from the Finance and Accounts Department.
- The Board must decide with immediate effect the amount to be written off as per the verification exercise done by the Finance Manager and write of the portion that cannot be confirmed collectible from the clients. This will go a long way to give the true financial position of the Company.

Auditor's Comment

The audit recommendation was not implemented. The issue therefore remains unresolved.

4.27.4. Trade Payables and Accruals

During the audit field work, we observed that the figure stated in the financial statements for payables and accruals could not be supported with adequate documentations. The team observed that the figures were long outstanding as depicted by the creditors age analysis.

More outstanding figures for payables led to reduction in working capital as well as reduction in the net-worth of the Company's value.

We therefore recommend the following:

- The new management team and the Board of Directors should ensure that payables figures is a true reflection of the Company's financial position.
- The figure for payables must be established to be the true figure that is being owed by the Company to its numerous vendors.
- The verification of figures to be included in the financial statements must be corroborated with adequate supporting documents.
- Excess figures found in these accounts must be written off by management after approval by the Board.

Auditor's Comment

The audit recommendation was not implemented. The issue therefore remains unresolved.

4.27.5. Other Payables and Accruals

Verification and confirmation of accounts stated in the financial report, the audit team observed that some of these accounts could not be supported with adequate documentary evidence of transaction that gave birth to such balances.

The following accounts need to be verified and corrected in the financial reports;

- Accruals -Le120,538,000
- Other Creditors - Le530,269,000

All the above listed accounts classified as payables and accruals need to be reassessed and confirmed to give the true state of the Company's finances.

We therefore recommended that, all the aforementioned accounts in the payables and accruals must be investigated and verified to establish the true financial position of the Company financial statements. The verification and confirmation exercise must be done with adequate documentary evidence showing the transaction trail for all the accounts

Auditor's Comment

The audit recommendation was not implemented. The issue therefore remains unresolved.

4.27.6. Capacity Building and Training for Finance and Accounts Staff

We observed that the finance and accounts team of the Company required adequate training on financial management and administrative functions. This will go a long way to ensure that the finance and accounting team is on top of the financial issues of the Company. The non-financial oriented members of the Board and management might as well be co-opted into the training session to let them own the management of the Company.

We recommend that, finance and accounts staff be capacitated on the rudiments of accounting as well as financial management along with management and members of the Board with interest on the training theme. There supposed to be continuous professional development trainings for every employee in an organisation, so the finance and accounts functions performer must be taking with seriousness.

Auditor's Comment

The audit recommendation was not implemented. The issue therefore remains unresolved.

4.27.7. Follow-up on Prior Year's Recommendations

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

- *Inadequate supporting documents was reported for account ID 7057, facilitation and admin and 7172 business promotions, where staff were used as payee on cheques, whereas the cheques were meant for third parties. The supporting documents could not give full explanation of the beneficiaries of these payments.*
- *Back-up was done on regular basis. All the back-ups were however kept within the same location. There is no designated off site back-up/ recovery system for the office.*

4.28. SIERRA LEONE STOCK EXCHANGE – 2018

4.28.1. Income Documents not Submitted for Inspection

Income was received from the Government of Sierra Leone and government securities, but documentations were not provided for verification. We recommend that all relevant supporting documents in respect of income be made available for verification.

Official's Response

The Director General said that management has agreed to request the BSL and MOFED to independently confirm the income from the GOSL and the TBB as the exchange has no other documentations for the amounts captured in the financial statements.

4.28.2. Fixed Assets Depreciation Verification

A Dell laptop computer costing Le8,250,000 which should be located at the DG's office was not seen for verification. We recommend that the asset be presented for verification.

Official's Response

The Director General in his response said: "Management informed that Dell laptop was procured and assigned for the exclusive use of the Director General, Regrettably, the management is now unable to physically verify the device. Therefore, the net book value of the laptop be written off.

4.28.3. Payroll Irregularities

The following observations were made:

- Pay-in-slips were not provided for verification.
- No PAYE deductions were made on payment from July to December, 2018.
- Receipts were not submitted for payments totalling Le25,840,000 to the NASSIT for January to June 2011. This amount was also not reflected in the bank statement.

We therefore recommend the following:

- Pay-in-slips should be provided for verification.
- PAYE should be deducted and paid to the NRA for the mentioned months.
- Management should take up the issue with the NASSIT authorities to clarify this situation.

Official's Response

The Director General said the following:

- *"These have never been part of the documentations for salary payment to staff, management does not consider it essential at this time, when there is only one member of staff.*
- *Audit adjustment to be effected.*

- *We have since written to the Director General of NASSIT, requesting that the unrepresented and stale cheque issued on 28th September, 2018 be returned for cancellation. Management would make appropriate representations regarding this long outstanding liability relating to a contract officer.”*

4.29. OFFICE OF THE OMBUDSMAN – 2018

4.29.1. Physical Verification of Tangible Fixed Assets

There was no evidence that fixed assets were physically verified during the year under review in order to confirm their condition and existence.

We recommended that tangible fixed assets be verified every six months in order to check their existence and condition.

Official’s Response

The Executive Secretary said that management noted this finding and will commence an annual physical verification of the office’s tangible fixed assets. This exercise would enable management confirm their physical condition and existence.

4.29.2. Payment of withholding Tax and Health Insurance Levy

Section 117 of the Sierra Leone Income Tax Act of 2000 (as amended) requires the Office to withhold tax of 5% on the gross amount of any payments made to local contractors for the supply of goods and services exceeding Le500,000, and to file monthly withholding tax returns. Section 36 of the Finance Act of 2016 imposes a National Free Health Care Levy of 0.5%, which operates as a withholding tax on all payments made to contractors both local and foreign for the supply of goods and services. Both taxes are payable on or before the 15th of the month following the transaction. We observed that Le48,097,000 was payable in respect of these taxes as at 31st December, 2018.

We recommend that, withholding tax returns should be submitted to the NRA as soon as possible. We further recommend that all outstanding withholding tax obligations should be settled.

Official’s Response

The Executive Secretary said: " Management confirmed the amount of Le48,097,000 was payable to the NRA. Due to inadequate funding, management has written a letter to the NRA requesting their indulgence for the deferment of this payment to the 4th quarter in 2019.

Rental Agreements

Rental agreements for the Bo and Kenema offices were not made available to enable the team verify the truthfulness of the agreements. We recommend that the Office should have a written rental agreement for all of its offices.

Official’s Response

The Executive Secretary in his response said: “Management noted that the rental agreements for the Bo and Kenema offices had expired for which letters of lease extension were issued to the respective landlords. The office is however currently drawing up new lease agreements for both regional offices.”

4.30. SIERRA LEONE TEACHING SERVICE COMMISSION –2018

4.30.1. Microsoft Excel as Accounting Package

We noted that the Commission used Excel to record and maintain its financial records. Excel by nature is vulnerable to fraud, susceptible to human errors, unsuitable for agile business operation, unsuited for business continuity and incapable to support quick decision making. We therefore, recommended that the commission deploy a robust accounting package to support strong organisational reporting and documentary processes.

Official's Response

The Commissioner said that this was of high priority to the Commission, once funds are available for the FY 2020. It had been captured already into the 2020 budget.

4.30.2. Transfer of Ownership of Land

We noted that the land on which the buildings were erected had not been recognised in the books of the Commission. This was because the Commission did not have title to these lands in question. We strongly recommend that conveyances are prepared which indicate transfer of ownership from the Ministry of Education Science and technology to the Commission for these lands.

Official's Response

The Commissioner in her response said: "The buildings were erected on land belonging to the Ministry of Basic and Senior Secondary Education (MBSSE). The MBSSE is our supervisory Ministry. Management however placed high priority on this recommendation in line with Section 2 (2) of the Sierra Leone Teaching Service Commission Act of 2011. The Commission in a letter dated 21st October, 2019 communicated the concerns of the auditors to the Permanent Secretary, MBSSE for the need to commence the process. The management of TSC will follow up until the title deeds to the lands are transferred."

4.30.3. Land Donated to the Commission

It was noted that the land for Western Area Rural was donated to the Commission by a former Commissioner of the Commission. The only evidence of ownership of the land tendered was a survey plan document that was in the name of the Commission. The land has not been properly conveyed. We therefore recommend that a conveyance be prepared and registered which indicates transfer of ownership from the former Commissioner to the Commission.

Official's Response

The Commissioner in her response said: "The land had been surveyed in the name of the Commission and the process of acquiring title deed for the land had commenced. Once completed, the Commission will keep you informed. For the land at Waterloo, management has contacted the land holding family and all necessary arrangements have been concluded. Specifically, the final documents will be handed over to the TSC within the second week of November 2019."

4.30.4. Purchase of Land at Komala Kpanga Chiefdom-Pujehun District

The Commission bought 0.0891 acre of land for Le 3,000,000. The evidence for the purchase was a site plan, which does not convey ownership. We therefore recommend that a conveyance be prepared which indicates transfer of ownership to the Commission.

Official's Response

The Commissioner in her response said: "The land had been surveyed in the name of the Commission and management has started working with a legal practitioner who sits at the Presidential Appointment Committee to the Commission to help address this issue."

4.30.5. Assets not Insured in the Name of the Commission

The Commission's motorbikes were not registered and licensed in the name of the Commission but in the name of the Ministry of Education. We therefore recommend that a transfer of the insurance and registration be made to the Commission so that they can account for the bikes properly.

Official's Response

The Commissioner in her response said: "The bikes were bought through the REDISL Project Fund on behalf of the Commission by the MBSSE. As a supervisory ministry, it was done in their name. A letter dated 21st October, 2019 has however been written to the Permanent Secretary, Ministry of Basic and Senior Secondary Education by the management of TSC to commence the process of transferring the title deeds of the bikes to the Commission. This process will be monitored to its completion."

4.30.6. Data Security/User Access

We found weaknesses in controls over user account as all staff had administration user privileges. We recommend that there should be stringent control measures in place for user access, as a means of ensuring greater system security. In addition, the ICT Division should establish minimum length and complexity requirements for user passwords, automatic periodic expiration schedules, and “lock-outs” when users reach a pre-determined number of consecutive unsuccessful login attempts. Moreover, a window domain controller will be ideal.

Official’s Response

The Commissioner in her response said: “In a Windows network, a domain is a group of server computers that share a common user account database. A user of a client computer can login to a domain to access shared resources for any server in the domain. Each domain must have at least one server computer designated at the domain controller, which is ultimately in charge. Most domain networks share this work among at least two domain controllers, so that if one of the controllers stop working, the network can still function. TSC’s network is operating as peer-to-peer network. Peer-to-peer network can’t have domain controller. Instead, computers in a peer-to-peer network are grouped in work groups, which are simply groups of computers that can share resources with each other. Each computer in a work group keeps track of its own user accounts and security settings, so no single computer oversees the work group. User and administrative accounts with strong passwords have been created for each computer.”

4.30.7. Data Recovery Plan

The Teaching Service Commission did not have a documented disaster recovery plan defining the processes, responsibilities or roles for accessing and deploying the Commission’s systems and data in the event of a disaster. The Commission should therefore ensure that there is proper Data Recovery Plan in place to combat any unforeseen issues.

Official’s Response

The Commissioner said that: “Management would like to draw your attention to page 15 of the IT Policy and Procedure manual of the Commission (which in summary clearly states that there are regular backups of files and folders from personal computers to external hard drives). We would like to know the adequacy or shortfall of the current data recovery plan to combat any unforeseen circumstances.

4.30.8. Bonus Paid to Staff

Bonus was paid to senior and middle level management staff amounting to Le33,546,762. This bonus was not approved by the Financial Secretary on behalf the Ministry of Finance and Economic Development.

We therefore recommend that management seeks the approval of the Financial Secretary before undertaking such transaction.

Official’s Response

The Commissioner said: “Management would like to bring to your attention that this transaction did not require the approval of the Financial Secretary. This was approved by Commissioners in a meeting. Because the Commission was financially restrained, it was agreed in a management meeting that bonuses were to be repaid by staff. The said amount had been fully recovered from staff of which all supporting documents were made available to the auditors and were verified.”

4.30.9. Lack of Proper Employee Records

Proper records were not kept in files for almost all staff in the Commission such as; letter of application, curriculum vitae, resignation or retirement procedure forms, staff movement, etc. We therefore recommend that the Commission observe adequate Human Resources practices and record keeping in order to ascertain its statutory requirements.

Official's Response

The Commissioner in her response said: "Management noted the recommendation and would like to inform you that staff record files have been updated and kept in a professional order, and are now available for verification."

4.30.10. No Covering for Generators Donated

During the field visits, we noted that the generators at each district office were standing on the empty ground without covering to protect the asset from rain, rust and other possible effect of the environment which can lead to an accelerated impairment. To prevent the generators from rust and other forms of degradation, it is advisable for the generators to be properly covered and placed on top of proper pavement.

Official's Response

The Commissioner said that management noted this recommendation with high priority. Once funds are available, slabs and covering to all the generators in the district offices would be erected.

4.31. ENVIRONMENT PROTECTION AGENCY (EPA) SL – 2018

4.31.1. No Fixed Assets Verification Report

Contrary to the provision in section 6 of the Financial Management Accounting Policies and Procedures of the Environment Protection Agency (EPA) Sierra Leone, a fixed assets verification exercise was not carried out during the period under review.

Official's Response

The Executive Chairperson said: "The Agency is currently working on this exercise with the relevant staff on deck and a report will be provided by end of October, 2019."

4.31.2. Assets not Captured in the Fixed Assets Register

The review of the fixed assets register revealed that a vehicle (ADP 643) and two motor cycles (AJX 774 & 775) were not captured in the fixed assets register.

Official's Response

The Executive Chairperson said: "Management noted the observation and shall ensure that the said vehicle and motorbikes are duly included in the fixed assets register before end of 2019."

4.31.3. Capitalisation of Fixed Assets

Section 6 of the Financial Management Accounting Policies and Procedures of the Environment Protection Agency (EPA) Sierra Leone states: "The EPA – SL's fixed assets capitalisation should have a threshold of Le8,000,000 below which a fixed asset is expensed upon acquisition". It was however noted that several relatively small items which individually cost less than Le8,000,000 were capitalised as fixed assets rather than writing them off to the profit and loss account during the period under review.

Official's Response

The Executive Chairperson said: "Management noted the observation and shall ensure to effect the necessary entries to rectify those assets that are below the revised threshold. It is worthy to note that the revised threshold was done during the review of the manual in 2018. By then, these assets were already captured as fixed, using the previous threshold which was lower than the revised one."

4.31.4. No Insurance Cover for Building under Construction

Part III of the Insurance Act of 2016 which involves registration of the insurer and other related provisions under Section 16 sub sections 23(1) states: "All buildings above two storeys under construction shall be insured against public liability."

During the reviewable process, the team noted that the Agency was constructing a nine-storey building at New England Ville amounting to Le28,712,632,505. No evidence of insurance cover was however provided.

Official's Response

The Executive Chairperson in his response said: "The building under construction and its insurance cover is being borne by the contractor, the Sierra Construction System and not the responsibility of the Agency until it is completed and duly handed over. Management however wants to confirm that such ongoing building construction is insured by the said contractor."

4.31.5. Delay in Contract Execution

We noted that the Agency signed a contract with the Sierra Construction Systems Limited to erect a nine-storey building at New England Ville, starting from 16th September 2013, and was to be completed on 16th March, 2015. The stipulated time for the construction of the building had elapsed and the building was still under construction.

Official's Response

The Executive Chairperson in his response said: "Management noted your genuine observation. It is worthy to note that the Agency is experiencing acute financial challenges as it is the sole financier of such project. There was also a halt to the continuation of the building due to change of administration in April, 2018. Plans are underway for its continuation as more efforts are being put towards it by the current administration."

4.31.6. End of Service Benefit not Correctly Accounted for

We noted an understatement of Le4,600,800 in the end of service benefit computed for one of the Board members.

Official's Response

The Executive Chairperson said: "The observation is noted and the difference has already been paid to the Board member in October, 2019. Transfer instructions to his bank account is available for inspection."

4.31.7. Improve Control over Staff Compassionate Loan

According to the Staff Manual (The Environment Protection Agency General Conditions of Service) Section 6.6.1 of the Compassionate Loan states: "The amount loaned shall not exceed 25% of employee's gross annual income and must be repaid within a maximum of nine (9) months period from the first month after the grant of the loan. We however noted that a staff was given Le15,000,000 as a loan in November 2018, but no deduction was made from his salary in the subsequent month. In addition, another staff was given a loan that exceeded her gross annual income by Le1,791,863, which is in contravention with the Staff Conditions of Service.

Official's Response

The Executive Chairperson in his response said: "The monthly deduction on Mohamed A. Kamara's loan was inadvertently not effected in December 2018 due to oversight, but effectively done in January, 2019 and beyond. On the issue of loan excess, loan given to Ekuola Stevens was done based on the circumstance by then, especially in relation to the death of her father and related issues. Thus, management took a human face to address her request accordingly."

4.31.8. Global Positioning System (GPS)

We noted that the following vehicles (ADP 643, AID 223, AII 671) did not have GPSs. We also noted that the Global Positioning System was monitored through SMS text messages received with no back-up in the system. The GPS should be able to pinpoint the location of any vehicle, whether stationary or moving.

Official's Response

The Executive Chairperson said: "The vehicles were in a defunct state and as such were not installed GPS since they were stationed within the EPA premises. Management is also considering its position on the use of the GPS especially in ensuring a proper back-up system in place."

4.31.9. Misappropriation of Fuel

A review of the minutes of Board meeting dated 18th April 2018 revealed key findings and recommendations on the alleged corruption in the EPA regional office, north. These were as follows:

- The vehicle EPA 004, used by the northern region office takes approximately 65.7 litres when completely empty. Few instances indicated more than this capacity was pumped into the vehicle.
- The total quantity of fuel unaccounted for between the period 15th February, 2016 to 13th December, 2017 was 860 litres worth Le 5,160,000 in monetary terms.

We recommend that disciplinary action be taken against the Senior Regional Environment Officer north for failure to properly handle the use of fuel allocated to the regional office in the north and the fuel misappropriated be refunded.

Official's Response

The Executive Chairperson said: "A copy of such letter was only provided to Finance in 2019 to effect such deductions and this is underway. Furthermore, management has strengthened its controls across all aspects of the Agency's operations including the management of fuel both at head and regional office levels".

4.31.10. ICT Policy Not Available

There was no ICT policy. In addition, the team noticed that private mails were used to communicate official information.

Official's Response

The Executive Chairperson said: "A draft copy of the policy is available with a copy submitted to the audit team. The final copy would be available before the end of 2019. Management has also instituted discipline on the use of official mails through effective utilisation of its outlook, as a means of official communication."

4.31.11. Insurance Coverage

Fixed assets were not adequately insured as the net book value of fixed assets was Le30,031,820, whilst the insurance coverage for these assets was only Le2,225,060 for motor vehicles and motorbikes.

Official's Response

The Executive Chairperson noted the observations and shall ensure all fixed assets of the Agency are insured, going forward.

4.32. SIERRA LEONE STANDARDS BUREAU – 2019

4.32.1. Outstanding Payables

An amount of Le1,250,000,000 as payable which relates to the supply of laboratory equipment and stationery during 2018. This amount has been outstanding for two years and has not yet been paid to the supplies.

Official's Response

The Executive Director in his response said: "These arrears were inherited by the current administration in 2018 because our recurrent allocations are grossly inadequate to address our current challenges. These arrears will however be forwarded to the Ministry of Finance to be included in the national debt portfolio."

Auditor's Comment

Management's response in relation to payables is noted. This issue will be followed up during the next audit.

4.32.2. Single User Accounting Software Package

The Bureau is using the QuickBooks Accounting Package, but we noted it was designed for a single user instead of a multi user package. The staff will have to input data in the package one at a time.

Official's Response

The Executive Director in his response said: "The Bureau is seriously constrained with finances as no development fund was allocated for FY 2020. Going forward, this recommendation will be factored into the 2021 budget".

Auditor's Comments

Management's response in relation to Single User Accounting Software Package is noted.

4.32.3. Accounting Manual not Updated

It was noted that the Bureau's Accounting Manual was not updated.

Official's Response

The Executive Director in his response said: "This finding is seriously taken into consideration. Going forward, the Accounting Manual will be updated as soon as the Bureau receives its second quarter allocation from the Ministry of Finance".

Auditor's Comment

Management's response in relation to the Accounting Manual is noted.

4.32.4. No Insurance Cover for Fixed Assets

With the exception of motor vehicles which are insured on the general third-party insurance, the Sierra Leone Standards Bureau did not have insurance cover for other assets.

Official's Response

The Executive Director in his response said: "This recommendation is taking into consideration and the Bureau will forward it to the National Standards Council for onward submission to the Ministry of Finance".

Auditor's Comment

Management's response in relation to Insurance Cover for Fixed Assets is noted.

4.32.5. No Operational Plan

It was noted that the operational plan was not prepared for the year under review.

Official's Response

In his response the Executive Director said the following:

Reasons for not Implementing Operational Plan in Financial Year 2019

- *"The operational plan was not implemented as a result of resource constraints. The Bureau presented a budget of Twenty-Six Billion Leones (Le26b) to the Ministry of Finance. The Ministry of Finance approved Three Billion, Five Hundred Million Leones (Le 3.5b). The Bureau as a capital-intensive institution cannot carry out most of its activities because of the following constraints.*
- *Extension of the Bureau to the provinces and major entry points by establishing offices in these areas. This will ensure the presence of Bureau staff in strategic areas of the country to monitor the quality of import and exports.*
- *Over the years, the country has experienced the entry of sub-standard or counterfeit goods mainly through the porous unmanned border posts. With the recruitment and deployment of Scientific Officers and other Technical staff to man the official entry points, the influx of sub-standard/expired goods into the country will be drastically reduced if not eliminated.*

- *The Bureau needs to establish offices in the regional headquarter towns of Bo, Kenema and Makeni, in addition to the office established in 2015 at the Sierra Leone – Guinea border post at Gbalamuya, in the Kambia District.*
- *With the decentralisation of the Bureau's activities, the organisation will ensure that goods entering the country are safe and fit for human consumption. This will in turn reduce health hazards associated with the consumption of sub-standard, unsafe or expired goods. This move by the Bureau will have a positive impact on the socio-economic lives of people.*
- *Staff Training*
- *The need for continuous staff training was identified and captured in the 2019 Budget. This was given premium to ensure that especially the technical staff are certified to IEC / ISO: 9001, 2008 Management Standards to perform their functions. In recent years including 2019, some staff received training both locally and internationally. There is also the need for complimentary training abroad with advanced training in Quality Management Systems, Standardisation, Metrology, Conformity Assessment and Accreditation.*
- *In addition to local training, the Bureau urgently needs training in standards at the hands of advanced standards organisations, accredited specialised in consultancies or approved training institutions for its staff.*
- *Construction of an Administrative Building that will house the Directorate, Top Management and the Secretariat. With additional staff, more offices are needed to provide the enabling working environment for the implementation of policies and enhance efficient service delivery.*
- *Settlement of obligations to the International Standards Organisations such as ARSO, ISO, OIM, AFSEC, IEC. This will foster bilateral ties with the International Standards Organisations and maintaining membership status.*
- *Provision of logistics, vehicles, motor cycles to enhance mobility and effective implementation of the Bureau's activities.*
- *200 KVA standby generator, additional laboratory equipment, standard cultures and reagents to enhance our testing facilities of import and export goods.*
- *Awareness raising campaign to be intensified in 2019 to re-position the Bureau's image.*
- *Commencement of Proficiency Testing Scheme with sister Standards bodies in West Africa.*
- *Accreditation of the Bureau's laboratories for international recognition of our laboratories, which will add credence to our testing certificates.*
- *Launching of the Product Certification Scheme and issuance of 'Quality Mark' on locally manufactured products.*
- *Ministry of Finance withholding Destination Inspection Funds for the past two years without any valid reasons".*

Auditor's Comment

Management's response in relation to Operational Plan is noted.

4.33. SIERRA LEONE STANDARDS BUREAU – 2017 - 2018

4.33.1. Improve Control over Fixed Assets

The following issues were noted:

- The Bureau's fixed assets register was not properly updated; the team noted that the location and identification codes of the assets were also not included in it.
- The rate used in the fixed assets register was not consistent with the depreciation policy in the finance manual as listed below:

Asset category	Rate as per finance manual	Rate as per assets register
Motor vehicles	20%	33.3%
Office furniture	25%	20%
Office equipment	25%	20%

Official's Response

The Executive Director in his response said: "The Bureau has already started the process of updating the Fixed Assets Register and will issue a quarterly report based on verification."

Auditor's Comment

This aspect has not been addressed. According to the Finance Manager, the work is still in progress.

4.33.2. Landing/Acceptance Inspection

Schedule 14 of the Statutory Instrument No. 10 of 2010, based on the Weight and Measure Act, 2010 states: "The Bureau should receive the following in terms of landing/acceptance inspection as follows:

- Inspection fees (CIF value of consignment) - 1%
- Inspection fees (FOB value of consignment) - 1%

We observed the following:

- The above inspection fees were paid to the Sierra Inspection Company and Africa Links respectively. Upon inquiry from the management of the Bureau, why the Bureau was not receiving these fees directly, the auditors were told that the schedule was superseded by a cabinet conclusion. The auditors were not provided with the Act or statutory instrument in order to verify the establishment of the above companies or to ascertain the changes to the Schedule 14 of the above instrument.
- A total of 7% of the above 1% inspection fees was remitted to the Sierra Leone Standards Bureau from both Sierra Inspection Company and Africa Links respectively.
- Post balance sheet audit during 2019 revealed that the Bureau did not receive any money from these institutions regarding landing/acceptance inspection.

Official's Response

The Executive Director in his response said: "This recommendation is both valid and timely and will be forwarded to the Ministry of Trade and Industry and the Ministry of Finance as well as to the Parliamentary Committee on Trade and Industry. The Destination/Landing Inspection fees have been hijacked from the Bureau since July, 2018."

Auditor's Comment

This aspect is yet to be addressed.

4.33.3. Improve Control over Stores Management for Chemicals and Laboratory Equipment

We noted that the Bureau has been incurring huge amount of money in terms of procuring chemicals and laboratory equipment. The auditors were unable to ascertain the internal control system put in place by management to effectively monitor and control the storage and usage of the chemicals. It was not possible to see any stores documents such as Goods Receive Note (GRN) when receiving these items from the suppliers or Goods Issue Voucher when issuing these items to end user. Based on the above, the team could not only ascertain the movement and usage of these items but also the stock level or reorder level for subsequent replenishment.

Official's Response

The Executive Director in his response said: This recommendation will be taken very seriously and the Bureau will henceforth start to implement recommendations made on the management of stores when resources are made available to establish a stores management system. The current management is committed to frugal assets management.

Auditor's Comment

This aspect is yet to be addressed.

4.33.4. Improved Control over Invoice System

The Bureau is currently using the loose-leaf invoice system for the provision of services rendered, and not using the pre-numbered invoice system generated by the QuickBooks accounting package.

Official's Response

The Executive Director said that this recommendation will be taken into consideration and the Bureau will improve its invoicing system as per recommendation.

Auditor's Comment

The Bureau is yet to adopt this system.

4.33.5. End of Service Benefits

It was noted that the under-mentioned staff resigned during 2018 but the end of service benefits was not paid until 2019:

Name	Date of Resignation	Date Paid	Amount to be Paid (Le)	Amount Paid (50%) (Le)
Mrs. Adama Kamara	Jul-18	July 2019	788,184,808	143,655,491

It was further noted that the amount paid to this staff was not based on the terms and conditions of service as at the time of the resignation, but was paid based on the Finance Act of 2019, i.e. the policy at the time when the payment was made instead of the policy as at the resignation date.

Official's Response

The Executive Director said that the end of service benefit for Mrs. Adama Kamara, Mr. Kande Mansaray and Mrs. Rosaline Koroma were computed in accordance with the SLSB conditions of service and forwarded to the Ministry of Finance. A follow-up was made at the Accountant General's Department, and it was discovered that they were paid based on the Finance Acts 2019. This is beyond the controls of the SLSB.

Auditor's Comment

This issue is still outstanding. we were unable to verify any correspondent from the Bureau to the Ministry of Finance and Ministry of Trade and Industry.

4.33.6. No Insurance Cover for Fixed Assets

With the exception of motor vehicles which were insured on the general third-party insurance, the Bureau's assets were not insured against the risk of fire, theft, damage or any natural or man-made disaster.

Official's Response

The Executive Director said that this is also another crucial recommendation which the Bureau will take into consideration.

Auditor's Comment

This aspect has not been addressed.

4.34. SIERRA LEONE INSURANCE COMMISSION – 2019**4.34.1. Corporate Governance Issue**

Good corporate governance requires an entity to have regular meeting of Board of Directors and senior management to discuss strategic direction of the entity. Our review and enquiry indicate that there were no meetings of directors and no evidence of fundamental senior management meeting on operational matters.

Good corporate governance also requires the presence of the Board of Directors to oversee the operations of the Commission and to avoid any management override of controls. The past two years, the Commission had no Board of Directors to oversee key management strategic decisions and practices to ensure effective and careful spending of the Commission to achieve its overall objective.

Official's Response

The Commissioner in this response said: "Management had some time ago brought this issue to the attention of Government in whose purview the appointment of the Board rests. In any case, despite the absence of a Board, Management had always taken policy issues to the Secretary to the President for direction. Moreover, all issues/policies handled by management are within the remit of the Insurance Act, 2016".

4.34.2. Non-installation of Accounting Software Package

During our audit exercise of Sierra Leone Insurance Commission, we noted that the Commission continued to maintain an MS Excel system of recording information, as there was no evidence of an accounting software package been installed for the recording of accounting records.

Official's Response

The Commissioner in his response said: "This issue has now been resolved as the Commission has acquired an accounting package called QuickBooks, which will be installed for full use by the finance office".

4.34.3. Omission of Revenue Grant on Salary and other Payment Made by the MoF on Behalf of the Commission

A review of payroll and expense revealed that all salaries and allowances as well as the Commission's annual office rent paid by the Ministry of Finance on behalf of the Commission were not captured for the period under review.

Official's Response

The Commissioner in his response said: "This is noted, though the Commission was of the view that some of the funds from Finance are direct payment to the client or vendor with less operational link to the Commission's account. Some of these transactions are not passing through the operational account of the Commission at the bank. Therefore, this was regarded as third-party transaction that cannot be attributed to the Commission's account. As we have now established the understanding that these amounts spent were done on behalf of the Commission, we would always recognise them accordingly".

4.34.4. Non-compliance with Section 22 by the Commission on Employer's Liability Insurance

Part III, Section 22 of the Insurance Act of 2016 states: "An employer who employs more than five people shall take out employer's liability insurance in respect of the employees". The Commission with over 30 employees has not been complying with this provision for the period under review.

Official's Response

The Commissioner in his response said: "This was an oversight by the Commission and moreover due to inadequate resources allocated to the Commission. We shall make adequate provision for this compliance issue to be taken care of in the coming year".

4.34.5. Lack of Follow-up by the Commission on Statutory Contribution Made in Respect of Staff

A review of payroll expenses indicated that the Commission has not obtained monthly statement from NASSIT or probably liaised with the Ministry of Finance on the payment of staff contribution to the NASSIT fund to ensure compliance.

Official's Response

The Commissioner in his response said: "This issue is actually the Government's obligations, since the government pays staff salaries, PAYE, and NASSIT. We therefore expect payments to be made regularly to meet the obligations of NASSIT for staff. Most times regular updates are received from NASSIT on government payments for staff. The Commission is then informed about any shortfall regarding the staff NASSIT payment. We shall continue to make regular follow-up on NASSIT payments for staff to see if there are gaps in payment. If gaps exist, then we shall make the necessary request to the Ministry of Finance to make good the shortfall".

4.34.6. Revenue Recognition and Cut off Issues

A review of revenue indicated that the Commission recorded revenue related to 2018 in respect of proceeds from customers outstanding amounting to Le 14 million. Also, advanced payments made by insurance companies were not reflected on the books of the Commission despite shown on the customers' reconciliation provided to us.

Official's Response

The Commissioner in his response said: "This is noted as we always treat these payments as transactions in the records and reconcile with what is due and what has been settled. The financial reports are not always submitted before the revenues are recognised. We were of the view that we would either understate or overstate revenue. We would treat every transaction on the basis of the time related basis for recognition of the revenue and thereafter reconcile for overstatements or understatements".

4.34.7. Follow-up on Prior 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:

- *Late submission of financial statement by insurance companies*
- *Lack of internal audit assessment and report*
- *One percent (1%) gross premium of life insurance. Not levied and collected*
- *Updated accounting policy and procedure manual*
- *No evidence from the Compliance Department to show that insurance companies are complying with the Act.*
- *No evidence of Board minutes*

4.35. GUMA VALLEY WATER COMPANY- 2015 - 2017

4.35.1. Ineffective Internal Controls

A review of the Company's internal control and operating systems revealed the following:

- Evidence to justify that monthly management reports which include variance of analysis of income and expenditure, listing of receivables (outstanding), amount as per credit sales and cash collection prepared were not submitted for audit purposes.
- The accounting manual used by management in respect of financial matters was still at the draft stage, and accounting principles therein were obsolete.
- The Company did not use accounting software for the recording and reporting of its financial transactions except in the case of revenue.

We recommend that, the General Manager, in collaboration with the management team should ensure that:

- Going forward, monthly management reports are prepared, submitted to management for deliberations and filed for reference purposes;
- The accounting manual is updated in line with the current trend in financial reporting, submitted to the Board for approval, copies distributed to accounting staff and a copy

maintained for reference purposes and an accounting software package is procured, installed and utilised for the processing and recording of financial transactions.

Official's Response

The General Manager said the following:

- *“Some of the management reports and variance analysis have been retrieved and are now available for your verification. The auditor's recommendation is however noted and will ensure that they are strictly adhered to.*
- *An institutional reform consulting firm, Adam Smith International (ASI) has been engaged under the MCC-funded project to carry out some institutional reform programmes geared towards improving staff capacity and operations of the GVWC. Among the issues, ASI is currently working on are the Company's human resource policies and procedures, infrastructure (hardware and software) for the processing and reporting of financial information and the updating of the accounting manual.*
- *Under the ASI reform programmes, accounting software will be procured and installed”.*

Auditor's Comment

- Management reports for 2015 and 2016 were not submitted but management's report and variance report for 2017 were provided. This issue therefore was partly resolved.
- The accounting manual provided was still at the draft stage.
- The accounting software has been installed at the moment of verification. The software has not been in operation. The team look forward in future audit to confirm whether the software will be operational.

Procurement

4.35.2. Construction and Installation of Two Water Tanks at Thunder Hill

A review of the construction and installation of two water tanks at Thunder Hill in 2015 revealed the following:

National Competitive Bidding (NCB) method was used instead of the International Competitive Bidding, even though the contract value was Le1,219,403,160 and exceeded the minimum threshold of Le900 million as stipulated in the First Schedule of the Public Procurement Act of 2004.

List of evaluation committee members and post qualification report of bidders was not submitted.

The General Manager should ensure the following:

- That the Procurement Office provides reasonable explanation supported by documentary evidence why the procurement method used was in contravention of the first schedule of the Public Procurement Act of 2004.
- The list of evaluation committee members and the post qualification report justifying reviews conducted are submitted to ASSI.

Official's Response

The General Manager said the following:

- *“The Engineer's estimate for the said procurement was within the threshold of the NCB for works and goods. This necessitated the NCB bidding. When bids were received, it was noted that the costs proffered by the respective bidders were above the Engineers' estimate. The bids seem to reflect the current market situation at that time and re-launching the whole process would have taken additional time, which was not in the Company's favour. It was based on those reasons that the bids were evaluated and contract awarded.*
- *The documents have been retrieved and are available for verification”.*

Auditor's Comment

We note the response by management; however, documents such as the engineer's estimate and the relevant procurement committee meeting minutes were not submitted to justify the Procurement Officer's explanation. Therefore, the issues remain unresolved.

List of evaluation committee members and post-qualification report of bidders were not submitted during the verification. Therefore, the issues remain unresolved.

4.35.3. Ninety Days Emergency Dry Season Project – Supply of Pipes and Construction of Bowser Collection Points

During a review of the 90 Days' Emergency Dry Season Project undertaken in 2016, for a contract valued at Le2,560,442,400 awarded to various suppliers in the same year (2016), for the supply of pipes and fittings and the construction of bowser water collection points at Grafton, the following issues were noted:

A lot was awarded to Planning Green Futures Ltd. whose name was not included in the list of contractors/suppliers submitted to the NPPA for approval, amounting to Le74,271,614.

Advanced payments of 65%, 70%, and 70% respectively, were stated in the contracts of Cardinal Investment, Infiniti Trading Co. and S and C Suppliers and Building Contractors, instead of the maximum 30% as stated in the Public Procurement Regulations of 2006.

Work completion reports were not provided for review.

The General Manager in collaboration with the Procurement Officer should ensure the following:

- That an explanation supported by documentary evidence justifying the basis upon which Planning Green Futures Ltd. was selected though not part of the list of suppliers submitted to the NPPA is submitted to the Audit Service.
- That an explanation supported by documentary evidence justifying the basis why advanced payment stated in contract exceeds the stipulated maximum 30% is provided and in the future, clauses relating to any contract deliberation and agreement are in line with the Public Procurement Regulation of 2006.
- That the work completion report is submitted to the ASSL.

Official's Response

The General Manager said the following:

- *"The list and letter verified was the draft. The draft was later updated and it was the updated list, which has Planning Green Futures among the suppliers that was submitted to the NPPA for approval. The updated list is available for audit verification.*
- *Management notes the external auditors' comments and concern. This was an emergency project which required emergency measures and quick implementation in order for the work to be completed within the stipulated deadline, so as to address the acute water shortage in the city, which was becoming a crisis. Going forward, we will ensure that procurement clause of 30% in the NPPA Act is strictly adhered to.*
- *The work completion report is available for audit verification."*

Auditor's Comment

- The updated list justifying the inclusion of Planning Green Futures among the list of suppliers was not submitted. Therefore, the issue remains unresolved.
- The issue of adherence to the 30% advanced payment guarantee will be verified in subsequent audit.
- The work completion report was not submitted. Therefore, the issue remains unresolved

4.35.4. Ninety Days' Emergency Dry Season Project – Development and Rehabilitation of Boreholes

A contract worth Le925,732,400, was awarded on 23rd May, 2016 to Wingin Heavy Duty Machine Co. Limited for the development and rehabilitation of boreholes. The following issues were observed:

As part of the contract cost, pre-assessment and pumping test should be done at Grafton and Brookfields at the cost of Le33,600,000 and Le10,500,000 respectively. Evidence in the form of a report justifying that pre-assessment and pumping test were however carried out was not provided for review.

The General Manager should ensure that the pre-assessment and pumping test report in support of work carried out at Grafton and Brookfields are submitted to the ASSL; otherwise, the sums of Le33,000,000 and Le10,500,000 should be refunded by Wingin Heavy Duty Machine Co.

Official's Response

The General Manager said: "The pre-assessment and pumping test report for work done at Grafton and Brookfields has been retrieved and now available for audit verification."

Auditor's Comment

The pre-assessment and pumping test report justifying that these activities carried out at Grafton and Brookfields was not provided for audit review. Therefore, this issue remains unresolved.

4.35.5. Ninety Days' Emergency Dry Season Project – Procurement and Supply of Pipes and Fittings for Femi Turner and Tumoi Drive in Marjay Town

During our review of procurement and supply of pipes and fittings for Femi Turner Drive and Tumoi Drive in Marjay Town for a total contract value of Le2 billion, the following issues were noted:

- Infiniti Trading Company was evaluated as submitting the lowest responsive bid. Individual item of goods within the procurement package were divided and allocated to Infiniti Trading Company and C & S Suppliers and Building Contractors for which the basis for such decision was not provided.
- Advanced payment set in the contract was 50% which contradicts section 135, subsection 3 of the Procurement Regulations of 2006: "The total amount of an advanced payment shall not exceed 30% of the total contract price".

The General Manager should ensure that the Procurement Officer performs the following:

- Submit to the Audit Service newspaper or receipt from the print and electronic media, bids, bid submission register, bid opening minutes and register.
- Appropriate explanation supported with documentary evidence for the reason why the contract was not awarded to Infiniti Trading Company, instead, individual items were split and allotted to different bidders is provided.
- Delivery notes in support of goods procured totalling Le678,418,725 are submitted to the ASSL.
- That an explanation supported with documentary evidence justifying the basis why advanced payment stated in contract exceeds the stipulated maximum 30% is provided.

Official's Response

The General Manager said the following:

- *Clause 26.1 ITB (Instructions to Bidders) in the bidding documents requires the GVWC to do post qualification by physical stock verification, and this should serve as the basis for allocating the contract among*

the different suppliers based on the items that were available at the time of inspection by the Evaluation Committee. Documents are available for audit verification.

- *The external auditors' comments and concerns are noted. This was an emergency project which required emergency measures and quick implementation in order for the work to be completed within the stipulated deadline so as to address the acute water shortage in the city which was becoming a crisis. Going forward, we will ensure that the procurement clause of 30% in the NPPA Act is strictly adhered to.*

Auditor's Comment

Management responded in relation to the splitting of contract. The basis was not clear; therefore, this issue remains unresolved.

Documentary evidence justifying the basis why advanced payment stated in contract exceeds the stipulated maximum of 30% was not provided. Therefore, this issue remains unresolved

Revenue

4.35.6. Inadequate Controls over the Collection and Banking of Revenue

A review of the Company's management and control of revenue revealed the following:

- Cash collections with respect to various revenue streams were deposited in all the bank accounts held by the Company, making it difficult to reconcile cash collections as against revenue as per bank statements for specific revenue stream. As a result, cash collection as per general ledger (cash clearing) exceeded deposits made as per bank deposit slips by amounts totalling Le215,570,628, Le1,256,556,150 and Le1,255,279,009 for 2015, 2016 and 2017 respectively. We could not ascertain whether the differences noted were banked.
- The team recomputed expected cash revenue that should have been collected and banked and compared that with deposits as per the daily collection and banking reports. We observed the following differences of Le108,394,239, Le1,251,742,597 and Le58,957,586 for the years 2015, 2016 and 2017 respectively.

The General Manager in collaboration with Finance Director and Commercial Director should ensure the following:

- That a specific account is maintained for cash collected from various revenue streams and this must be reconciled regularly.
- Investigates differences identified and provide adequate explanation with supporting documents to the ASSL for verification.

Official's Response

The General Manager said the following:

- *In September 2016, a board directive requesting management to operate only one bank account for daily banking of cash collections was implemented. The account at the Rokel Commercial Bank is still being utilised for daily transactions.*
- *Differences have been identified, reconciled and the report is available for audit inspection.*

Auditor's Comment

- Maintaining one account will ease revenue reconciliation. ASSL will consider the implementation in the next audit exercise.
- Differences were investigated and reconciled. Cash collection as per expected cash revenue exceeds deposits made as per bank deposit slips by amounts totalling Le298,925,024, Le691,790,379 and Le48,680,785 for 2015, 2016 and 2017. Though our recommendation was implemented, differences were identified that cannot be reconciled.

- Reconciliation was carried out between the revenue department and the recomputed revenue figure from ASSL. We observed the following differences; Le114,946,933, Le827,922,598 and Le764,599 for 2015, 2016 and 2017 respectively. Though our recommendation was implemented, differences were identified that cannot be reconciled.

4.35.7. Inadequate Control over the Bowser Revenue System

A review of the management of water bowser revenue revealed the following:

- Log books, distribution lists and audit books are key source documents which showed the amount of water distributed or supplied from water hydrants to customers over the period under review. These documents were not submitted for review. As a result, the audit team could not confirm the accuracy and completeness of the water bowser revenue collected and recorded as per the EDMAS revenue software. See table below:

Year	Revenue collected and recorded as per EDMAS (Le)
2015	1,569,890,600
2016	1,336,863,975
2017	1,986,652,737

- Poor monitoring of water bowser vehicles results in failure or delay in the supply and distribution of water to customers who had already paid for the services, resulting in the refund of revenue to customers for services not rendered.

The General Manager in collaboration with the Commercial Director and Water Bowser Manager should ensure the following:

- The log book, distribution list and audit book in support of water bowser revenue collected and recorded for 2015, 2016 and 2017 are submitted to ASSL.
- Revenue collected in respect of bowser should be banked in the bowser account held at the SLCB to ease the reconciliation process. In addition, mechanism should be instituted to ensure proper monitoring of bowser vehicles is in place in order for the Company to meet its commitment of water delivery, thereby reducing refund and loss of revenue.

Official's Response

The General Manager said the following:

- *"Documents were submitted but the auditors cannot ascertain whether these documents relate to the bowser revenue figures in the EDMAS.*
- *Management will consider the issue of banking revenue at the SLCB account for bowsters."*

Auditor's Comment

Documents were submitted but we were unable to ascertain whether these documents relate to the bowser revenue figures in the EDMAS.

Evidence justifying appropriate actions taken to ensure that bowers revenue collected is banked at the SLCB was not submitted. The issue therefore remains unresolved.

4.35.8. Inadequate Control over the Recording of Revenue in the Financial Statements and EDAMS

The following issues were noted:

- Comparison between transactions recorded in the EDAMS revenue software and the financial statements revealed that revenue was overstated by Le1,730,433,427 for the 2015 financial year, whilst understatements of Le696,878,921 and Le454,132,917 were identified for the 2016 and 2017 financial years respectively.
- Examination of the revenue report produced from the EDAMS revenue software revealed inconsistencies in the credit revenue recorded between amount as per customers' account and areas/metre book. In addition, customers were billed from the EDAMS revenue software though water was not supplied. See table below:

Year	Revenue billed as per customers' accounts (Le)	Revenue billed as per areas and metre book (Le)
2016	23,880,732,089.71	26,072,554,601.59
2017	33,749,530,320.31	35,994,089,568.89

The General Manager should ensure the following:

- That the Finance Director investigates these discrepancies, and if necessary, adjust and submit revised financial statements to the ASSL.
- That the inconsistencies noted are investigated and records reconciling revenue billed as per customers' accounts and areas/metre book are submitted to the ASSL for verification.

Official's Response

The General Manager said that the issue will be investigated and where appropriate, journals will be raised to adjust the accounts.

Auditor's Comment

No evidence was submitted to justify whether issues reported were investigated and appropriate corrections and actions taken. Our recommendations were not implemented. These issues therefore remain unresolved.

4.35.9. Inadequate Control over the General Processing of Payment Vouchers

A review of the Company's disbursements revealed the following:

- Payment vouchers and supporting documents for transactions posted in the cashbook, amounting to Le171,702,083, Le697,895,945 and Le710,989,219 were not made available for audit inspection for the 2015, 2016 and 2017 financial years respectively.
- Payments totalling Le116,592,155, Le279,386,400 and Le458,801,673 for 2015, 2016 and 2017 financial years respectively were without adequate supporting documents such as requests, receipts, invoices, delivery notes etc.

The Managing Director in collaboration with the Finance Director should ensure the following:

- In future, all transactions from inception to completion should be supported by the relevant documentary evidence which must be retained for audit and reference purposes.
- Payment vouchers and supporting documents for the sums of Le171,702,083, Le625,157,195 and Le710,989,219 are submitted to ASSL for verification.
- Evidence in the form of requests, receipts, invoices etc. justifying expenditures totalling Le116,592,155, Le279,386,400 and Le458,801,673 is forwarded to ASSL for verification.

Official's Response

The General Manager said the following:

- *"Payment vouchers and supporting documents have been retrieved and are now available for audit verification. Management however notes the auditor's recommendations and going forward, we will ensure that they are adhered to.*
- *Supporting documents have been retrieved and are now available for audit verification. We however note the auditor's recommendations and going forward, we will ensure that they are adhered to."*

Auditor's Comment:

Payment vouchers and other supporting documents were provided for Le125,940,859, Le535,962,484 and Le545,423,743, leaving an outstanding amount of Le45,761,224, Le161,933,461 and Le165,565,476 not supported for 2015, 2016 and 2017 financial years respectively. Therefore, the issue is partially resolved.

Supporting documents such as receipts and invoices were provided Le61,242,355, Le114,276,369 and Le178,630,900, leaving an outstanding amount of Le55,349,800, Le165,110,031 and Le280,170,773 for the 2015, 2016 and 2017 financial years respectively without adequate supporting documents. Therefore, the issue is partially resolved.

4.35.10. Withholding Taxes not Deducted and Paid to the NRA

In a review of the Company's compliance with the deduction and payment of 5% and 5.5% withholding taxes, it was noted that withholding taxes deducted from payments made to suppliers and contractors totalled Le5,085,739, Le25,044,257 and Le184,449,033 for the years 2015, 2016 and 2017 financial years respectively. Evidence in the form of receipts confirming payments made to the NRA were not submitted for audit.

The General Manager in collaboration with the Finance Director should ensure the following:

- That receipts confirming payments made to the NRA for withholding taxes deducted totalling Le5,801,527, Le24,244,665 and Le184,449,033 are submitted to the ASSL.
- Failing to comply with these recommendations will result in these issues being reported to the NRA for appropriate actions to be taken.

Official's Response

The General Manager said that the Company is in dialogue with the Ministry of Finance for a cross debt settlement in respect of debt owed by the MDAs to the GVWC and debt (including withholding taxes and PAYE) owed by GVWC to the Government of Sierra Leone.

Auditor's Comment

Receipts confirming payments of withholding tax to the NRA were not submitted for audit. Therefore, this issue remains unresolved.

Non-Current Assets

4.35.11. Inadequate Control over the Management and Security of Assets

The following were identified:

- An asset register that provides information with regard to the description, date of purchase, location, cost, depreciation rates and charge, netbook value and status of non-current assets owned and controlled by the Company was not submitted for audit. As a result, the team could not place rely on the cost of non-current assets and respective depreciation figures in the financial statements for 2015, 2016 and 2017 financial years respectively.

- Evidence in the form of an impairment review report to substantiate that non-current assets owned and controlled by the Company were tested for impairment in accordance with IAS 36 – Impairment of Assets was not submitted for audit.

The General Manager in collaboration with management team and Board of Directors should ensure the following:

- That going forward, a non-current assets register in the required format is developed and put into immediate use.
- That going forward, an impairment assessment of all non-current assets owned and controlled by the Company should be carried out on a regular basis and if warranted, impaired assets adjusted in the books of the Company.

Official's Response

The General Manager said the following:

- *“The auditor's comments and recommendations are noted. Management is in the process of developing a non-current asset register and the outcome will be presented for audit verification.*
- *Undertaking an impairment review is very expensive coupled with the fact that the GVWC is operating on a very tight budget. Going forward, the Company will look at possible avenues to explore for the conduct of an impairment review.”*

Auditor's Comment

The assets register was not provided for audit. Therefore, the issue remains unresolved.

Management's response in relation to the impairment of assets was noted. Management did not implement the recommendation. Therefore, the issue remains unresolved.

4.35.12. Supporting Documentation for Non-Current Assets not Provided for Auditing

In the review of additions made and deferred tax assets, the following issues were noted:

- Invoices, contract and other supporting documents in support of additions to non-current assets amounting to Le590,573,641, Le843,043,787 and Le318,823,131 for 2015, 2016 and 2017 financial years respectively, were not submitted for audit.
- Balances for deferred tax assets, working in progress, available-for-sale assets and special reserve investment disclosed in the financial statements for 2015, 2016 and 2017 financial years respectively, were not supported by general ledger/schedules (breakdown) or supporting documents.

The General Manager in collaboration with the Finance Director should ensure that:

- All relevant supporting documents to justify additions made to non-current assets are forwarded to ASSL.
- General ledger and schedules (break down) in support of balances disclosed in the financial statements are submitted or in the event that such balances cannot be substantiated, the financial statements should be adjusted and a revised one submitted to ASSL.

Official's Response

The General Manager said the following:

- *“Supporting documents with regards to additions made to non-current assets have been retrieved and will be made available for audit verification.*
- *Management notes the auditors' comments and recommendations. These are balances that were brought forward from 2014. Going forward, the general ledger will be made available for audit verification.”*

Auditor's Comment

Supporting documents such as invoices and contract were provided for Le345,723,092.29, Le774,882,915 and Le23,705,964, leaving an outstanding amount of Le244,850,549, Le68,160,870 and Le245,117,167 for the 2015, 2016 and 2017 financial years respectively, without adequate supporting documents. Therefore, the issue is partially resolved.

4.35.13.Assets not Disclosed in the Financial Statements

A review of software owned and controlled by the Company revealed the following:

- EDMAS revenue software costing £65,200 was neither recognised in the Company's book of accounts nor was it disclosed in the financial statements submitted for the 2015, 2016 and 2017 financial years respectively. This was a grant from DFID in 2015.
- Final payment of Sage Pastel Accounting Software amounting to Le34,599,175 was expensed instead of being capitalised separately as an intangible asset in the 2017 financial year.

The Managing Director in collaboration with the Finance Director should ensure that:

- The cost of the EDAMS revenue software is capitalised in accordance with the Company's policy, disclosed and a revised financial statement submitted to the Audit Service for review.
- That assets are capitalised in line with the Company's accounting policy and the final payment made that was expensed is reversed, accounting records adjusted and a revised financial statement submitted to ASSL.

Official's Response

The General Manager said that balances for deferred tax assets, working in progress, available-for-sale assets and special reserve investment disclosed in the financial statements for the 2015, 2016 and 2017 financial years respectively, were not supported by general ledger/ schedules (breakdown) or supporting documents.

Auditor's Comment

The audit recommendations were not implemented. These issues remain unresolved.

Inventory

4.35.14.Inadequate Controls over the Management of Fuel

A review of the Company's management and control of fuel revealed the following:

- Supporting documents such as a list of fuel beneficiaries, fuel register, signed distribution list, fuel chits etc. justifying the use of fuel totalling Le600,337,500, Le721,147,500 and Le961,185,000 for the 2015, 2016 and 2017 financial years respectively, were not submitted for audit inspection.
- Evidence in the form of fuel reconciliation and fuel use report to confirm the effective monitoring of fuel use at all sub-stations was not submitted for audit.
- Payment vouchers totalling Le297,870,000, Le274,266,100 and Le232,932,000 for the 2015, 2016 and 2017 financial years respectively, in respect of fuel purchased were not submitted for audit inspection. In addition, supporting documents in the form of invoices, delivery notes etc. were not submitted for audit.

The General Manager in collaboration with the management team should ensure the following:

- Supporting documents for fuel consumed totalling Le600,337,500, Le721,147,500 and Le825,330,854 are submitted to ASSL for verification, otherwise, the parties involved would be instructed to refund the amounts expensed.
- Fuel reconciliation and fuel use report to justify the monitoring of fuel for all sub-stations are submitted to the Audit Service.

- The payment vouchers and relevant supporting documents in respect of fuel purchased totalling Le297,870,000, Le274,266,100 and Le232,932,000 are forwarded to ASSL, or the amount is refunded immediately.

Official's Response

The General Manager said the following:

- *"Management notes the auditor's concern. Documents have been retrieved and now available for audit verification.*
- *The practice of reconciling fuel was not done for the period under review. The auditor's recommendation is noted for action and going forward, this will form a core process in the monitoring and control of fuel in the Company.*
- *Payment vouchers are available for audit verification."*

Auditor's Comment

Fuel chits were provided to justify use of fuel totalling Le600,337,500, Le721,147,500 and Le961,185,000 for the 2015, 2016 and 2017 financial years respectively. Fuel register was not maintained. Therefore, this issue is partially resolved.

Evidence in the form of fuel reconciliation and fuel use report to confirm regular reconciliation of fuel were not submitted for auditing. Therefore, this issue remains unresolved.

Payment vouchers and other supporting documents were provided for Le224,505,000, Le219,362,350 and Le172,572,000, leaving an outstanding amount of Le73,365,000, Le54,903,750 and Le60,360,000 for the 2015, 2016 and 2017 financial years respectively, without adequate supporting documents. Therefore, the issue is partially resolved.

4.35.15. Inadequate Controls over the Management of Store Items (Chemicals – Chlorine and Sulphate)

A review of the Company's management and control of chemicals revealed the following:

- Supporting documents such as transfer letters, bill of lading, delivery order, requisition, stores receipt and issue records justifying the receipts and utilisation of chemicals totalling Le634,066,747, Le943,012,567 and Le718,655,433 were not submitted for audit inspection.
- Stock certificates to confirm that figures disclosed in the financial statements for chemicals, fuel, lubricants, pipes, fittings and sundry items valued at Le1,931,044,000, Le2,179,347,000 and Le2,193,699,000 were appropriately counted, valued and represent physical quantities at hand as at 31st December, 2015, 2016 and 2017 respectively, were not submitted for audit.
- Payments for the clearing of chemicals at the Queen Elizabeth II Quay totalling Le192,235,212 and Le208,285,298 for the 2016 and 2017 financial years respectively, were without adequate supporting documents such as invoices, receipts, delivery orders, assessment reports, bill of lading etc.

The General Manager in collaboration with the Finance and Commercial Director should ensure that supporting documents for issues noted are forwarded to ASSL for verification; otherwise, the sums identify will be refunded by the parties involved.

Official's Response

The General Manager said the following:

- *"Documents have been retrieved and are now available for audit verification.*
- *The auditors' comment is noted. The stock certificate has been retrieved and now available for audit verification."*

Auditor's Comment

Transfer letters, bill of lading, delivery order, requisition, stores receipt and issue records were provided for Le64,777,461, Le306,976,000 and Le294,594,111, leaving an outstanding amount of Le569,289,286, Le636,036,567 and Le424,061,322 for the 2015, 2016 and 2017 financial years respectively, without supporting documents. Therefore, the issue is partially resolved.

Stock certificates for chemicals, fuel, lubricants, pipes and fittings and sundry items were not provided during the verification. Therefore, the issue remains unresolved.

Invoices, receipts, delivery orders, assessment reports, bill of lading etc. in support of payments made for the clearing of chemicals at the Queen Elizabeth II Quay were not provided. Therefore, this issue remains unresolved.

4.35.16. Terms and Conditions of Service not Updated

The terms and conditions of service has not been updated, as it was noted that conditions governing the payment of end of service benefit, car maintenance allowance, mileage allowance, entertainment allowance were not included in the one submitted for audit.

The General Manager in collaboration with the Human Resource Manager should ensure that the conditions of service is updated to included conditions governing the payment of benefit and other allowances, submitted to the Board of Directors for approval and distributed to all staff.

Official's Response

The General Manager said that an institutional reform consulting firm, Adam Smith International (ASI) has been engaged under the MCC -funded project to carry out some institutional reform programmes geared towards improving staff capacity and operations of GVWC. Among the issues ASI is currently working on are the Company's human resource policies and procedures, infrastructure (hardware and software) for the processing and reporting of financial information and the updating of the accounting manual. The terms and conditions of service will be reviewed in line with the new Act.

Auditor's Comment

The terms and conditions of service are yet to be updated. This will be followed-up in subsequent audits to confirm whether it has been updated and approved by the Board.

4.35.17. PAYE Deducted but not Paid

A review of the payable ledger revealed that the amounts of Le983,735,715, Le1,164,216,066 and Le1,331,118,242 were deducted in respect of PAYE for the years ended 31st December, 2015, 2016 and 2017. returns/receipts justifying payments made to the NRA were not submitted for audit.

The General Manager in collaboration with the Finance Director should ensure that the outstanding amounts of Le983,735,715, Le1,164,216,066 and Le1,331,118,242.43 are paid to the NRA and receipt forwarded to the Audit Service for verification. Going forward, all statutory deductions must be paid on or before 15 days following the month in which deductions were made.

Official's Response

The General Manager said that the Company is in dialogue with the Ministry of Finance for a cross debt settlement in respect of debt owed by MDAs to the GVWC and debt (including withholding taxes and PAYE) owed by the GVWC to the Government of Sierra Leone.

Auditor's Comment

The audit team notes the response of management but evidence of dialogue with the Ministry of Finance was not submitted. Payment of PAYE has not been paid to the NRA. Therefore, this issue remains unresolved.

4.35.18. Misstatement of Payroll Figures in the Financial Statements

A review of the Company's payroll and financial statements revealed the following:

- Terminal benefits due to staff amounting to Le441,328,473 and Le3,005,748,457 were not paid to retired staff members neither were these amounts recognised as payables for the 2015 and 2016 financial years respectively.
- Recalculation of the provision for end of service benefit recorded in the financial statements, differences of Le15.9 billion, Le17.1 billion and Le18.2 billion were noted between our computation and amount disclosed in the financial statements for the 2015, 2016 and 2017 financial years respectively.

The General Manager in collaboration with the Finance Director and Human Resource Manager should ensure the following:

- That all outstanding terminal benefits are paid to retired staff and amount recognised and disclosed in the financial statements. Going forward, mechanism should be instituted to ensure that terminal benefits due staff are paid within a reasonable period following retirement.
- That differences identified are investigated; accounting records adjusted and revised financial statements submitted to the ASSL.

Official's Response

The General Manager said that:

- *"Due to cash flow difficulties, management has been paying terminal benefits on an installment basis. Management however notes the auditors' comments and will put measures in place for an expeditious settlement of terminal benefits owed to retired employees.*
- *The auditors' recommendation is noted. Journals will be raised to adjust the account."*

Auditor's Comment

Terminal benefit due staff amounting to Le441,328,473 and Le3,005,748,457 for the years 2015 and 2016 respectively, were neither paid to retired staff members nor were adjustments made to the provision of end of service benefit recorded in the financial statements. The audit recommendations were not implemented. Therefore, the issue remains unresolved.

Journals to justify implementation of recommendation were submitted. Therefore, this issue remains unresolved.

4.35.19. Inadequate Control over the Management of Receivables

Receivables in the Company were not effectively managed and monitored as the following issues were noted:

- A policy governing the management of receivables and an aged debtor listing or analysis maintained as evidence to justify this process was not submitted for audit inspection.
- Differences of Le4.2 billion, Le6.9 billion and Le8.4 billion were noted between receivables, ledgers and total list of customers' balances from the EDMAS revenue software for the 2015, 2016 and 2017 financial years respectively.
- Customers' accounts with credit balances amounting to Le397.2 million, Le683.5 million and Le1.2 billion were identified and disclosed as receivable balances instead of as payable balances in the financial statements submitted for audit. In addition, supporting documents to validate these balances were not provided for audit inspections for the 2015, 2016 and 2017 financial years respectively.

- The Government of Sierra Leone owed the Company an amount of Le46,854,942,095 and a payment plan/support letter for the financing of these balances were not submitted for auditing.

See table below:

Year	Amount as per FS (Le)
2015	13,433,281,892
2016	16,089,365,613
2017	17,332,294,590

The provision made for the impairment of receivables was 80% of total receivables recognised and disclosed in the Company's financial statements (excluding government). No basis for appropriate approval from the Company's Board of Directors for such impairment was submitted for audit. See table below:

Year	Provision for impairments of receivables (Le)
2015	74,427,051,922
2016	81,068,047,743
2017	90,984,800,778

The General Manager in consultation with the Finance and Commercial Director should ensure the following:

- That a policy for the effective management of receivables is developed and submitted to the Board of Directors for approval. In addition, receivables must be aged and this must serve as a basis for taking decision with regard impairment.
- Differences noted of Le4.2 billion, Le6.9 billion and Le8.4 billion are investigated, accounting records adjusted and revised financial statements submitted to ASSL.
- Appropriate analysis of customers' ledger with credit balances is carried out. In the event that they are indeed credit balances, reclassification to payables is done, supporting documents in favour of such balances and revised financial statements submitted to the Audit Service for verification.
- That the Ministry of Finance is contacted for appropriate arrangement to be made for the financing of these debts owed by the Government of Sierra Leone.
- That the basis upon which provision of 80% was made and approval from the Board of Directors is forward to the ASSL for verification.

Official's Response

The General Manager said the following:

- "Though a documented policy regarding the management of receivables is unavailable, past practice shows that customers are usually given 15 days grace period after the billing date to settle outstanding debt with the Company. Failure to settle the bill can then lead to disconnection. Due to challenges faced with this system, Management intends to review it in due course.
- The auditors' comments are noted. Journals will be raised to adjust the accounts.
- The Company sends out water bills to customers every month. Some of these customers make payments in excess of what is owed in the accounts and thereby ends up with credit balances. In the event of possible liabilities, these

balances are used to offset the accounts owed to the Company. Past experience showed that customers with credit balances rarely request for a refund.

- *There are ongoing negotiations with the Ministry of Finance for the settlement of outstanding debts owed by MDAs to GVWC through cross debt and cash settlement.*
- *Included in the receivable balances are general water rate customers with no pipe connection, residential customers that no longer have water supply and redundant institution and commercial customers whose business have closed down and supply disconnected a long time ago. The balances in those accounts were never written off and the possibility of the Company receiving payments for settlement of those accounts is very remote. This situation necessitated management to apply such percentage over the years as a matter of prudence.”*

Auditor’s Comment

- A policy governing the management of receivables and an aged debtor listing or analysis was not maintained and the audit recommendations were not implemented. Therefore, this issue remains unresolved.
- Journals were not maintained in the Company’s books of accounts and financial statements. Therefore, this issue remains unresolved.
- The audit recommendations with regards to customer accounts with credit balances were not implemented. Therefore, this issue remains unresolved.
- Evidence of payment plan/minutes of meetings /support letter for the financing of amount owed by the Government of Sierra Leone were not submitted. Therefore, this issue remains unresolved.
- The audit recommendations regarding the provisions of the impairment of receivables were not implemented. Therefore, this issue remains unresolved.

Payables

4.35.20. General Ledgers not Submitted

General ledger/schedule for some payables disclosed in the financial statements were not provided for audit inspection (i.e., extension - 2nd phase Guma project, 'insurance payable, 'insurance payable-workmen compensation, 'subscriptions payable, Sierratel, 'sundry payables, 'NRA duty assessment, other miscellaneous payables and suppliers suspense account with ledger number 2012/000, 2019/000, 2019/030, 2020/000, 2021/000, 2023/000, 2023/010, 2023/100 and 9999>003 respectively).

The General Manager should ensure that the Finance Director submits the general ledgers in support of these account balances to the Audit Service office for verification.

4.35.21. Cash and Bank

Ineffective Management of Controls over Cash and Cash Transactions

A review of the Company’s management of cash and bank transactions revealed the following:
Closing balance from the previous period, signed financial statements were not appropriately brought forward in the Company’s general ledger in subsequent period.

See table below:

Details	Closing balance as per signed audited financial statements 2014 (Le)	Opening balance as per general ledger 2015 (Le)
Cash and Bank	1,755,276,000	1,189,058,537

Bank reconciliation statements to confirm bank accounts maintained at various commercial banks appropriately reconciled to detect errors and irregularities were not submitted for audit.

Some bank accounts were closed during the period under review without appropriate authority for the closure of such accounts but no evidence was submitted in respect of such for audit inspection.

The General Manager should ensure the following:

- The Finance Director should investigate this difference, changes effected in the Company's general ledger and accounting records and revised ledgers and financial statements submitted to the Audit Service office for verification
- That bank reconciliation statements for the accounts in question should be submitted to the Audit Service office for verification.
- Approval /supporting evidence for the closure of bank accounts are submitted to the Audit Service office for verification.

4.35.22.General Observation

Related Party Transactions between Guma Valley and Trelawney Site Limited not Appropriately Disclosed

In the audit review of transactions/dealings between the Guma Valley Water Company and Trelawney Site Limited, the following issues were noted:

- The relationship between these two companies was not explicitly explained thereby making it very difficult to understand it, and the basis of this relationship was also not appropriately disclosed in the financial statements.
- The ownership of the building currently occupied by Guma Valley Water Company could not be ascertained, as legal documents necessary to ascertain the ownership were not submitted for audit.
- Through enquiry with senior management, the auditors were informed that the building is owned and controlled by Trelawney Site Limited and that on an annual basis, rent is being paid by Guma Valley Water Company to Trelawney Site Limited.
- Guma Valley Water Company was paying staff of Trelawney Site Limited for managing the building.
- For the period under review, payments totalling Le759,375,000 was made to Trelawney Site Limited for the years 2015, 2016 and 2017 in respect of rent of the Guma Building. Agreement document between these companies to justify the nature of their relationship and basis of payments made were not submitted for audit.

The General Manager in collaboration with management and the Board of Directors should provide adequate explanation backed-up by documentary evidence justifying the relationship between Guma Valley Water Company and Trelawney Site Limited to the ASSL for verification. Otherwise, all payments made to this Company will be classified as ineligible and charged against the personal emoluments of the Managing Director and management staff.

Official's Response

The General Manager said that Trelawney Site Ltd. is a Company partly owned by GVWC. Another institution, which also has equity shares in Trelawney Site Ltd., is the Sierra Leone Investment Ltd. (SLIL). Both GVWC and SLIL have representatives in the Trelawney Site Ltd. Board. The Trelawney Site Ltd owns the Guma Building. The management, which covers maintenance and repairs of the Guma Building, is contracted to GVWC. The documents and minutes of Board meetings in respect of Trelawney Sites Ltd. have been retrieved and available for audit verification.

Auditor's Comment

Legal documents providing clarity on the relationship between Guma and Trelawney Site were submitted. Minutes of board meetings justifying meetings held were not submitted for verification. This issue will be kept in view and followed-up during the next audit.

4.35.23. Visitation of Area Offices

Field visits to various branch offices responsible for the control, management and supply of water revealed the following:

The treatment centre at Orugu was not protected by a perimeter fence. Furthermore, there is no office for staff that are deployed at the centre.

At Leicester Road, a privately owned garage is in operation in the branch office.

The perimeter fence at the East Branch Office was incomplete, exposing the office to intruders.

The General Manager in collaboration with management team should ensure the following:

- Immediate actions/plans are instituted to secure the property of the Company.
- A conducive working environment is provided for staff working in the various treatment centres and offices.
- That a notice of eviction is given to the owner of the private garage, and going forward, perimeter fence must be erected on all property of the Company

Official's Response

The General Manager said that the recommendations have been noted and the necessary repairs will be carried out. Plans are underway for the construction of a perimeter fence at the east office. With regards to eviction of the private owned garage, management has evicted the said privately owned garage from the company's facility at Barham Road.

Auditor's Comment

The auditors note the response from management. The issue therefore remains unresolved.

4.35.24. Visitation of Guma Main Store

Physical verification of the main store at Pademba Road revealed the following:

- There were leakages in the roof, exposing store items to deterioration during the rainy season.
- Items were not appropriately packed, restricting auditors from verifying the physical quantities of some high value items at hand. The store also lacked adequate ventilation.
- The health centre is not equipped with overhead fans, beds, cabinets for storing drugs, refrigerator, sterilising equipment, defibrillator machine etc.

The General Manager in collaboration with management team should ensure the following:

- That fund is set aside for the immediate rehabilitation and improvement of the store and health centre.
- That a facelift with improved stacking and ventilation facility is provided in the store and evidence of actions taken should be submitted to ASSL for verification.

Official's Response

The General Manager said that the recommendation of the auditors is noted, and the leaking roof has been replaced at the main stores at Pademba Road. He added that plans are underway to carry out facelift on the Health Centre at Pademba Road and the perimeter fencing at the East Branch Office.

Auditor's Comment

We note the response from management. The issues however remain unresolved.

4.35.25.Deteriorating Conditions at the Main Guma Treatment Works at Mile 13

Physical verification of the Guma Treatment works revealed the following:

- Of the six mixers installed at the chemical control room for the processing of chemicals, only two were functioning as required. Four were identified to be faulty.
- There were leakages in the roof at the filter gallery in which the filter washing desk machines were installed.
- There was no working metre at the main water treatment centre. This made it difficult to determine the quantity of water discharged/supplied to the city and its environs on a daily, monthly, quarterly, yearly basis.
- Personnel at the treatment centre were without adequate working equipment and protective kits.
- The staff quarters needed serious repairs as the present state in which it is, did not favour human habitation.

The General Manager in collaboration with management team should ensure the following:

- That adequate fund is set aside and plans/actions taken in addressing issues identified during the audit.
- Documentary evidence with regard to proposed plans/actions to be taken must be sent to the ASSL for verification.

Official's Response

The General Manager said:

"The recommendation of the auditors is noted, and that the leaking roof had been replaced at the main stores at Pademba Road. Plans are underway to carryout facelift on the Health Centre at Pademba Road and the perimeter fencing at the East Branch Office. The Main Treatment Plant at Mile 13 is being rehabilitated under the DfID-funded Freetown Water Supply Rehabilitation Project. The project will replace the filters and upgrade the electro-mechanical systems. The leaking roof has been replaced. Personnel at the Treatment Works have also been provided with safety gears."

Auditor's Comment

The auditors note the response from management. The issues however remain unresolved.

4.35.26.Follow – Up on Prior 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:

- *We requested an identification of the assets in order for the correct accounting procedure to be carried out, but the Finance Manager could not provide us with the relevant information because the institution did not maintain a comprehensive asset register.*
- *The National Competitive Bidding procedure for the procurement of goods above Le60 million threshold was also not followed for the procurement of goods amounting to Le211,398,670.*
- *The audit review of the disbursement listing for direct expenses revealed that an adjustment of Le2,641,115.91 was passed in the account. No plausible explanation was provided for this adjustment. Supporting documents were also not submitted for audit inspection*
- *We noted that Le1,416,006,000 was disclosed in the accounts as postretirement benefit expense. The auditors were informed by the Finance Manager that the amount disclosed was computed using 8% and 11% for service charge and interest cost respectively. The basis upon which these percentages were selected and used to calculate the post retirement benefit was not provided to us during the audit exercise.*
- *We observed that the Company's terms and conditions of service is still in its draft stage and has not been approved by the Board of Directors.*

The audit review of the financial statements revealed that a number of account balances in the statement of financial position have remained unchanged over the years. Furthermore, supporting schedules and documentation to substantiate whether these balances have been recorded completely and accurately in the financial statements were not provided for audit review. These balances are:

- *A sample of Le5.5 billion customers receivable accounts balances were reviewed, we noted that Le4.8 billion of the account balances were dormant with no evidence of payments in these accounts.*
- *Receivables circularisation amounting to Le5.5 billion was sent to customers, but no responses have been received so far.*
- *From the sample, the team noted that receivables to the tune of Le277,571,706.45 were not backed by supporting schedules and documentations*

Section 130 (1) of the Income Tax Act states “Any tax that has been withheld or should have been withheld by a withholding agent shall be paid by such agent to the Commissioner within 15 days of the end of the month in which it was or should have been withheld”. It was observed that PAYE taxes amounting to Le176 million for all staff were not paid for the year under review.

Management procured a new information system called the EDAMS Billing System. However, there was no evidence that the IT Department was involved in the design and procurement of the new IT package for the Company.

During a visit to the area offices, We observed that, out of nine pumping stations in the central and eastern parts of Freetown, only five were functional with only one pump attendant on duty at each station while the remaining four stations located at OAU Drive, Hill Stations, Tower Hill by Library Board and Africanus Road, Kissy were all dysfunctional.

The rent agreement between the Company and its tenant occupants of the property at Hill Cut Road (G-Gate) was not submitted for audit review. No evidence was submitted for rent being paid or accrued by the Company for the year under review.

Shares certificate for 25% holding in Trelawney Site Limited not submitted for audit inspection.

Additionally, the Company did not comply with International Accounting Standard 28 - investments in associates.

It was observed that although the insurance policies on the dams, buildings and mains expired in 2011, they were not renewed.

It was observed that there was no policy governing the management of receivables and aged listing or analysis of receivables not submitted for audit inspection.

Loan liabilities of Le8.5 billion which were waived by the World Bank have not been written off in the Company’s financial statements.

Sierra Leone qualified in 2006 for HIPC and Multilateral Debt Relief Initiatives, and qualifying loan balances prior to December 2004 were cancelled in December, 2006.

No evidence of an approved internal audit charter was provided for audit review.

The number of guards securing Mile 13 (main Guma Dam) is inadequate even though there are valuable chemicals such as chlorine, lime, alum stored within the premises for water treatment purposes.

4.36. SIERRA LEONE PORTS AUTHORITY (SLPA) – 2019

4.36.1. Poor Controls over the Disbursement of Funds

Section 100(1) of the Public Financial Management Regulations, (PFMR) 2018 requires: “All disbursements of public monies should be supported by an appropriate payment voucher and other relevant documents”.

It was observed that payments which totalled Le538,759,809 were made without adequate supporting documents to justify the disbursement of the said funds. Missing documents included service level agreements, receipts, back-to-office reports, GST's invoices, etc.

A total amount of Le531,300,000 was identified as Corporate Social Responsibility (CSR) payments made to various organisations and individuals. We could not understand the basis upon which these payments were made, as they did not fall within the normal operations of the Authority.

Official's Response

The General Manager in his response said: "Management strives to maintain adequate internal controls relating to the disbursement of funds.

The necessary supporting documents are available for audit review.

It is our strategy to conduct business in a way that is ethical, society friendly and beneficial to the community in which we operate in terms of development. Our CSR budget spending involves a range of activities such as working in partnership with local communities, conduct socially sensitive investment, develop relationships with employees, invest in national development projects and activities for environmental conservation and sustainability. Furthermore, the Authority has engaged the services of a consultant for the provision of a wide range of Human Resource Consulting, Training and Development Services, to include Corporate Social Responsibility (CSR) policy. This policy document would address the basis upon which projects are selected, and disbursements are made. The necessary supporting documents are available for audit reviews."

Auditors' Comment

Missing documents such as receipts, invoices, back-to-office reports, GST'S invoices, etc. were submitted for payments totalling Le446,360,000 for 2019. Payments for the remainder totalling Le92,399,809 were without adequate supporting documents. Our recommendation was partially implemented.

Management's comment is noted. We however believe that CSR should be done in the best interest of the Authority and in ensuring that public resources are efficiently managed. Our recommendation was therefore not implemented.

4.36.2. Staff Recruitment and Retirement Process Not Effectively Managed

A review of the Authority's management of the recruitment and retirement of personnel revealed the following:

- During the period under review, 99 personnel were recruited. Documents such as job advertisements, application letters, invitation letters to attend interviews, interview score sheets, police clearance reports, medical reports, and reference letters to confirm that the recruitment process was open, fair and credible, and in accordance with section 5.3 of the Authority's Terms and Conditions of Service were not provided.
- There was no evidence of annual training plans, nor any needs assessment submitted during the audit.

Official's Response

The General Manager in his response said the following:

"The SLPA is a public enterprise governed by the National Commission for Privatisation Act, 2002. Accordingly, section 13(1) a(i) reads: "As from the commencement of this Act... –

The appointment of persons:

- *As members of a public enterprise shall be made by the Commission. Therefore, paragraph (i) above provides for the appointments of members to Public Enterprise by the Commission. In the instance, therefore, the said*

appointments were made by the Commission in reliance on those mentioned above. For ease of reference, Schedule 1 of the above-mentioned Act lists The Sierra Leone Ports Authority as a Public Enterprise. Furthermore, a legal opinion on the subject matter is available for audit inspection.

- *Training & Development - The Authority has engaged the services of an external consultant for the provision of a wide range of human resource consultancy to include training and development policy. Implementation of these policy guidelines will be implemented when completed”.*

Auditors’ Comments

Management’s comment is well noted. As auditors, we expect management to ensure that the Authority’s recruitment policies are always adhered to, irrespective of the recruiting body. Therefore, the recruiting body, in this case, the National Commission for Privatisation, should have followed due process in recruiting these staff. Allowing staff to be recruited without going through due recruitment processes exposes the Authority in recruiting staff without the required job knowledge and experience and prohibits competition. Our recommendation was not implemented. Therefore, the issue remains unresolved.

Management’s comment was noted on evidence of annual training plans. The issue however remains unresolved.

4.36.3. Demolition of the Authority’s building

One of the Authority’s buildings that was situated at Ferry Junction with a net book value of Le171,728,250 was demolished. The Board’s resolution granting approval for the demolition of the building was not seen, neither submitted for audit review.

Official’s Response

The General Manager in his response said: “Management strives to maintain adequate internal controls in the management of its non-current assets. Board’s approval sanctioning the use of the site for the development of the Kissy Ferry Terminal is available for audit review. Furthermore, Development Lease Agreement, Final Assessment of the Kissy Terminal Development projects and physical site containing new structures are available for audit review”.

Auditors’ Comment

Board’s resolution granting approval for the demolition of the building was not submitted during the verification exercise. The issue therefore remains unresolved.

4.36.4. Circularisation and Long Outstanding Receivables

A review of the Authority’s management of receivables revealed the following:

- Debtors circularisation letters were sent to 12 debtors to confirm balances totalling US\$1,125,305 (Le10,951,145,911) in the books of the Authority. Debtors’ confirmations were received for an amount which totalled US\$275,342 (Le2,675,414,784).
- A difference of Le95,807,041 was noted between the amount reported in the receivables register and the amount confirmed by five debtors.
- A total of US\$434,197 in respect of monies owed by customers to the Authority for 2019 were disclosed as a short-term receivable in the financial statement. Some of these amounts have been outstanding for more than two years but no evidence was submitted as to the recoverability of these amounts.

Official’s Response

The General Manager in his response said:

- *“The necessary circularisation and supporting documents confirming payments available for audit review*

- *Regarding differences as confirmed by Destiny Shipping, Maersk SL, Mediterranean Shipping, Alsalam and Freetown Terminal Ltd. respectively, invoices raised and confirmation of payments are available for audit review as proof of our claims.*
- *For receivable balances with no evidence of recoverability, management via directives from the Board continues to explore possibilities of recoverability, though futile. Management will provide the necessary advice for provision/write-off of specific debts where applicable. Necessary documentation seeking recoverability are available for audit inspection.”*

Auditors’ Comment

Circularisation responses were not submitted for verification. Except for Afrimarine, a review of the Authority’s cashbooks and receivables ledger as at the current date revealed that debtors had settled the above amounts. Our recommendation was partially implemented.

No evidence of recoverability was received for the long outstanding amount of US\$413,198. Our recommendation was not implemented. Therefore, the issue remains unresolved.

4.36.5. Procurement procedures not followed

We observed the following:

- Requests for quotation (RFQ) and local purchase orders (LPO), etc. were not produced to substantiate procurement worth Le506,693,293 relating to goods and services procured in 2019.
- Procurement of similar item of consumables worth Le330,992,419 were divided and procured from the same suppliers on diverse dates during the period under review. Had adequate procurement planning carried out, these consumables should have been procured through the National Competitive Bidding method with a framework contract being developed. Instead, requests for quotation method was used, thereby evading the procurement threshold as stipulated in section 37 (2) of the Public Procurement Act of 2016.
- Procurement thresholds as stipulated in the Public Procurement Act of 2016 were not complied with by the Authority. This resulted in the procurement of provisions valued at Le102,840,000 through the National Competitive Bidding instead of Requests for Quotation method.
- Delivery note to justify receipts of milk, sugar etc. and sanitary items procured at a cost of Le102,840,000 from M. Sesay was not submitted for audit inspection
- Bid register was not submitted for audit inspection for the procurement of goods and services during the period under review. It can be concluded that the register does not exist. This contravened section 62 (3) of the Public Procurement Regulation 2006. In addition, during the audit exercise, there was no evidence that either the Authority issued receipts to these bidders for bid forms, or income received were recorded by the Authority in the 2019 Financial Statement.
- Section 27 of the NPPA states: “A procuring entity shall immediately, after a successful bidder has been identified, inform the unsuccessful bidder(s) of the reason for which their respective bids were unsuccessful”. We observed that the Procurement Unit had never communicated / or debriefed, informed the unsuccessful bidder(s) in writing.

Official’s Response

The General Manager in his response said:

- *“Management strives to ensure that internal controls and procurement laws are adhered to.*

- *The necessary supporting documents, requests for quotation and local purchase order are available for audit inspection. We however note that for some procurement activities, cheque payment authorisations were issued based on the nature of activities and not LPO's issued.*
- *We note your comment on not adhering to the National Competitive Bidding (NCB) for similar items of consumables. We however, wish to state that splitting was not the intention of management, but rather the nature and sequence of activities allowed same. Going forward, management will advertise and follow the NCB method.*
- *Consistent with (ii), going forward, NCB method will be followed.*
- *Delivery notes are available for audit inspection.*
- *Management notes your comment on the availability of a bid register. The Authority now maintains a bid register and monitors bid forms and receipts of same. Evidence of receipts for bid forms sold is available for audit review.*
- *Management notes your comment on communicating or debriefing unsuccessful bidders. Management has been notifying unsuccessful bidders. Going forward, we will now include the reason(s) for which their respective bids were unsuccessful”.*

Auditor's Comment

Requests for quotation and local purchase orders were submitted for procurement totalling Le30,130,000. The remainder totalling Le476,563,293 were not supported with requests for quotation and local purchase orders. Our recommendation was partially implemented.

The other recommendations were not addressed.

4.36.6. Assessment, Collection and Recording of Revenue Not Effectively Managed

A review of the Authority's management of the revenue process revealed the following:

- Rental agreements between the Authority and its clients valued at US\$4,161 and Le5,200,000 had expired; even though the clients' businesses were in operation.
- There was no evidence that the Authority had invoiced clients, or had accrued rental amount due in its 2019 financial statements for lease rent, totalling US\$42,147 and Le15,100,000. No contract was also seen / submitted for these clients.

Official's Response

The General Manager in his response said: “Management strives to maintain adequate internal controls in recognising and recording income in its financial statements.

The Authority notes your comment on expired rental agreements. Management is currently reviewing tenancy agreements in the hope of renewing or cancelling agreements where applicable. For Dangote Industries Ltd, this was a one-off periodic engagement which has since expired. Evidence of the review process is available for audit inspection.

The Authority notes your comment on accrued rental income and lack of contract documents. Management's comment is reflected as per schedule below”.

Names	Comments
Holland Shipping (SL) Ltd.	Agreement available – concession agreement is currently been reviewed.
Entabuy	Lease agreement subsisting with improvement done on building and cost deducted from annual rent for the period 2015-2028.
Ran Enterprise	Lease expired in 2019 and payment made for 2019 period.
Madura Enterprise	Tenancy expired
Transworld Enterprise	No tenancy agreement but payment made for 2019

Names	Comments
Leone Dock Labour Company	Tenancy terminated for lack of payment.
Marzuk	No agreement for 2019 but payment made. Lease agreement entered into in 2020 (January) upwards
Centrum Clearing & Forwarding Agency	Tenancy agreement terminated due to Ports development
SLRSA	Payment agreement of \$3.5k with lease agreement sent to SLRSA for their signature.

Auditor's Comment

Evidence of contract with Holland Shipyard was submitted and reviewed. A site visit was conducted to confirm that Dangote does not occupy the said premise as management asserted to have terminated the contract. The visit proves that Dangote was not an occupant of the Authority's premise. Updated contract details were not submitted for the remaining customers. Our recommendation was partially implemented.

4.37. SIERRA LEONE PORTS AUTHORITY – 2018

4.37.1. Poor Controls over the Disbursement of Funds

- Section 73(1) of the Financial Management Regulations, (FMR) 2007 requires: "All disbursements of public monies should be supported by an appropriate payment voucher and other relevant documents".
- It was observed that payments which amount to Le164,781,169 were done without supporting documents to justify the disbursement of the said funds. Missing documents included payment vouchers and other supporting documents justifying the legitimacy of the disbursements.
- Payments totalling Le548,289,662 were done without obtaining back to office reports from beneficiaries.
- An amount totalling Le755,386,905 was identified as Corporate Social Responsibility (CSR) payments to various organisations and individuals. The audit team could not understand the basis upon which these payments were made as they did not fall within the normal operations of the Authority.
- 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 or any future regulation repealing it.
 - 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 sums of Le164,781,169 and Le548,289,662 are forwarded to the ASSL.
 - Appropriate explanations with supporting evidence must be provided to justify the CSR expenditure; otherwise parties involved will be requested to refund the amount involved.

Official's Response

The General Manager in his response said: "Management strives to maintain adequate internal controls relating to Corporate Social Responsibility (CSR). It is our strategy to conduct business in a way that is ethical, societal friendly and beneficial to the community in which we operate in terms of development. The Authority's CSR budget spending involves a range of activities such as working in partnership with local communities, conducting socially sensitive investment, developing relationships with employees, investing in national development projects and activities for environmental conservation and sustainability. Furthermore, the Authority is currently developing a policy on CSR

directed by the Board. This policy would address the basis upon which projects are selected and disbursements are made. The necessary supporting documents are available for audit review.”

Auditor’s Comment

- Supporting documents relating to payments which amounted to Le126,461,169 were submitted leaving a balance of Le38,320,000 not presented during the verification exercise.
- Supporting documents relating to payments amounting to Le498,740,032 were submitted leaving a balance of Le49,549,630 (relating to back to office report) not presented during the verification exercise.
- Management’s comment is noted on the other remaining issues. The issues however remain unresolved.

4.37.2. Staff Recruitment and Retirement Process Not Effectively Managed

A review of the Authority’s management of the recruitment and retirement process revealed that 21 personnel were recruited during the period under review. Documents such as job advertisements, application letters, invitation letters to attend interviews, interview score sheets, police clearance reports, medical reports, and reference letters to confirm that the recruitment process was open, fair and credible, and in accordance with section 5.3 of the Authority’s Terms and Conditions of Service were not provided.

The General Manager should give reasons for not recruiting staff on an open competitive basis must be provided and steps taken to ensure that all recruitment are properly done.

Official’s Response

The General Manager said: “the SLPA is a public enterprise governed by the National Commission for Privatisation Act, 2002. Accordingly, section 13 (1) (a)(i) reads: “As from the commencement of this Act –

The appointment of persons:

- *As members of a public enterprise shall be made by the Commission; and*
- *to the governing body of a public enterprise shall be made by the President, acting on the recommendation of the Commission and the subject approval of Parliament”.*

Therefore, paragraph (i) above provides for the appointments of members to Public Enterprise by the Commission. In the instance therefore, the said appointments were made by the Commission in reliance on those mentioned above. For ease of reference, Schedule 1(one) of the above-mentioned Act lists the Sierra Leone Ports Authority as a Public Enterprise. Meanwhile, paragraph (ii) provides for the appointment of board members to public enterprise. Furthermore, it should be noted that said recruitments took place at a time the governing board of the Authority – The Board of Directors was not yet constituted. In consequence thereof, it was impossible for the Board to have met, conduct interviews, etc. for appointment of managers to the Authority that require the approval and otherwise of same.”

Auditor’s Comment

Management’s comment is well noted. The issue however remains unresolved.

4.38. WEST AFRICA REGIONAL COMMUNICATION INFRASTRUCTURE PROGRAMME (WARCIP) - 2017

4.38.1. Procurement Activities without Supporting Documents

A review of the cashbook and bank payment instructions revealed that procurement activities worth US\$26,122 were undertaken during the year. However, no supporting documents such as invoices, contract, local purchase order, etc. were submitted to the auditors for review. The Permanent Secretary, Ministry of Information and Communications in collaboration with the Project Coordinator should ensure that contract and relevant documents are submitted to the ASSL for inspection.

Official's Response

The Project Coordinator in his response said: "The project used the services of Joseph L Ngeba who is a Procurement Specialist at the Ministry of Health on a World Bank project. The project has only two key personnel, the Coordinator and the M&E Officer. Even the project accountant was borrowed from the Ministry. In that regard, service rendered by Joseph L Ngeba was payment made to him for his services. The documents are available for inspection."

Auditor's Comment

Supporting documents in the form of invoices, contract and local purchase order were submitted for US\$23,622, leaving a balance of US\$2,500 not supported. Therefore, the issue remains partly resolved.

4.38.2. Payments without Documentation

After a review of the cashbook and disbursement files, we observed that payments totalling US\$174,071 were made to several individual without any document to justify payments.

We recommend that the Accountant should submit the relevant payment vouchers and supporting documents for audit review; otherwise, these funds should be refunded into the project account and evidence of payment submitted for audit inspection.

Official's Response

The Project Coordinator in his response said: "Management notes the auditor's recommendation and the documents are now available for inspection."

Auditor's Comment

Supporting documents in the form of invoices, contract, receipts and local purchase order were submitted for US\$164,988 leaving a balance of US\$29,083 not supported. Therefore, the issue is partly resolved.

4.38.3. Payment Vouchers without Adequate Supporting Documents

A review of the cashbook and disbursement files revealed that payment vouchers totalling US\$70,202 were without adequate supporting documents. We recommend the Accountant to submit the relevant supporting documents for audit inspection.

Official's Response

The Project Coordinator said that management notes the recommendation and that some supporting documents are now available for inspection.

Auditor's Comment

Supporting documents in the form of invoices, contract, receipts and local purchase order were submitted for US\$18,361, leaving a balance of US\$51,841. Therefore, the issue remains partly resolved.

4.38.4. Consultancy Fees Paid to Staff without a Contract

A review of the cashbook and contracts for consultancy services revealed the following:

- Contract was awarded to Mr. Ibrahim Conteh on 27th January 2015, and should have ended on 27th January 2017. Consultancy fees totalling US\$7,500 were paid to him for six months (February to July 2017) without any extension of contract.
- Contract was awarded to Mr. Julius Kamara on 24th January 2014, and should have ended on 26th January 2015. Consultancy fees totalling US\$18,000 were paid to him for six months (February to July 2017) without any extension of contract.
- In addition, we observed that consultancy fees totalling US\$18,000 were paid to staff without contract or letter of authority.

- The Permanent Secretary, Ministry of Information and Communications in collaboration with the Project Coordinator should ensure that updated contract for consultants and other relevant documents are submitted to the ASSL.

Official's Response

The Project Coordinator said that there was exchange of mails between the Project Coordinator, the World Bank, regarding the extension of the project life for few months, which was approved by the World Bank. Revision was also made to the budget that was given a "no objection" by the Bank. Though no trace of documents in the office of the Coordinator. He has indicated his willingness to check his mail and get the "no objection" printed. It can be available for inspection.

Auditor's Comment

Evidence in the form of letters and contract for the extension of the contract for the two personnel were not submitted for audit review. In addition, consultancy fees totalling \$18,000 were paid to staff without contract agreement. Therefore, the issue is unresolved.

4.39. SIERRA LEONE HOUSING CORPORATION: 2016 - 2017

4.39.1. Accounting System

The financial statements of the Corporation were maintained and prepared with the use of Microsoft Excel rather than using accounting software in recording and reporting financial transaction. Due to the lack of an accounting system, we found it very cumbersome, if not impossible to test and examine the principal internal controls to ensure as far as possible, the accuracy and reliability of the corporation's accounting records. We recommended that the commission should consider securing an accounting package to ensure the smooth recording, processing and reporting of accounting transactions to ensure accurate and reliable financial statements.

4.39.2. Submission of Report to the Authority

We realised that the Corporation submitted a report on the operations of the scheme every six months to the Minister responsible for housing, and such report shall contain details of the total amount deposited with the scheme, the number of loans granted, the purposes for which the loans were granted and any other information that the Minister may require. We recommended that the management of the savings and loan scheme should ensure that the report on the activities of the scheme should be submitted to the appropriate authority. All deposit and loans granted to the customers and the purpose of such loan should be submitted to the authority on a time basis.

Official's Response

The General Manager in his response said: "The Saving and Loan Scheme is a department of the Sierra Leone Housing Corporation which was set up by an Act of Parliament in 1982, amended in 1986, and does not submit any financial report to any Minister, Ministry, or Agency, besides the General Manager, Chairman and the Board of Directors of SALHOC. A yearly report is submitted to the Chairman, National Commission for Privatization (NCP)".

4.39.3. Manual Systems of Recording

In the process of conducting our audit procedures, we realised that the Sierra Leone Housing Corporation and its saving and loans scheme only maintained a manual system of recording information. We recommended that a computerised database system and accounting software be set up for all data of the institution

4.39.4. Regular Bank Reconciliation

Management of the Sierra Leone Housing Corporation did not prepare bank reconciliation statements. We recommend that management should ensure that the Bank reconciliation is prepared, reviewed and approved by senior management staff within the organization on a monthly basis.

Official's Response

The General Manager in his response said: "Management notes the observations and action has been taken to reconcile both bank and cashbook balance on a monthly basis".

4.39.5. No Fixed Assets Register

The company did not maintain a fixed assets register. We however performed alternative procedures to satisfy ourselves as to the accuracy of the fixed asset value. We recommended that all fixed assets of the corporation should be captured in a register which will clearly indicate the cost, location, identification codes, and custodian and purchase date, depreciation rate, accumulated depreciation and depreciation charge for the period, and at arriving at the net book value, ensuring accurate reporting of fixed asset balances.

Official's Response

The General Manager in his response said: "The issue of fixed assets register has been noted by the Corporation and appropriate action has been taken to update the fixed assets register".

4.39.6. Improve System Cash Control

The following issues were noted:

- The corporation maintained a manual cashbook for recording transactions but the cashbook did not make any reference to payment or receipt vouchers.
- Regular and surprise cash counts were not performed.
- The reconciliation between the corporation's cashbook balances and the bank statement balances was conducted by the Finance Manager, but the process was not documented.

Official's Response

The General Manager in his response said: "Management notes the observations and will act on it accordingly".

4.39.7. Improper Filing System

It was noted that documents within the savings and loan scheme and the Housing Corporation were not filed properly and numbered sequentially. In addition, other important documents such as customer record cards, customer application forms, etc. were not placed within the customer file. We recommend that the savings and loan scheme should improve the filing system to ensure that all relevant and supporting documents are available for reviewing and checking purposes.

Official's Response

The General Manager in his response said: "Management notes the observations and recommendations. A revised system is now being proposed to be implemented".

4.39.8. Board of Directors

It is stated in the Act that the Board should comprise of eleven 11 members including the chairman. They should hold the tenure of office for three years from the date they were appointed as Board members. The Act empowers the Directors to set up a loan committee which will be charged with the duty to review all loan given to customers/ staff, but the current Board members do not reflect the Act. Management should ensure that all those who should have been appointed to the board are all represented in all board meeting and they should play active part in the running of the Corporation.

Official's Response

The General Manager in his response said: "Management notes the observation in respect of the number of members that should serve as Board of Directors, and a follow-up will be communicated with the appropriate authority responsible for the appointment of Board Members".

4.39.9. Lack of Insurance Cover

The Corporation has not insured the Savings and Loans Scheme. Management should insure the full value against fire, theft and natural disaster. In the event of the occurrence of any item listed above, the institution may be to restore or reclaim to its formal position in which it was before the incidence.

Official's Response

The General Manager in his response said: "Management notes the observations and recommendations. No insurance policy was in place for that purpose. This will be looked into, considering the security and risks involved."

4.40. SIERRA LEONE WATER COMPANY- 2017 - 2018

4.40.1. Assets Tagging and Updating the Fixed Asset Register

Some of the Company's assets were not tagged and updated in the fixed assets register. The fixed assets should be tagged with individual identification codes and these codes should be reflected in the fixed assets register. This will assist in identifying, monitoring and locating the fixed assets. Furthermore, proper controls can be maintained over fixed assets movements.

Official's Response

The Director in his response said: "All the assets without tags or codes were donated to the Company. They were kept in stores and as such they were not tagged alongside the ones in use. Detailed assets tagging has been carried out at head office, and asset listing completed for all stations with tagging to be done soonest. The asset register shall be updated with the codes of all assets as soon as the tagging exercise is completed".

4.40.2. Unavailability of vehicle logbook

Vehicle log books were not maintained for the motor vehicles of the company. We recommended that management maintain a vehicle logbook for all motor vehicles and motor bikes of the company and ensure logbook are frequently update on any movements. This process should be monitored by senior personnel of the company.

Official's Response

The Director in his response said: "The Company is undergoing a reform process which will lead to the development of a detailed fleet management policy. That is one of the key deliverables of an Institutional Development Support Consultancy rendered by the National Water and Sewerage Corporation of Uganda. Vehicle log books have been in use but with limited supervision. Management accepts this observation in good fate and assures that adequate controls will put in place to address it strict compliance going forward."

4.40.3. Financial reporting, monitoring of systems, posting and recording of financial transactions

There were lack of adequate review, supervision and monitoring processes over the recording and posting of financial transactions into the accounting software system. Huge amounts were posted in the general ledger instead of breakdown transactions.

We recommend that the supervision, review and monitoring process over the recording and postings of financial transactions into the accounting system be carried out regularly and thoroughly by the head of units/functions.

4.40.4. Lack of Reconciliation Between the System Cashbook and Manual Cashbook

The company did not reconcile their manual cashbook and system cashbook. We recommend that a regular reconciliation should be carried out between the manual cashbook and system cashbook.

Official's Response

The Director in his response said: "The primary reason for the difference between the system cashbook and the manual cashbook stems from the reversal of stale cheques in the manual cashbook without same being done in the system cashbook as payment once posted cannot be reversed without a journal entry. With the upgraded version of the Microsoft Dynamics Grate plane accounting software now in use, this will be resolved".

4.40.5. Improve Management of Inventory (registers; physical checks, storage, and reconciliation)

The following issues were noted:

- There was no monthly inventory reconciliation and report prepared for the year.
- There was a poor storage system and no evidence of periodic physical checks of inventory during the year.
- Inventory ledgers did not specify the date of purchase of inventories.

Management should ensure that inventory ledgers contain sufficient information, including costs, date of purchase and date of issue. In addition, inventory counts should be properly carried out, at least once a year, observed by a person other than the inventory keeper and reconciled with the inventory ledger. Count minutes should be prepared. Further to that, management should ensure that inventory reports are reviewed monthly, and approved. Management should also ensure that issues of inventory are supported by stores, which recipients would sign as acknowledgement of receipt.

Official's Response

The Director in his response said: "The Company maintains records that show the receipt and movement of inventory to and from the Company stores with dates clearly indicated. The Company stores have been properly packed and items easily identified to aid proper inventory count at all times. A store ledger account has been developed by the Finance Team that is being used to update the inventory records on a periodic basis going forward."

4.40.6. Inconsistent Discount Rate and Non-Inclusion of Discount Given to Vendors on PSP's Revenue

During our field verification at the SALWACO provincial offices, we noted that Public Standing Post (PSP's) vendors were allocated differently as sales commission rate. It was also noted that those rates were not included or recorded in the SALWACO account. Management should ensure that all sales commission or prepaid discount given to PSP's vendors are recognised in its books of account and that the rates are harmonised backed with adequate basis of measurement to ensure consistency in its books of account.

Official's Response

The Director in his response said: "This was a system set up error from the manufacturers of the pre-paid stand pipes from South Africa. They have however been contacted and efforts have been made to get the error fixed by our IT team who have been trained to correct any such error going forward."

4.40.7. Huge Cost Incurred on Fully Depreciated Asset for Repairs and Maintenance

It was noted that Le2,254,931,724 was incurred on fully depreciated assets for repairs and maintenance, no sufficient and appropriate evidence was provided for this decision. We recommend that the Board and management review the status of those assets (if possible, revalue) and arrive at reasonable conclusion based on status update. The Board and management should also proffer a good repairs and maintenance plan to ensure cost effectiveness and prioritise its repairs and maintenance base on assets needs.

4.40.8. Inconsistent Plant Specification for Bo Treatment Plant

From our audit visitation to the treatment plant in Bo pumping station, 500 KW generator was used to power the old treatment station before the construction of a large treatment station. The newly

constructed treatment plant also hosts 500 KW generator. Upon discussion with the engineer, the exact specification as per design was supposed to be 750 KW. 500 KW generator was however provided for the new treatment plant by the contractor. We were also unable to obtain adequate evidence as to why the change in generator specification. We recommended that the board and management should adequately conduct a technical assessment on the plant, based on design and specification to see whether it can meet the production and treatment of water effectively and efficiently.

Official's Response

The Director in his response said: "The design capacity of the treatment plant determines the Kilowatt generator required for pumping. During the construction phase of the treatment plant, the engineers deemed it fit that with the existence of the old generator, the new generator capacity should be adjusted and the extra funds redirected to improve the transmission lines which were adequately done".

4.40.9. Inadequate Emergency Response or Plan to Repair Treatment Plant - (sample- Lungi, Two high lift pump faulty)

From our audit visitation to the provincial offices, the treatment plant located at Lungi has long been faulty (Two out of three high lift pump faulty) and the building hosting the treatment plant have its roof ripped off and water flooded part of the building. This treatment plant however is one of the major water supply sources for SALWACO at Lungi, but management is yet to respond to that. We recommended that management should have an emergency response operational plan for its water supply sources and treatment plant. They should also set an adequate servicing or assessment procedures in order to efficiently and adequately review the status of its treatment plants.

Official's Response

The Director in his response said: "The current management consultancy rendered by the National Water and Sewerage Corporation of Uganda for the reformation of SALWACO is tasked with the responsibility of producing a detailed Operations and Maintenance Plan which will address this challenge going forward".

4.40.10. Unavailability of Office Space and Computers at Provincial Office Stations

Our audit visitation in Port Loko and Magburaka stations revealed there were no office spaces and computers for some core staff in Lungi, Kambia, Port Loko, and Makeni. Those core staff were using personal laptops to record and run the daily affairs of the Company. It was recommended that management resolve the issue of office space and computer equipment to avert missing of document and create adequate backup plan for recovery of documents.

Official's Response

The Director in his response said: "The management is aware of this and is in the process of making strides in this direction to ensure that adequate working space and required machines are provided to aid staff in the provinces do their work efficiently. This has been captured in our recurrent budget and we are pushing hard to see it come to pass soonest."

4.40.11. Lack of adequate Health and Safety procedures

We observed the lack of adequate health and safety procedures from the intake site, production and treatment plant, laboratory and chemical room. We recommend that management set a robust health and safety procedures, communicated to staff accordingly and conduct a formal training to ensure compliance.

Official's Response

The Director in his response said: "The inadequate funding received has posed a huge challenge to the Company in the provision of such facilities. We are however in the process of fully equipping our laboratories across the country and making sure that adequate health and safety protocols are adhered to at all times".

4.40.12. Improve Filing System

The Company did not have a proper filing system in place. There were instances where some documents required were not found in their correct file. The company's filing system should be set up to reduce the chances of misplacement of documents and easy reference to document can be enhanced.

Official's Response

The Director in his response said: "The current management consultancy rendered by the National Water and Sewerage Corporation of Uganda for the reformation of SALWACO is tasked with the responsibility of strengthening the current filing and records management system of the Company which will address this challenge going forward".

4.40.13. Overdue Payment of Bank Loan

During our audit in 2016, it was noted that the company took a short-term loan from the Sierra Leone Commercial Bank in September 2016, amounting to Le 900,000,000. As per agreement, the loan was for a period of twelve months ended September 2017, we noted that the loan had exceeded the period as stated on the agreement, no revised agreement / addendum was provided to us for review. We therefore recommended that, the company obtain revised agreement of loan and appropriately accounts for interest expenses.

4.40.14. Non-Compliance with Staff Loan Policy

The Ministry of Finance took over the management of SALWACO payroll in April, 2017. There were staff loans outstanding as at 31st December, 2016 which were neither liquidated nor deducted from April, 2017 unto 31st December, 2017. These loans were not communicated to the Ministry of Finance. The loan balances still exist and has neither been liquidated by the staff nor deducted by the Board or Management. Going forward management should ensure all loans and advances given to staff are duly deducted as and when due.

Official's Response

The Director in his response said: "The Finance department noticed this and letters were issued out to all staff owing the Company, requiring them to indicate mode of payments, several responses were received and we are currently following up strongly on that".

4.40.15. Conduct of Board or Management Meetings

Best corporate government practice demand that an organisation should have a proactive Board that regularly meets (at least every quarter) and minutes of such meetings documented and maintained for reference. During the course of our audit however, we noted that the board only met twice in 2017. We recommend the Board or Management to hold monthly or quarterly meeting to discuss strategic and operational issues and resolution properly documented for future reference

Official's Response

The Director in his response said: "The Company has now got a well-structured and functioning Board that meets on a regular basis and addresses all related matters".

4.40.16. Non-Availability of Insurance Policy for Treatment Plant

With the exception of motor vehicles which were insured on the general third-party insurance, the Company's assets including significant component which relates to water facility (treatment plant) are not insured against the risk of fire, theft, damage or any natural or man-made disaster. We therefore recommend that all fixed assets, owned by the company must be adequately insured, at a value equivalent to, or more than the total carrying values (i.e. cost less accumulated depreciation and impairment losses) of the assets.

Official's Response

The Director in his response said: "The Company has received quotations for the insurance coverage of treatment plants and the cost implications were factored in the annual budget for FY 2020. Given the annual allocation for the Company,

such cost cannot be accommodated at the moment. We are in the process of engaging the Government to seek the way forward”.

4.40.17.No Detailed Breakdown of Water Rates Billing

We were not provided with a detailed breakdown of the water rates billing sent out to customers on a monthly basis. Customers were billed on a monthly basis but the company failed to provide the details of the billing sent to customers on a monthly basis. A bulk amount was just provided for each location. We therefore recommend that a detail of all billings sent to customers on a monthly basis being entered into the system alongside with the bill number, date and amount.

4.41. MEDICAL AND DENTAL COUNCIL OF SIERRA LEONE – 2019

The following were noted:

- No asset policy is in place at the Council.
- No physical verification was done because there was no schedule for assets.
- An amount of Le192,750,000 is showing as unidentified debit and also showing as bad debt.
- Adequate explanation of the treatment of investment in the account was not given. Details of additions in the fixed asset account was not provided.
- Personnel were not trained when the QuickBooks was installed.
- Accounting Manual made available to us is still at draft stages of development.
- Staff loan reflected in the account cannot be reconciled, and the policy guiding the process of giving out staff loans was not made available to the auditors.

4.42. MEDICAL AND DENTAL COUNCIL OF SIERRA LEONE – 2018

4.42.1. Absence of A Fixed Assets Register

We noted that the Council did not maintain a fixed asset register.

Official’s Response

The Registrar in his response said: “The fixed asset register will be prepared within the next financial year and it will be reconciled to the general ledger on a monthly basis. All fixed assets items have been tagged with identification code which will be recorded in the fixed asset register for proper documentation”.

4.42.2. Fixed Asset Capitalisation Threshold Policy

The Council did not have a capitalisation threshold policy for fixed assets. This policy establishes guidelines for determining when certain expenditures should be capitalised as capital assets and specifies the Council’s depreciation policy. Expenditures for items with an expected useful life of less than one year should not be capitalised. We therefore recommended that, Management should consider setting a capitalisation threshold to minimise efforts that may be required to monitor and control assets with insignificant values.

Official’s Response

The Registrar in his response said: “Council understands the importance of this policy; therefore, it will be established as guidelines to determine when expenditures should be capitalised as capital assets and specify Council’s depreciation policy. Council will take this recommendation into account”.

4.43. MEDICAL AND DENTAL COUNCIL OF SIERRA LEONE – 2017

4.43.1. The following were Noted:

- There was a discrepancy between the fixed assets register and the general ledger, both in cost and accumulated depreciation amounting to a net difference of Le3,060,843.
- The council’s fixed assets had not been tagged.

- The Council did not have an accounting/finance manual.
- The Council did not have a human resource manual. Bank reconciliations appear to be performed regularly but they are not documented as there were differences between the bank statement and the cashbook.
- The bank reconciliations had no management signature as evidence of management review.

4.44. ROAD MAINTENANCE FUND – 2017

4.44.1. Tax on Thirteenth Month Salaries

It was noted that the statutory P.A.Y.E income tax was deducted on staff thirteenth month salaries paid in December 2017. The computation of the tax was however not done in accordance with the tax laws. The bonus was not treated as additional income; rather it was treated as a separate month's salary, which might have reduced the PAYE tax due on the bonus. We recommend that management should endeavour to review the computation and any additional liability is remitted to the tax authority as soon as possible to avoid penalties and fines.

Official's Response

The Chief Executive Officer in his response said: "We note your observation and would ensure that all future computations are done as advised".

4.44.2. Follow-up on Prior Years' 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:

- *Loan to the Sierra Leone Roads Authority of Le1,872,300,000 has been outstanding for over three years with no documentation ascertaining its existence.*
- *Our review of the financial statements and other relevant documentation such as Board minutes, management meeting minutes, loan agreements and other correspondences, 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 have 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. The Act in section 16(1) a-g 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 and management responded that RMFA is a 'Body Corporate' and hence can contract loans. We further reviewed other Acts promulgated by Parliament and we observed that the mandate to contract loan was expressly stated in the Act of some of the other government agencies. Hence, we are concerned that the Administration is not mandated by law to contract loan.*
- *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 documentation revealed that the Fund had been used to defray road rehabilitation cost and other none related road maintenance expenses. In our view, the utilisation of the funds to defray these non-road maintenance related costs have put huge financial burden on the Administration to contract loans from Commercial Banks which attracts high interest rates. Section 18(1) of the Road Maintenance Fund Act state: "Not later than three months before the commencement of each financial year, the Authority shall submit to the Administration in a form determined by the Administration, a core road programme and a request for its funding for the ensuing financial year". Section 19 (1) of the Act also states:" Not later than two months before the commencement of a financial year, the Administration shall approve a core road programme relating to that financial year". We however, noted that*

although the Core Road Programme was submitted by the Sierra Leone Roads Authority (SLRA), approval was not granted by the Administration. Further enquiry revealed that the Administration, as advised by CEMMAT- a consultant firm recruited by the Administration to review the Core Road Programme, did not approve the programme because a comprehensive needs assessment was not done and the programmes presented were not realistic. Moreover, we realised that even though the core work programme was not approved, allocations were made to the SLRA to fund road maintenance activities. The basis of how these allocations were determined could not be ascertained.

- *During the review of Board expenses, the audit team noted that the Administration did not comply with section 3(1) of the Income Tax Act, 2000 (as amended) which states: "Income tax is hereby imposed on every person who has a chargeable income in the year of assessment; and should be calculated by applying the rates of tax determined by reference to first and second schedule". Failure to comply with this section, has led the Administration to under pay tax to NRA by a total of Le130,715,149.60*
- *Staff were paid communication and transport allowance of Le12,225,000 and Le34,230,000 respectively, for which they were not entitled as the basis of giving these allowances were neither stated in their appointment letters nor in the Administration's HR manual.*
- *Attribute Standard 1000 of the Internal Audit Standard states: "The purpose, authority, and responsibility of the internal audit activity should be formally defined in a charter, consistent with the standards, and approved by the Board." Our review of the internal audit function of the Administration revealed that an internal audit charter was not maintained.*
- *Section144(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 Administration's road maintenance expenses revealed that a contract agreement was signed with Benton Villa Limited for the reconstruction of King Jimmy embankment with an initial contract price of Le4,700,098,250.*
- *We noted that this contract was modified which resulted in an increase in the contract value by Le 25,820,330,239.74. In accordance with section 144(5), the Administration should have initiated a new procurement proceeding; however, the additional contract was awarded to the existing contractor. Worth noting is 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.*
- *Advance payments were made to contractors, and on submission of Interim Payment Certificates (IPC s), the advance is recouped. It was noted that for some contractors, no setoff against their advance payment were made upon submission of their IPCs, resulting in a huge advance payment balance of Le 115.47 billion as at 31st December, 2017.*

4.45. NATIONAL MINERALS AGENCY (NMA)– 2017

4.45.1. Payroll

The following issues were noted:

- *Payment of statutory deduction for January, 2017 was done on 10th and 15th March, 2017 for both NASSIT and PAYE respectively, instead of 15th February, 2017. We were not provided with any evidence as a proof of payment for statutory deductions from February to December, 2017.*
- *Computation of statutory deductions revealed differences between our computation and the amount reported in the payroll for various staff identified:*

We recommended that immediate action is taken to ensure that NASSIT and PAYE obligations are settled within the stipulated time to avoid queries with the NASSIT and NRA. We recommend the immediate provision of proof of payment for the remaining months mentioned above.

Official's Response

The Director General in his response said: "The Agency noted your observation on the late payments of PAYE and NASSIT contributions to the relevant authorities. The Agency will comply with such regulatory requirement going forward. The statutory deductions for February – December were not under the control of the Agency as the payroll was processed and controlled by the Accountant General's Department at the Ministry of Finance".

Auditor's Comment

The issue remains unresolved. We however urge for an investigation on the differences noted from our depth test to regularise the issue going forward.

4.46. NATIONAL MINERALS AGENCY (NMA) - 2018

4.46.1. Payroll Management

Payment of statutory deduction for various months for both NASSIT and PAYE were not done on time. From our review of the amount paid as Honorarium, we noted that some transactions were misclassified.

We recommended that immediate action is taken to ensure that NASSIT and PAYE obligations are settled within the stipulated time to avoid queries with the and NRA. We also recommended that journal vouchers are reviewed by senior personnel before postings are made into the general ledgers.

Official's Response

The Director General in his response said: "The Agency noted your observation on the late payments of PAYE and NASSIT contributions to the relevant authorities. The Agency is however committed to its obligations but at times faced with budget constraint due to funds allocation by the Government of Sierra Leone as the Agency is a subvented Agency. Furthermore, the Agency will comply with such regulatory requirement going forward. The relevant supporting documents for the transactions are available for verification".

Auditor's Comment

Management's comments are noted. The issue however remains resolved.

4.46.2. Cash and Bank

The following issues were noted:

- There was no evidence to show that cash counts were done as required by the policy for the period under review. Further to that, cash count certificates were not provided for the petty cash reported in the trial balance.
- We are yet to receive the bank confirmation responses from the Bank of Sierra Leone, the Guaranty Trust Bank, the Rokel Commercial Bank and the First International Bank.

It is recommended that management ensures that cash counts are performed regularly, and evidences documented for review.

Official's Response

The Director General in his response said: "The Agency noted your observation on cash count as indicating on the Agency's accounting policies and procedure manual. The Agency however will comply with this area going forward".

Auditor's Comment

Management's comment was noted. The issue however remains unresolved.

4.47. SIERRA LEONE AGRICULTURAL RESEARCH INSTITUTE (SLARI): 2016 - 2017

4.47.1. Inadequate Control over the Management of The Payroll

A review of the Institute's payroll management revealed the following:

- A good number of staff were not appraised for the period under review.
- In a letter dated 7th September, 2016 that was sent to his Excellency the President, requesting an executive clearance to facilitate payment of backlogs of 75% salary increase and increased leave allowance for 2014 and 2015, the following were noted:
- Payment totalling Le3,635,846,343 was made to staff.
- Council's approval letter authorising the 75% increment in salary and leave allowance was not submitted for audit.
- The executive clearance from the President authorising Council to make the above payment was not submitted for audit review.
- Recalculation of the PAYE for some staff in the institute revealed differences in the sampled months of August and December 2017, between the amount calculated by the Accountant General's Department, since they took control of SLARI's payroll in February 2017 and the computation done by ASSL.
- Payment of NASSIT and PAYE were not done as stated in section 25, sub-section 3 of the NASSIT Act of 2001, and section 105, sub-section 1 of the Income Tax Act of 2008 which indicated that payment should be made within 15 and 21 days respectively in the following month.

The Finance Officer, in collaboration with the Admin and Human Resource Office, should ensure the following:

- That performance appraisals for staff of the Council are carried out annually.
- That the executive clearance and Council's approval letter in support of the sum of Le3,635,846,343 are submitted to ASSL; otherwise, the amount paid must be refunded by parties involved.
- That the Accountant General's Department is contacted for the differences to be investigated and appropriate actions are taken to remedy the situation.
- That payment of NASSIT and PAYE is done as stated in Section 25, sub-section 3 of the NASSIT Act of 2001, and section 105 sub-section 1 of the Income Tax act 2008.

Official's Response

The Director General in his response said the following:

- *"Management notes the recommendation and wishes to inform you that steps have been taken to ensure that all heads of unit and supervisors submit all appraisal forms within the stipulated time set.*
- *The backlogs of 75% salary increase and increased leave allowance for 2014 and 2015 were approved by Council in a meeting held on 14th May, 2013. Similarly, in September 2016 as a follow up on this outstanding backlog issues, the Director-General wrote a letter to the President through our supervising ministry i.e. the Ministry of Agriculture requesting an executive clearance to facilitate payment of backlogs of 75% salary increase and increased leave allowance for 2014 and 2015, but the signed copy of the executive clearance was never made available to us. The minute of the Council's conclusions on this issue is available for audit inspection.*
- *We agree with the recommendation; hence, steps have been taken to inform the Accountant Generals Department to take the necessary action.*
- *Your observation is noted; meanwhile, the late payment is a result of a delay in the timely payment of our Other Charges (recurrent expenditure) and personnel emolument".*

Auditor's Comment

The following were noted:

- Appraisal documents justifying appraisal of staff carried out for the period under review were not submitted for verification. Our recommendation was not implemented.
- Minutes of meeting on Council's conclusions and approval letter with regard to the leave allowance increment and backlog salary were seen and verified. The executive clearance was not submitted for verification. Our recommendation was partly implemented.
- The differences noted in the PAYE computation and late payment of NASSIT will be followed-up in subsequent audits. Although, the issue remains unresolved.

4.47.2. Inadequate Control over the Processing of Financial Transactions

A review of the Institute's management of expenditures revealed the following:

- Payments for administrative expenditure incurred in 2016 and 2017 financial years totalling Le120,072,370 and Le119,611,884 respectively, were done without supporting documents justifying the legitimacy of these expenditure.
- Project expenses totalling Le402,597,720 for the 2016 and 2017 financial years were done without adequate supporting documents such as receipts, invoice etc. to support the utilisation of funds. In addition, project expenses which totalled Le65,703,770 for the 2016 and 2017 financial years were without supporting documents.

The Finance Officer should exercise adequate supervision over the preparation and documentation of the Institute's transactions and should ensure the following:

- That all public funds are properly accounted for.
- That all transactions are supported by the relevant documentation and these must be numbered and cross-referenced, so that in a case where they go missing, they can be easily traced.
- That the relevant evidence in respect of these transactions are forwarded to the ASSL.

Official's Response

The Director General in his response said: "The recommendation is noted. The relevant supporting documents are however available for audit inspection."

Auditor's Comment

The following issues were noted during verification:

- For administrative expenditure, supporting documents amounting Le114,213,370 and Le109,133,234 were seen and verified. Supporting documents for Le5,859,000 and Le10,478,650 were not submitted for verification. Our recommendation was partly implemented.
- For project expenditure, adequate supporting documents amounting to Le382,948,490 were submitted and verified. Adequate supporting documents in respect of Le85,353,000 were however not submitted for verification. The issue is partially resolved.

4.47.3. Inadequate Management and Control over Fixed Assets

During the verification exercise in the provinces, the following observations were made:

- A good number of assets in the laboratories at Njala and Rokupr Research Centres were not properly coded and records made in the inventory register were incomplete.
- Assets such as vehicles and bikes were not insured and licensed since 2016.
- A fixed assets register of all assets owned and controlled by the Institute that records details such as date of purchase /acquisition, identification codes, location, and additions during the

year for all assets located at the provinces and Freetown was not submitted for verification. There was also no evidence that the institute has undertaken any physical verification of its non-current assets on an annual or half-yearly basis.

The Finance Officer should ensure the following:

- That a comprehensive assessment of all assets owned by the institute (including those at its sub offices) is undertaken and the fixed assets register updated accordingly. Moreover, going forward, half-yearly physical stock take of the Institute's assets should be carried out to confirm their existence and adequacy.
- That all motorbikes, vehicles and machinery owned and controlled by the Institute are licensed and insured immediately with the appropriate bodies before being assigned to any staff for use.

Official's Response

The Director General in his response said the following:

- *"Management notes the observation and wishes to inform you that, amid financial challenges steps have been taken to ensure that comprehensive assessments of all assets owned by the Institute (including those at its sub-offices) are undertaken and fixed assets register updated accordingly.*
- *Recommendations accepted, we would also ensure that amid timely financial allocation challenges, management will ensure that all roadworthy vehicles are licensed and insured."*

Auditor's Comment

We note management's response. The issue however still stands.

4.47.4. Incomplete projects

The following were observed during the provincial visit:

(i) WARPAA Laboratory at Rokupr Research Centre

A completed building was sighted in the institute's compound. The Finance and Estate Officer informed that finances for the construction of the building were provided by WARPAA for which the objective was to house all laboratories of SLARI in a single building; thereby positioning Sierra Leone as the leading rice research centre in the sub-region.

The contract cost of the building was Le3.2 billion and was awarded to IMAX whilst contract for laboratory equipment and chemicals costing US\$399,147 was awarded to Razpec. These contracts were awarded in 2014 and 2015 respectively, and were to be completed one year after signing them. As at 7th August 2018, payment to IMAX had been completed whilst US\$151,829 was made to Razpec.

As at the time of the verification conducted on 13th September 2019, the building had been completed but remained abandoned due to the fact that the laboratory equipment and chemicals were yet to be supplied by Razpec.

Further review of correspondences between the Project (WAAPP) and the Ministry of Finance revealed that there were goods stocked at the Queen Elizabeth II Quay as counterpart. Funds to enable the supplier to clear the goods has however not been paid by the Government of Sierra Leone.

(ii) UDESWA Flash Dryer Project at Njala Research Centre

In September 2013, SLARI started the UDESWA Flash Dryer project with an agreed and signed budgeted amount of US\$318,121. The following were noted:

The contract for the supply of the Flash Dryer was awarded to Nobex Tech Company Ltd. for an agreed sum of **US\$62,750** and this amount has been completely paid.

The Flash Dryer was to be completed ten weeks after the full payment of the contract amount (as per the contract). During our provincial visit to Njala Research Centre on 13th September 2019, the Flash Dryer was incomplete (four years after full payment had been made).

The Director-General in collaboration with management should ensure the following:

- That the Ministry of Finance is contacted to ensure that funds to enable the supplier to clear the goods at the port are provided to enable completion of the project.
- Institute appropriate measures to remedy the observed anomaly.
- Nobex is contacted for the immediate completion of the flash dryer; otherwise the amount paid should be recovered and evidence of payment forwarded to the ASSL for verification.
- Regular monitoring and supervision is done for all construction work undertaken and immediate action is taken to remedy defects identified.

Official's Response

The Director General in his response said the following:

- *"Recommendation is accepted, management would ensure that the line ministry would be informed accordingly.*
- *Management notes the observation and recommendation and wishes to inform you that the appropriate measures will be taken to remedy the situation.*
- *Nobex is a company selected by the donor partner to supply and install the flash dryer for the production of cassava flour, and they have fully installed it but the other accessories i.e. the hammer mill was supposed to be provided by our institution but because of the challenges of the availability of funds, SLARI has not been able to provide the other accessories needed for it to be operationalised. Meanwhile, SLARI has developed a business plan concerning the production of cassava flour and the use of the flash dryer to its full capacity and this plan has been submitted to the Ministry of Economic Planning and Development."*

Auditor's Comment

We note management's response. The issue however still stands.

4.48. NATIONAL SOCIAL SECURITY AND INSURANCE TRUST(NASSIT: 2017 - 2018

4.48.1. Non-Submission of Procurement Documents

A review of the Trust's procurement activities undertaken revealed the following issues:

- Requests for quotation, local purchase order, newspaper adverts, bidding documents, bid opening register and minutes etc. to justify that open, transparent and competitive procurement processes were carried out in respect of goods and works procured in 2017 totalling Le708,354,555 were not made available for audit inspection.
- For a contract awarded in 2017 through the requests for quotation methods, to the MAC & Sons Construction Enterprise for a contract amounting Le125,000,000, certificate of registration, certificate of incorporation, trading licence, tax registration, and tax clearance certificate to confirm its eligibility and qualification to bid was not submitted for audit review. In addition, technical evaluation to confirm capability to execute the contract and work completion and verification reports justifying satisfactory completion of the contract awarded were also not submitted for audit review.

It was recommended that, the Head of Procurement should ensure that procurement documents to justify that open, transparent and competitive procurement processes were carried out with regard issues noted are submitted to the ASSL for verification.

Official's Response

The Director General in his response said the following:

"All required evidence referred to were provided for the said review of the activities forwarded to the procurement department and are still available. Most of the activities however referenced were not undertaken by the procurement department as requests were not forwarded for same.

The documents referred to for the said contract were submitted for review and are still positioned for same."

Auditor's Comment

We reviewed the documents provided for verification; transactions amounting to Le269,017,555 were however not verified because the necessary documents were not provided.

The required procurement documents relating to MAC & Sons Construction Enterprise for a contract amounting Le125,000,000, were not submitted for audit. Therefore, this issue is still outstanding.

4.48.2. Contribution and Investment Income

A difference of Le 693,276,126 was noted between interest computed on call deposit by the Trust and interest computed by the ASSL. It was recommended that, the Finance Director should ensure that the differences noted are investigated, changes effected in the Trust's general ledger and accounting records and revised ledgers and financial statements submitted to the ASSL.

Official's Response

The Director General in his response said: "With respect to investment income, the amount relates to interest accrued on call deposit. The interest is recognised and recorded in the books when interest is paid based on the placement and termination dates of the parcel. The difference is due to date consideration. The appropriate schedules are also available for audit inspection".

Auditor's Comment

Our recommendation was not implemented as the Trust has not made the necessary adjustment to accrue for interest income.

4.48.3. Payments without Adequate Supporting Documents

Payment amounting to Le 323,277,398 and Le328,527,903 for disbursements undertaken in 2017 and 2018 respectively were without some of the necessary supporting documents such as delivery notes, invoices, payment vouchers and payment receipts. The Finance Director should exercise adequate supervision over the preparation and documentation of the Trust's transactions and through other accountant staff should ensure the following:

All transactions are supported by the relevant documentation and these must be numbered and cross-referenced, so that in a case where they go missing, they can be easily traced.

The relevant evidence in respect of the sums of Le323,277,398 and Le328,527,903 is forwarded to the ASSL.

Official's Response

The Director General in his response said: "Management notes the concerns of the auditors and the associated risk. An investigation of these transactions was instituted by management and the appropriate supporting documents have been attached for audit review."

Auditor's Comment

Supporting documents totalling Le263,685,000 were provided and verified for the 2017 financial year leaving a balance of Le59,592,398. The issue therefore remains partly resolved.

4.48.4. Existence of the Party to a Joint Venture Agreement Could not Be Confirmed

In our review of the investment portfolio of the Trust, we noted with concern that the Trust went into a joint venture agreement with a US-based charity organisation called SISIMI Medical Foundation Inc. for the formation of a private limited corporation geared towards the establishment of a Multi-Specialty Urgent Care Centre in Sierra Leone. We were neither able to confirm the existence of the charity referenced in the Trust's legal due diligence report, nor was there sufficient and appropriate evidence or documents to confirm the charity's liquidity and financial capacity to fulfil its obligation under the joint venture agreement. A total amount of Le6 billion has been disbursed to the joint venture.

It was recommended that, the Director of Investment in collaboration with management and the Board of Directors should provide adequate explanation backed-up by documentary evidence justifying the existence of SISIMI Medical Foundation to ASSL; otherwise, all payments made to this charity will be classified as ineligible and charged against the personal emoluments of all those that were involved in making decisions towards the joint venture agreement.

Official's Response

The Director General in his response said: "Management notes the concern of the auditors and its associated risk. The SISIMI Health Care Project is a matter before the High Court of Sierra Leone and as such management is constraint to comment on it."

Auditor's Comment

Our recommendation was not implemented. We however note the comment that the matter is in the high court. Our concern was that such agreement was made with SISIMI foundation and monies paid by the Trust without fully confirming the existence of the medical foundation.

4.49. GOLDEN TULIP ESSENTIAL – KIMBIMA HOTEL: 2017 – 2018

4.49.1. Revenue on Accommodation Misstated

Analysis of the reservations done in Micros Opera system for 2017 and 2018 indicated that the revenue from accommodation may have been misstated in the financial statements. Differences were also noted among expected revenue in the Opera Revenue Software and amounts recorded and disclosed in the trial balance and financial statements.

The General Manager in consultation with the Financial Controller should ensure that the differences noted are investigated, changes effected in the entity's general ledger and accounting records. Revised ledgers and financial statements should be submitted to the ASSL for verification.

4.49.2. Bookings Done at Reduced Prices

A review of the Opera Accounting Software and discussions held with the Guest Services Manager revealed that the management of Golden Tulip was receiving payment on accommodation from guests and institutions below the base rate per room for all categories of rooms. We were however told that the hotel offered discounts to customers. The discounts we realised were not processed through the Micros Opera system. Instead, the front office staff manually edited the room rates charged to the customers even though the system made provision for discounts to be processed within the system.

Further request made for detailed explanation and approved policy / documentation on procedures and processes for discounted rates to be granted to guests or institutions was not provided. Instead, we were presented with samples of completed reservation forms (detailing name of customers and or institutions, room number, arrival and departure date, rates per night etc.) and invoice. Documents justifying request made by the front desk manager and approval from the General Manager for discounts to be granted were not submitted for the period under review.

In view of the above, the reduced rate of accommodation led to the total reduction in prices, which led to a loss of revenue of 39% and 35% of the total expected revenue for the financial years 2017 and 2018 respectively. It was recommended that, the General Manager in collaboration with management should ensure the following:

That detailed explanation and documentary evidence justifying request and approval made for discount rates granted are submitted to ASSL.

Policy / documented procedures and processes for the granting of discounted rates are submitted to the ASSL’.

Official’s Response

The General Manager in his response said: “Payments for accommodation were received from Individual Guests, Institutions, and Organizations for 2017 and 2018 at discounted prices. The discounts offered were as a result of deterioration in the qualities of these facilities over time. They could not have been sold at prevailing market prices, a situation that warranted massive renovation in the preceding years.

For the concern of manual computation of discount given, there is a limit on the functionality of the discount field in Opera System from inception. Additionally, the front office users cannot get access to the said field. This warranted discounts to be computed manually and posted into the system for the completion of booking processes. Management will however advise the system (Opera) engineers to activate and make the discount field accessible to front office users”.

Auditor’s Comment

Management’s comments are well noted. The issue however remains unresolved.

4.49.3. Bookings for which Collections were not Made

Analysis of reservations made in 2017 and 2018 revealed bookings made for which the revenue was neither recorded in the general ledger, nor was cash collected from customers. Management explained that these instances were complimentary offers made to customers. There was no documentary evidence of who approved the complimentary offers.

Consequently, the Golden Tulip Essential Kimbima may have lost revenue of US\$199,940 and US\$79,625 for the financial years 2017 and 2018 respectively.

The General Manager should ensure the following:

- A policy/clear-cut procedures taking into consideration due processes for request and approval of complementary offer is developed, submitted to the board for approval and upon being approved, distributed to key personnel.
- That documentary evidence justifying approval granted for foregone revenue from complementary offer totalling US\$199,940 and for the financial years 2017 and 2018 respectively are submitted to ASSL.

Official’s Response

The General Manager in his response said: “Management provides inducements to clients in order to maintain business relationship with them. These inducements commonly referred to complimentary can be in a form of “wash and change” or “a day use” of a room by coordinators of events, hospitalities extended to sector members as support to the hospitality industry. Any of the aforesaid offers or use of a facility may lead to uncollected revenue for booking as it was initially observed. Going forward, management is considering improvement in the process by developing and embedding discount or granting of complimentary policy into their operations”.

Auditor’s Comment

The issue remains unresolved as the evidence of the approval of these complimentary offers was not submitted for audit review.

4.49.4. Delayed in Staff Confirmation

Section 8(c) of the staff employment handbook states: “That on employment, a staff shall serve a probationary period of six months, and after which his or her employment with the hotel would be confirmed or terminated based on his or her performance rating over the period”. It was however observed that the Administration and Human Resources Manager has been on probation for over one year, since January 2018, without been confirmed.

The General Manager, in consultation with the Board, should ensure that:

- Staff probationary period is regularly monitored by the Admin and Human Resource Manager, and appointment confirmed upon staff completing the probation period.
- The appointment of the Admin and Human Resources Manager should be confirmed, and evidence submitted to ASSL.

Official’s Response

The General Manager in his response said: “Actions are on the way in ensuring confirmation of the Administration and Human Resources Manager”.

Auditor’s Comment

Management’s comment is well noted. The issue however still stands as our recommendation is yet to be implemented.

4.49.5. Non-submission of Medical and Appraisal Report

From a sample of ten personnel file reviewed, it was observed that none of the files contained a medical report, which is a requirement before confirmation. Quarterly and yearly appraisal reports to justify that staff were appraised were also not among documents in any of those files submitted for the period ended 31st December, 2017.

The General Manager should ensure the following:

- That the medical reports and staff appraisals for these staff are submitted to the ASSL.
- That medical reports are sought and obtained before staff appointments are confirmed.
- Staff appraisals are also conducted, and must serve as the basis for promotions and training

Official’s Response

The General Manager in his response said: “Actions are on the way to retrieve medical test results from our medical retainer. Appraisals for staff were conducted and were kept in separate file and are available for further review”.

Auditor’s Comment

Management’s comments are noted. The issue however still stands as our recommendation was not implemented.

4.50. WEST AFRICA REGIONAL FISHERIES PROJECT – 2019

4.50.1. Contract Clause not Adhered to

Although contract was renewed for project staff, evidence to justify that staff performances were appraised before contracts were renewed, were not submitted for audit. It was recommended that, the Team Lead should ensure that Section 7 of staff contract is adhered to at all times and evidence justifying staff performance reviews are submitted to the ASSL.

Official’s Response

The Team Lead in his response said: “This has not been done in the period under review but management will ensure this is done in the subsequent years.”

Auditor's Comment

Management's response was noted. This issue however remains outstanding.

4.50.2. Payroll Tax not Properly Computed

Pay-As-You-Earn taxes on staff salaries amounting to Le157,042,715 was not deducted and paid to the NRA for the period under review. This was in contravention of Section 3 (1&2) of the Income Tax Act, 2000. This issue was reported in previous audits, but the project management team has not acted on the audit recommendation.

The emolument paid to the project staff is categorised as employment income as defined by section 23 of the Income Tax Act.

The Project deducted and paid to the NRA Le42,380,893 as withholding tax on staff salaries for the period under review, instead of the PAYE which gives a difference of Le114,661,821 as tax due to the NRA.

It was recommended that, the Team Lead in consultation with the Financial Management Specialist must ensure that income tax is deducted as stipulated in the Income Tax Act of 2000.

Official's Response

The Team Lead in his response said: "Salaries paid to project staff are composite salaries which means that the project staff do not benefit from; NASSIT, medical allowance, leave allowance, housing allowance, and retirement benefits just as any national or international consultant. This is, and has been the case for all donor-funded projects/PIU staff in Sierra Leone since the end of the civil war in 2002. The Government of Sierra Leone and the donors may have to agree on a clear policy on the PAYE issue across projects going forward. Meanwhile, the PFMU has been fully compliant in paying the 5.5% withholding tax for all consultants".

Auditor's Comment

Management respond is noted, however, Section 2 of the Income Tax Act, 2000 defines an employee as *'an individual who receives employment income and includes any individual engaged for short-term or part-time work other than an individual acting as an agent'*

The Act also defines "employment" as:

- *the position of an individual in the employ of another person;*
- *a directorship of a company;*
- *a position entitling the holder to a fixed or ascertainable remuneration and includes a public office;*

Furthermore, in the NRA public ruling on the application of full PAYE tax rate on employment income of staff issued on 4th September 2017, the Commissioner concluded that in the case of contract for service, the contractor must provide the following amongst other things:

- Proof of registration of business
- Tax payer identification number
- Evidence of returns filed and payment of taxes for previous periods etc.

None of these documents or information were however provided for the consultants of the project. Therefore, we have concluded that the relationship between the project and the consultants is a contract of service (employment); and hence, their remuneration must be subjected to PAYE tax. The issue therefore remains unresolved.

4.51. PUBLIC FINANCIAL MANAGEMENT AND CONSOLIDATION PROJECT (PFMIPC) – 2019

4.51.1. Pay as You Earn Taxes on Project Staff Salaries not Deducted and Paid to the NRA

Pay-As-You-Earn taxes on staff salaries amounting to Le2,043,388,963 (US\$232,151) were not deducted and paid to the NRA for the period under review. This was in contravention of Section 3 (1&2) of the Income Tax Act, 2000. This issue was reported in previous audits but the project management team had not acted on the audit recommendation.

The Project however deducted and paid to the NRA an amount of Le400,463,141 (US\$45,497) as withholding tax on staff salaries for the period under review, instead of the PAYE which gives a difference of Le1,642,925,822 (US\$186,654) as tax due to the NRA. It was recommended that, the Project Manager, in consultation with the Financial Management Specialist must ensure that going forward income tax is deducted as stipulated in the Income Tax Act of 2000.

Official's Response

The Project Manager in his response said: "The employment conditions between staff and the Government of Sierra Leone through the World Bank Funded PFMIPC spans for a period of one-year renewable on satisfactory performance. In 2018, staff were given two (2) six months contract of employment, implying that the circumstances are 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, which is quite distinct from a Contract of Service, which is an employer – employee relationship with protective legislations to contracts and benefits. PFMIPC staff (both local and international) are paid on lump sum composite monthly fees subject to no other benefits. Such fees should thereby be categorised under Part IV of the first schedule for resident contractors of the Income Tax Act 2000 with payment to contractors (section 117) as 5.5% rate of tax to be withheld on composite fees and not PAYE. Even though this is a portfolio issue and had been discussed with the World Bank on several occasions, there is need to have a formal position from the World Bank on this issue across the portfolio for World Bank financed projects, which we trust the circumstances under which the newly constituted Project Fiduciary Management Unit (PFMU) will take of such concerns. Meanwhile, the Project complied with withholding tax payment for its contractors within the period under review."

Auditor's Comment

Management's respond is noted; however, section 2 of the Income Tax Act 2000 defines an employee as 'an individual who receives employment income and includes any individual engaged for short-term or part-time work other than an individual acting as an agent'

The Act also defines "employment" as:

- *the position of an individual in the employ of another person;*
- *a directorship of a company;*
- *a position entitling the holder to a fixed or ascertainable remuneration and includes a public office;*

Furthermore, in the NRA Public ruling on the application of full PAYE tax rate on employment income of staff issued on 4th September 2017, the Commissioner concluded that in the case of a contract for service, the contractor must provide the following amongst other things;

- Proof of registration of business
- Tax payer identification number
- Evidence of returns filed and payment of taxes for previous periods etc.

None of these documents or information however was provided for the consultants of the project. Therefore, we have concluded that the relationship between the project and the consultants is a contract of service (employment); and hence their remuneration must be subjected to PAYE tax. The issue therefore remains unresolved.

4.51.2. Non-compliance with Project Financing Agreement

Schedule 2 section 1A, subsection 1(2) of the Financing Agreement states: “Without limitation upon the provision of paragraph 1 immediately above, the Recipient shall maintain, at all times during the implementation of the project, the PFM Reforms Steering Committee, with a composition, mandate, terms of reference and resources satisfactory to the Association, to be responsible for, inter alia, providing strategic and policy guidance on matters relating to the project.”

Contrary to the aforementioned, the audit team was not provided with evidence justifying the PFM Reforms Steering Committee composition, mandate, terms of reference and the minutes of the committee meetings for the period under review. This made it very difficult to establish whether the committee was actually established during the period under review. It was recommended that, the Project Coordinator, in consultation with the Ministry of Finance should ensure that schedule 2 section 1A, subsection 1(2) of the Financing Agreement is implemented.

Official’s Response

The Project Manager in his response said: “The Ministry of Finance designates the Principal Deputy Financial Secretary (PDFS) to supervise the Project. The PMU and by extension the PFMRU should ensure the PFM Steering Committee meets under the directive of the PDFS. The issue of non-compliance relating to the PFM Reforms Steering Committee will be discussed with supervisory authorities to ensure conformity. Bilateral PFM Steering Committees have held meetings with the support of the PFMRU to take decisions on key issues relating to the project. One such meeting was the approval of proposals of grantees for implementation of the Third Wave Grant”.

Auditor’s Comment

Management’s response noted. The issue however still stands.

4.52. REVITALISING EDUCATIONAL DEVELOPMENT IN SIERRA LEONE – 2019

4.52.1. Non-verification of Performance - Based Grant

Performance-based grant amounting to US\$2,056,976.65 was disbursed to various schools in the country as a grant to improve the performance of schools and students. We however could not verify whether these funds were utilised by the schools for the intended purposes due to inter-district lockdown as a result of COVID-19 outbreak. A report from Price Waterhouse and Coopers (PWC) raised concerns over the management of these funds by schools. It was recommended that the Project Coordinator in consultation with the Permanent Secretary and team leads in the Ministry of Basic and Senior Secondary school should ensure that regular monitoring and supervision of school grant is carried out.

Official’s Response

The Project Coordinator in his response said: “PBF was not verified because of COVID-19. An independent verification report from PWC was however submitted to your staff for review and verification. Furthermore, the queries raised in the PWC report were also resolved”.

4.52.2. Non-deduction of PAYE on Salaries of Project Staff

Pay-As-You-Earn (PAYE) taxes amounting to Le836,202,594.96 were not deducted on staff salaries and paid to the NRA for the period under review. This was in contravention of Section 3 (1&2) of the Income Tax Act, 2000. It was recommended that the Team Lead in consultation with the Financial Management Specialist must ensure that going forward income tax is deducted as stipulated in the Income Tax Act of 2000.

Official’s Response

The Project Coordinator in his response said: “We are of the opinion that as consultants, with no fixed contracts (ours are renewable on annual basis) which has a possible implication of one not having his/ her contract being renewed. There is no likelihood of even a pension been received at the end of your service. This is unlike the civil servants who are

receiving everything at the end their service. We are therefore not liable to PAYE deductions, but the 5.5% withholding tax”.

Auditor’s Comment

The requested documents were not tendered for verification. The issue therefore remains unresolved.

4.52.3. Inventory of Assets not Properly Managed

Fourteen portable generators (with DC/AC inverters, PD Technology, wireless output and charged by solar panel/wall) acquired, costing Le96,600,000, in August 2019 were delivered to the store on 15th October, 2019. These portable generators were however not seen /produced for physical verification.

The Project Coordinator in collaboration with the Financial Management Specialist must ensure the following:

- All assets within the inventory of the project are affixed with durable identification codes.
- The fourteen portable generators are produced for physical verification otherwise, the cost of these generators will be charged against the personal emoluments of parties involved.

Official’s Response

The Project Coordinator in his response said: “Physical verification of assets – These assets were reported missing. A follow-up correspondence will be made available for verification. Asset coding - We note your comments and will try to do the coding”.

Auditor’s Comment

The 14 generators were reported missing by the Storekeeper attached to the Ministry of Basic and Senior Secondary Education to the Project Coordinator. The Project Secretariat has commenced investigation by issuing him a letter (copy available for verification and record of him receiving this letter), to explain the whereabouts of the portable generators which were in his custody in the Ministry’s office store. The Permanent Secretary has been copied on this letter issued.

4.53. SIERRA LEONE AGROPROCESSING COMPETITIVE PROJECT – 2019

4.53.1. Pay-As-You-Earn Taxes on Project Staff Salaries not Deducted and Paid to the NRA

Pay-As-You-Earn (PAYE) taxes amounting to Le408,006,140.97(US\$46,353.96) were not deducted on staff salaries and paid to the NRA for the period under review.

The emolument paid to the project staff is categorised as employment income as defined by Section 23 of the Income Tax Act. An amount of Le85,084,647.02 (US\$9,666.55) was deducted by the project as withholding tax on staff salaries for the period under review and paid to the NRA instead of the PAYE which gives a difference of Le322,921,493.96 (US\$36,687.41) as tax due to the NRA. We recommend that the Project Coordinator, in consultation with the Financial Management Specialist, must ensure that going forward, income tax is deducted as stipulated in the Income Tax Act of 2000.

Official’s Response

The Project Coordinator in his response said: “Salaries paid to project staff are composite salaries which means that the project staff do not benefit from; NASSIT, medical allowance, leave allowance, housing allowance, and retirement benefits just as any national or international consultant. This is, and has been the case for all donor-funded projects/ PIU staff in Sierra Leone since the end of the civil war in 2002. The Government of Sierra Leone and the donors may have to agree on a clear policy on the PAYE issue across projects going forward. Meanwhile, the PFMU has been fully compliant in paying the 5.5% withholding tax for all consultants”.

Auditor's Comment

None of these documents were provided for the consultants of the project. We have therefore concluded that the relationship between the project and the consultants is a contract of service (employment); and hence, their remuneration must be subjected to PAYE tax. The issue therefore remains unresolved.

4.54. PETROLEUM REGULATORY AGENCY (PRA) – 2019

4.54.1. Incomplete Personal File

A review of staff personal files revealed that documentary evidence like birth certificates, application letters, staff acceptance of offer letter, qualification documents etc. were not made available for inspection. The Administrative Department should request for valid copies of all the relevant documents such as birth certificates and employment letters. Staff acceptance of offer letter, qualification documents etc. from all staff members and forward all personal files to us for verification.

Official's Response

The Executive Secretary in his response said: "Management has noted your findings and our response is as follows. We are now working jointly with the Human Resources Department to ensure that all necessary documents with regards to employees' files are in place and in future, recruited personnel should submit all necessary documents before gaining employment into the Agency".

Auditor's Comment

No employee file was presented to us for verification. The issue therefore remains unresolved.

4.54.2. Insufficient Budget

We observed that budget allocated was not sufficient to run the Agency's vast operations. Recently, the Agency had been extended not only to regulate Oil Marketing Company but to also oversee and regulate lubricant and gas marketing business. Regulating these industries require sufficient resources to be able to employ the right personnel, with correct training for employees and having necessary equipment to perform measurement and to test quality of product.

We recommend that government should provide the Agency with sufficient budget depending on Government financial ability to enable them mobilise more revenue for government.

Official's Response

The Executive Secretary in his response said: "Management accepts the consequences of inadequate funding. Based on the contribution of the petroleum sector which accounts for about 15% of domestic revenue, the annual budget allocated to the Agency has always been less than 2% of the total petroleum revenue generated. Management will capture these findings and prepare an enhanced budget for the fiscal year 2021 alignment with the actual PRA's scope of operations".

Auditor's Comment

Considerable time has to be given to government before action can be taken. The issue therefore remains unresolved.

4.54.3. Backlog Payment to Employees

We observed that the Account Department was not adding the non-taxable amount to employee's salaries after making other statutory deduction. We recommend that the Finance Manager should recompute salary and pay backlog to employees for their full entitlement.

Official's Response

The Executive Secretary in his response said: "Management has immediately adopted the Sierra Leone Income Tax rule which stipulates that there is a non-taxable amount of Le500,000 per month. This non-taxable amount should be added

back to the employees' salaries after all deductions. Management has immediately authorised the payment of the backlog due to staff derived from the adopted income tax rule".

4.55. PETROLEUM REGULATORY AGENCY (PRA) – 2018

4.55.1. Staff Personal Files

During our audit, we inspected employees' files and observed that there were no birth certificate, no passport picture and no evidence of report on training and seminar attended.

We recommend that the HR Manager should ensure that employees' files contain birth certificates, passport pictures and where necessary report by staff who attain training sponsored by the PRA. This will help management, auditors and other users concern when they may need this information.

Official's Response

The Executive Secretary in his response said: "We note your observation on staff files and wish to respond that the submission of a hard copy passport picture was not a requirement in the recruitment process; as all staff are given an identification card containing their passport pictures. It was a mandatory requirement that original copies of birth certificates and other certificates supporting the application are presented during interview sessions for the attention of the panellists. Your recommendation is well noted and we would ensure that this is acted going forward".

Auditor's Comment

Management is still struggling with updating employees' files. The issue therefore remains unresolved.

4.55.2. No Internal Audit Unit

Internal audit is mainly designed to add value to and improve the Agency operation. During our audit, we noted that the Agency did not have any Internal Audit Department.

We strongly recommend that the Agency should have Internal Audit Department in place or they should outsource it.

Official's Response

The Executive Secretary in his response said: "The Agency does not have an Internal Audit Department due to various reasons (Nature of our revenue mobilisation effort – all revenues generated by the Agency goes directly into Treasury Single Account, the small size of the Agency, volume of transactions, cost/benefit of maintaining an Internal Audit Department etc.) There is adequate segregation of duties in place that will enable effective monitoring of internal controls. In addition, senior management, including the Executive Chairman plays both a participatory and supervisory role in the daily activities of the Agency whilst providing regular updates to the Ministry of Trade and Industry and the Ministry of Finance. The recommendation is well noted and would be duly considered".

Auditor's Comment

The Internal Audit Department is yet to be established. Therefore, the issue remains unresolved.

4.56. NATIONAL COMMISSION FOR CHILDREN – 2018

4.56.1. Withholding Tax

We observed that in 2017 the Commission was using the wrong rate of 5% to calculate withholding tax instead of the stipulated rate of 5.5%, therefore withholding tax for that period was understated. In 2017 and 2018, we noticed that payments were made for items purchased for the consultant, but withholding tax was not deducted in respect of those items.

We recommend that the Commission must use the stipulated rate set by Government, and that the Commission should pay to the NRA, the difference of withholding tax understated in 2017 and 2018. Evidence of receipt should be presented to the ASSL for verification.

Official's Response

The Commissioner in his response said: "The items listed in Appendix 1a titled 'Withholding Tax' was not deducted, included cost of electricity top up totalling Le660,000. The Commission does not withhold tax on electricity bills, fuel, telephone and water rate payments. We also noted that there was duplication in the number of payments listed totalling Le 88,550".

Auditor's Comment

We agree that withholding tax should not be deducted for electricity fuel and telephone, but there are still items remaining for which withholding taxes were not deducted. These amounted to Le1,389,475.

4.56.2. Payment without Adequate Supporting Documents

During the audit, payments which amounted to Le567,950,374 and Le109,976,000 for 2017 and 2018 respectively were not backed by adequate supporting documents and some of the vouchers were missing. The Commission should provide the necessary supporting document for ASSL to review, and should ensure that information are always intact and available for audit purposes.

Official's Response

The Commission in his response said: "The payment vouchers and their supporting documents attached are serially filed according to the cheque numbers of payments issued. Documentation relating to each payments and bulky activities are separately filed and labelled accordingly. These are also available for your inspection. We noted that the total payments listed by the audit team on Appendix 1a for 2017 and 2018 (Payments without adequate supporting documents) are incorrect and a number of duplications has also been included which resulted to the said huge and materially significant amount".

Auditor's Comment

With the exception of payment made in 2018 to the Global Security totalling Le2,000,000, supporting documents were presented for amounts totalling Le109,976,000 and Le565,950,374 for 2017 and 2018 respectively.

4.56.3. Disbursement of Fund in the Name of a Single Individual

We observed that 30-35% of cheque payment was made in the name of a single individual. These constitute payments for hall rentals, payment for DSAs, payment for different activities that the Commission usually undertake.

We therefore recommend that the Commissioner should reduce the payment of cheque in the name of a single individual for him to disburse. He should also ensure that certain payments be made directly by cheque into their respective business name. This will strongly help the Commission to avoid cash payment and such money can be trailed easily in the bank statement for reference purposes.

Official's Response

The Commissioner in his response said: "The request for payment in respect of various programmes is made by the focal person in charge of the particular programme. The Assistant Accountant then goes to the bank and withdraws the cash which is immediately handed over to the focal person of the programme who at the end of the programme retires the fund to the Finance Unit for inspection of supporting documents. These payments are mostly for activities to be implemented in the provinces. The Commission closely monitors the disbursement of cash payments. All funds are liquidated and can be substantiated by supporting documents".

Auditor's Comment

Management's response is noted. There are still other payment vouchers for payment with regard stationery and others, this payment should not have been main in his name.

4.57. SIERRA LEONE MARITIME ADMINISTRATION: 2016 - 2017

4.57.1. Financial Statements Inconsistent with Underlying Financial Records

A review of the Administration's processes of recording transactions and preparation of financial statements revealed that it utilised the QuickBooks accounting software in the recording of daily, weekly and quarterly financial transactions whilst financial statements were prepared with the aid of Microsoft Excel. It was noted that the QuickBooks accounting software did not support the financial statements submitted for audit as differences detailed below were identified:

- Closing balances from prior period signed financial statements were not appropriately brought forward in the Administration's general ledger in the subsequent period.
- Differences were noted between account balances/class of transactions recognised and disclosed in the financial statements and records found in the general ledger.
- Differences were noted between the amount recorded in the general ledger and amount as per trial balance.
- The stock of life jackets with a total value of Le888,000,000 was not recognised and disclosed on the face of the financial statements, neither by way of notes to the financial statements. This contravenes the disclosure requirements of IAS 1 presentation of financial statements.

The Executive Director in consultation with the Finance Director should ensure that the differences noted are investigated, changes effected in the Administration's general ledger and accounting records and revised. Ledgers and financial statements should be submitted to the ASSL for inspection.

Official's Response

The Executive Director in his response said: "Journal has been past, and that will be reflected in the draft accounts for 2016/17".

Auditor's Comment

The journal in support of differences noted was not provided for verification. The issue therefore remains unresolved.

4.57.2. Other Financial Transactions Discrepancies

Other discrepancies in relation to general ledger and financial statement not in agreement with underlying records like assets register, loan register and schedules were noted as follows:

- A difference of Le4,718,609 was noted between the assets register and general ledger in respect of the total cost of jetties acquired in 2017.
- The depreciation charge for 2017 amounting to Le1,282,188,342 was neither credited in the ledger for accumulated depreciation nor debited in the depreciation expense account.
- Amounts totalling Le2,115,893,387 and Le4,075,267,912 with respect to NASSIT and PAYE respectively, were not recorded in the general ledger.
- PAYE tax deducted on rent allowance totalling Le352,725,924 and Le454,448,469 for the 2016 and 2017 financial years were not recorded in the general ledger.
- A difference of Le288,895,265 and Le382,825,590 was noted between staff loan recorded in the general ledger and amount as per the loan register for 2016 and 2017 financial years respectively.
- A difference of Le282,897,285 was noted between amounts recorded in the general ledger and that recorded as per receipts issued to customers in 2017. The general ledger stated Le1,577,913,399.20 whilst the total as per the receipt books stated Le1,860,810,684.

The Finance Director should ensure that the differences noted are investigated, changes effected in the Administration's general ledger and accounting records and revised ledgers and financial statements submitted for inspection.

Official's Response

The Executive Director in his response said: "Journal has been passed and that will be reflected in the draft accounts for 2016/17".

Auditor's Comment

The journal was not provided for verification. The issue therefore remains unresolved.

4.57.3. Procurement Plan and List/Schedule of Actual Procurement Undertaken not Submitted

Section 29 of the Public Procurement Act of 2016 stipulates that all procuring entities shall undertake procurement planning with a view to achieving maximum value for public expenditure. There was however no evidence in the form of procurement plan to justify that procurement planning was carried out by the Administration in violation of this section of the Act.

In addition, a list/schedule detailing actual items procured by the Administration was not submitted for audit.

The Executive Director should ensure that the procurement head submits the procurement plan and list/schedule of actual procurement undertaken for the 2016 and 2017 financial years to the ASSL.

Official's Response

The Executive Director in his response said: "The former Senior Procurement Manager has sent a letter through the ACC and copy the Auditor-General's Office that most of the documents requested for are with the ACC".

Auditor's Comment

The procurement plan and schedule of actual procurement undertaken for 2016 and 2017 financial years were not provided for verification. Therefore, the issue remains unresolved.

4.57.4. Ineffective Controls over Cash and Bank

A review of the Administration's management of cash and bank balances revealed the following:

- Bank reconciliation statements to confirm 7 accounts for 2016 and 2017 maintained at various commercial banks were appropriately reconciled to detect errors and irregularities were not submitted for audit.
- Stale cheques totalling Le148,282,723 were still in the Trust's books of account and no action has been taken to rectify this situation, as such, cheques will not be honoured by any bank if presented for payments.
- A re-performance of the reconciliation for the Rokel Commercial Bank revealed a difference of Le129,266,959. The reconciled bank balance as per the ASSL reconciliation was Le164,279,774, whilst that of the Administration was Le293,546,734.
- Confirmations were not received for all bank accounts operated at various commercial banks with a total ledger balance of Le183,817,675,863 and Le187,425,365,894 for 2016 and 2017 financial years respectively, even though we sent confirmation letters to the various banks.

The Executive Director through the Financial Director should ensure the following:

- Regular reviews are done on bank reconciliation statements with evidence of review.
- Bank reconciliation statements for the accounts in question are submitted to the ASSL for inspection.

- Stale cheques are investigated and reversed (if required) with necessary adjustments made to the books of accounts and revised financial statements submitted to the ASSL.
- Going forward, long outstanding items are investigated and based on the outcome of such investigations, accounting records adjusted and revised bank reconciliation statements prepared.
- The differences identified as a result of re-performance carried out by the ASSL, are investigated accounting records adjusted and a revised bank reconciliation statement submitted to the ASSL.
- Follow-up with the banks with regard unconfirmed balances and ensure that the confirmations are sent to the ASSL.

Official's Response

The Executive Director in his response said the following:

- *“Journal has been passed and that will be reflected in the draft accounts for 2016/17.*
- *Journal has been passed and that will be reflected in the draft accounts for 2016/17.*
- *The Administration and the Accounts Department have reached the conclusion that all bank statements should be reconciled on a monthly basis.*
- *All stale cheques will be reversed to give the true state on the cashbook.*
- *All bank confirmations have been sent out to the banks. (Commercial bank)”.*

Auditor's Comments

- Bank confirmations were received for six bank accounts out of a total of 21 bank accounts for which confirmations were sent. Therefore, the issue remains partly resolved.
- Our recommendations for the other issues were not implemented. Therefore, the issues remain unresolved.

4.57.5. Non-current Assets not Appropriately Managed

A review of the Administration's management of non-current assets revealed the following:

- Supporting documents in the form of journals, payment vouchers and a schedule detailing cost breakdown in respect of additions made to the non-current assets in 2016 and 2017 totalling Le303,632,954 and Le145,980,000 respectively, were not submitted for audit inspection; hence, preventing further analysis and confirmation of the classification and value of assets acquired by the Administration.
- Non-current assets worth Le449,612,954, purchased in the 2016 and 2017 financial years, were not seen during our physical verification exercise.

The Finance Director should ensure the following:

- Journals, payment vouchers and a schedule in favour of additions made to non-current assets in 2016 and 2017 totalling Le303,632,954 and Le145,980,000 respectively are submitted to the ASSL.
- Non-current assets worth Le449,612,954 are made available for verification; otherwise, the matter will be referred to the Anti-Corruption Commission.

Official's Response

The Executive Director in his response said the following:

- *“The supporting documents for these transactions were among the documents that were with the ACC.*
- *The Administration has already performed the verification exercise. See copy of the list for 2016/2017 addition of fixed assets”.*

Auditor's Comment

Supporting documents for additions made were not provided for verification.

For the financial year 2016, non-current assets totalling Le43,875,000 was seen and verified with a total non-current assets valued at Le259,757,954 not seen and verified. None of the non-current assets purchased in the 2017 financial year were seen and verified. Our recommendations therefore remain partly implemented.

4.57.6. Ineffective Payroll Management

A review of the Administration's payroll revealed the following:

- The job advertisement, interview score sheets, reference letters etc. to justify that the recruitment process for staff in 2016 was carried out in an open and transparent manner, and that staff were recruited on a fair basis were not seen/submitted.
- A total amount of Le328,166,430 was indicated in the general ledger as payments made in respect of terminal benefits. Payment vouchers, appointment letters, notice of retirement and schedules of retired staff and terminal benefits computations justifying payments made were not submitted for audit.
- The Executive Director should ensure that the Human Resources Director submit the adverts for recruitment, interview score sheets and references for successfully recruited staff to the ASSL. Payment vouchers and other supporting documents in favour of terminal benefits paid totalling Le328,166,430 are submitted to ASSL for verification.
- Appropriate adjustment in respect of taxes on rent, utility and maintenance allowances is made in the Administration's financial records and a revised financial statement submitted to the Audit Service.

Official's Response

The Executive Director in his response said the following:

- *"All of these recruitments were casual staff (drivers) made permanent with the exception of the HR Manager which was head hunted. The vacancy for the position of Head of Internal Audit was really advertised, short listing done and interview conducted, but these documents were not seen because there was no proper handing over to the New Director of Administration and Human Resources.*
- *With the exception of Edward Davies, and Amanita Sam King who was beneficiary on behalf of his husband, and Idrissa Sheriff who did not receive his benefit as he was still appealing his case, the rest are court cases settled and paid for. See copy of the documents".*

Auditor's Comments

Our recommendations were not implemented. The issue therefore remains unresolved.

4.57.7. Poor Revenue Management

A review of the Administration's management of revenue revealed the following:

- Manifests/tonnage sheets relating to invoices totalling US\$282,569 and Le6,976,886,082 for 2016 and 2017 respectively were not provided for audit verification.
- Sales invoices totalling Le11,640,263,003 and Le7,191,719,738 for 2016 and 2017 respectively were not submitted for audit review. The team could therefore not verify the accuracy of the revenue.
- Receipts issued to customers for payments in respect of revenue recognised totalling Le10,026,565,300 were not recorded in the general ledger.

- Receipts issued to customers for payments in respect of revenue recognised totalling Le24,271,283,802 and Le5,405,976,512 for 2016 and 2017 respectively, were not submitted for audit.

The Finance Director should ensure the following:

- Manifests/tonnage sheets, sales invoices and receipts in support of issues noted are submitted to the ASSL.
- Appropriate records are made in the general ledger with respect to issue noted in point (iii), adjustment made and revised financial statements submitted to the ASSL.

Official's Response

The Executive Director in his response said the following:

- *"The tonnage sheets and manifest are now available for inspection.*
- *Sales invoices will be made available on inspection.*
- *Receipts will be made available on inspection and the journal will be adjusted to the FS.*
- *These customers pay directly to the banks. We only receive bank advice upon which receipts are issued. Receipt will be made available for inspection".*

Auditor's Comments

- Manifests/tonnage sheets relating to revenue invoice were not provided for verification.
- Sales invoices were not provided for verification.
- Receipts issued to customers for payments in respect of revenue recognised were not provided for verification.

4.57.8. Payments without Supporting Documents

Payments totalling Le5,872,437,588.67 and Le6,404,920,645.92 for 2016 and 2017 financial years respectively were without supporting documents such as requisition, activity budget plan, receipt, activity report, contract, beneficiary list, back-to-office report, etc.

A good number of transactions/payments posted in this account were made payable to the staff of the Administration. Supporting documents in the form of payment vouchers, receipt, certification etc. justifying the authenticity of these payments were not submitted for amounts totalling Le3,726,507,204.

The Finance Director should exercise adequate supervision over the preparation and documentation of the Administration's transactions and through other accountant should ensure the following:

All transactions are supported by the relevant documentation and these must be numbered and cross-referenced, so that in a case where they go missing, they can be easily traced.

The relevant evidence in respect of the sums of Le5,872,437,588, Le6,404,920,645 and Le3,726,507,204 are forwarded to the ASSL otherwise, the Anti-Corruption Commission will be informed for appropriate action to be taken.

Official's Response

The Executive Director in his response said the following: "Some of these documents will be made available for inspection".

Auditor's Comments

Missing documents such as receipts, invoices, delivery notes, back-to-office report etc. were submitted for payments totalling Le394,542,639 in 2016 financial year leaving a balance of Le5,477,894,949.61. Documents relating to 2017 were not submitted totalling Le6,404,920,645.92.

Supporting documents for inclusion in the Administration's account line titled: "Mark/Facilitate Prot" made payable to the staff of the Administration were not provided for audit.

The issues therefore remain partly resolved.

4.57.9. Receipts not Submitted for Withholding Tax Payments Made

Evidence in the form of NRA receipts justifying payments of withholding tax totalling Le136,566,151 and Le95,017,395 for 2016 and 2017 respectively, relating to certain disbursements made during the year, were not submitted for audit review.

We recommend that the Finance Director ensure that the NRA receipts justifying payment of the withholding taxes are submitted to the ASSL; otherwise, the NRA will be informed for appropriate action to be taken.

Official's Response

The Executive Director in his response said: "Some of these documents will be made available for inspection".

Auditor's Comment

Payment plan and bank transfer letters were provided and verified. Receipts from the NRA justifying payments were however not provided to the ASSL. The issue therefore remains unresolved.

4.57.10. Long Outstanding Debts

Amounts owed by various customers/clients totalling Le2,599,209,305 were reported in the Administration's receivable ledger without any movement for a long period of time.

The Executive Director in consultation with the Finance Director should ensure that mechanism is instituted and customers contacted for amounts owed by them to be financed within a reasonable time period.

Official's Response

Management's response was not provided.

Auditor's Comment

Evidence of cash receipt/mechanism made by the Administration for collection of long outstanding debts owed by customers was not provided to the audit team. The issue therefore remains unresolved.

4.57.11. Verification of the Rescue Boats

A physical verification to ascertain the existence, current conditions and number of rescue boats owned and controlled by the Administration was not conducted.

The Executive Director in collaboration with the Director of Safety should ensure that a physical verification to determine the number and conditions of all rescue boats owned and controlled by the Administration is conducted within a reasonable time period and report of verification conducted submitted to the Audit Service.

Official's Response

The Executive Director in his response said: "These boats are stationed at headquarters and Bonthe town, the Administrations is ready for inspection and verifications. See picture of the verification for Bonthe and Freetown".

Auditor's Comment

A list of six rescue boats was provided to the audit team, and five were seen and verified. Our recommendation was partly implemented.

4.58. INDEPENDENT MEDIA COMMISSION: 2016 – 2017

Issues relating to 2014-2015 were followed up with a summary of the status of the recommendations given below:

4.62.1. Corporate Assets Management not in Place

We observed during the fixed assets verification exercise that most of the items did not have proper unique identification codes to distinguish them from other assets. There is no assets listing and proper assets register maintained by the Commission. The assets register provided was not with adequate information and needed to be re-designed and needed information in it.

4.62.2. Software Accounting System not Used by the Commission

During the audit exercise, it was observed that the Commission still uses the manual accounting system based on Microsoft Excel Spread Sheet Platform. The difficult use of the platform by the finance and accounting employees in preparing the Commission's financial statements is susceptible to misstatements and errors. The entire finance and accounting system needed to be re-designed and properly customised. Accounting software has been an issue of heated discussion from the board report, but has not been effected by the Board.

4.62.3. Finance and Accounting Policies and Procedures not in Place

Our observation during the audit has confirmed that the Commission does not have policies and procedures in place for the financial management functions. The Finance and Accounting Manual which is the custodian of policies and procedures of financial management was not available at the Commission. Our review of the minutes of the Board meetings laid more emphasis on this than any other issue relating to the internal control systems.

Other weaknesses observed within the IMC financial management system include:

- Bank reconciliation not reviewed and approved by responsible senior staff.
- Cancelled cheque leaves could not be accounted for by the staff.
- Receipt book registers not maintained by the Commission.
- Cheque and receipt book not serially used by the Commission.
- Non-stamping of payment vouchers after payments are effected.

4.62.4. Capacity Building and Training for Finance & Accounts Staff

During the audit exercise, most especially the field work, it was observed that the finance and accounts team of the Commission required adequate training on financial management and administrative functions. This will go a long way to ensure that the finance and accounting team is on top of the financial issues of the Commission. The non-financial oriented members of the Board and management might as well be co-opted into the training session to let them own the management of the Commission.

4.62.5. Composition of the Finance and Accounts Committee–

Our audit field work has revealed that the Commission does not have in place a senior account personnel who can be saddled with the responsibility of reviewing the financial records, most especially the accounting entries, postings and bank reconciliation statements. There has been no check on the work of the Finance Officer in the absence of a Compliance or Internal Audit Officer, this is having a negative impact on the Commission's financial records and information.

4.59. NATIONAL TOURIST BOARD – 2018

4.59.1. Non - existent of an Invoicing System

The Tourist Board did not invoice its clients; thereby making it difficult to check the completeness of its revenue. We recommend that management should ensure that customers are invoiced from the accounting system ensuring that it is pre-numbered and sequentially issued.

Official's Response

The General Manager in his response said: "Management note your observations with extreme attention and we are pleased to inform you that the National Tourist Board has instituted an effective invoicing system in 2019 and it is currently up and running. Nevertheless, we are pleased to inform you that the invoicing systems can only be internal consumption and reporting purposes. The Government of Sierra Leone through the Ministry of Finance has migrated its financial reporting from modify cash basis to cash accounting system."

4.59.2. Omission of Government Subvention

The preparation of the payroll and payroll related expenses were carried out by the Ministry of Finance and Economic Development. Hard copies of the payroll were sent to the National Tourist Board for their retention. We noted that neither the government subventions nor the payroll related expenses for the period under review were captured/recorded as subventions received from government.

Management should ensure all transactions for and on behalf of the Board are booked and journalised into the QuickBooks.

Official's Response

The General Manager in his response said: "Management acknowledge your comments with extreme courtesy, and is pleased to inform you that, the National Tourist Board has been recording and/or making journal adjustments where necessary for all payments including salaries and entitlements made for and on behalf of NTB, prior to February 2020 in its books. In February 2017, the Ministry of Finance took over payment responsibility for all Ministries, Department and Agencies (MDAs) and other subvented agencies. The Accountant General's Department is being audited by the Audit Service Sierra Leone, meaning the salary component paid to NTB has been audited. Nevertheless, NTB now pledges itself to make necessary journal adjustment for all salaries and staff entitlement paid for and on behalf of NTB".

4.59.3. Copies of License Certificate not Maintained

Based on our review of license and land development fees, we noted that management did not maintain duplicate copies of certificates issued to establishments for both license and land development fees for future reference. We recommend that management should ensure that all certificates (renewals as well as new) issued to and in favour of establishments are properly reported and copies maintained for reference purposes.

Official's Response

The General Manager in his response said: "Management notes your observation and pledge to be retaining a duplicate copy of all license certificates issued to tourist establishments for future references".

4.59.4. No Insurance Cover for Fixed Assets

With the exception of motor vehicles which are insured on the general third-party insurance, the Board's assets were not insured against the risk of fire, theft, damage or any natural or man-made disaster. All fixed assets, owned by the Board must be adequately insured, at a value equivalent to, or more than the total carrying values (i.e. cost less accumulated depreciation and impairment losses) of the assets.

Official's Response

In his response, the General Manager said: "Management has noted your comment on this matter and pledge to properly budget for ensuring critical assets under the appropriate insurance coverage or policy with a reputable insurance company in the country going forward to prevent losses against disasters and other negative unforeseen events".

4.59.5. Unapproved Price List for License and Classification Fees

We noted that there was no approved license and classification fees list detailing which fee relates to the various establishments regulated by the National Tourist Board. We recommend that management should ensure there is an approved license and classification fee which is used to invoice customers.

Official's Response

The General Manager in his response said: "Your comment is well noted. In 2018, management did review the price list for licensing all touristic establishments in the country and the recommendation was with the Minister for approval and necessary action. due to the 2018 election and the transition from one minister to another, the approval got chocked in the process. Nonetheless, the new current Minister, Dr. Memunatu Pratt has approved the price list for 2020".

4.59.6. Review of Bank Reconciliations

We noted that the National Tourist Board prepared bank reconciliation on a monthly basis and approved by the Finance Manager. There was however no documentary evidence suggesting that these reconciliations were prepared by separate individuals and reviewed by senior management within the Finance Department. We recommend that management should ensure bank reconciliation statements are prepared on a timely basis and the individual preparing and reviewing and approving the Bank reconciliation statements should sign and date the reconciliation accordingly. All long outstanding items, errors and double postings (recording) should be identified, clarified and properly disposed.

Official's Response

The General Manager in his response said: "Your comment is legitimate and well noted. Please be informed that NTB has been preparing monthly bank reconciliation in excel every year until 2017, copies of which are available for your review. In 2018, we instituted the QuickBooks ERS 2018 to ensure proper financial management for the Board. The Bank Reconciliation Statements (BRS) in question were done directly by the Finance Officer in QuickBooks, after a detailed review, the Finance Manager signed the bank reconciliation statements which were later approved by the General Manager. In this case, the BRS generated by QuickBooks does not have provision for signatures and dates as prepared by the Finance Officer, reviewed by the Finance Manager and approved by the General Manager".

4.59.7. Double Posting of Revenue

There were many posting errors of invoices in relation to the different revenue streams of the National Tourist Board Sierra Leone which have not been properly translated into receivables when being posted into the general ledger by the accounting officer.

We recommend that the Finance Manager should strengthen controls over the posting of the transactions into the general ledger in order to reduce errors as well as to improve the efficiency of the accounting work. The controls can be placed either through the frequent review of the senior accounting staff of the posting entries done by the accounting officer or allowing the posting only to be done by senior/experienced accounting staff.

Official's Response

The General Manager in his response said: "Management note your comments with all seriousness, as we stated earlier, NTB had just migrated the financial system in 2018 from the QuickBooks Premier Accountant 2013 version to QuickBooks Enterprise Resources Solution 2018 version. This version was very new and had advance features/settings which were not mastered by anyone then; as a result, such errors were bound to happen. Nevertheless, we have reviewed the books of accounts and the legitimate errors have been corrected. On the other hand, the case of Y Musu and Yea Musu Guest House was to separate entities and it was not a mistake. Also, be informed that management is constantly

improving the internal controls of NTB and particular attention will be given to the processing and reporting of financial events".

4.59.8. Failure to Account for End of Service Benefit

The liability to staff in respect of their past services had not been accounted for. This was a significant omission in any financial statements. End of service benefit should be accounted for in the books, and in a timely manner.

Official's Response

The General Manager in his response said: "Management notes your comment on end of service benefit, but we are pleased to remind you that we do compete and provide end of service benefit in our book as per prescriptions in the NTB Staff Rules and Regulations. The NTBS staff Rules and Regulations is duly approved by the Board and endorsed by the Ministry of Labour and Social Security, a copy of this document was properly submitted to you during 2018 financial audit".

4.59.9. Fixed Assets – Physical Verification of Fixed Assets

We observed that management did not perform a physical check of the National Tourist Board fixed assets. Management of the Board should initiate physical verification exercise twice a year, one around midyear and another around end of year. The primary source document for the physical verification exercise should be the FAR and the FAIOC. Finance should be given at least two weeks' notice before the exercise commences to ensure a proper update of fixed assets. It was observed that this exercise was not carried out during the period under review.

Management should ensure that there is a Fixed Assets Officer in Charge (FAOIC) and that fixed assets verification is performed twice a year and report documented for audit trail.

Official's Response

The General Manager in his response said: "We do have a Finance Officer in charge of fixed assets and revenue. Going forward, the management of the NTB will intensify fixed assets verification as recommended; one in June and another in December every year to ensure transparency and accountability".

4.59.10. Financial Reporting – Monitoring of Systems Posting and Recording of Financial Transactions

We noted that there were lack of adequate review, supervision and monitoring process over the recording and posting of financial transactions into the QuickBooks software system. This was confirmed by the numerous accounting and posting errors noted and corrected by management on the various financial statement's captions; notably, the omission of capital reserve and head property from the trial balance, also omission of subvention of salaries grant and payroll expenses from the trial balance. We recommend that the Finance Manager carry out the supervision, review and monitoring process over the recording and postings of financial transactions into the accounting system regularly and thoroughly.

Official's Response

The General Manager in his response said: "Management notes your observation and wishes to comment as follows:

In 2018, we made adequate provision of capital reserved in the QuickBooks ERS 2018 for Head Property in respect of the buildings we occupy as NTB's office at Aberdeen Beach. Nonetheless, there is an ongoing negotiation between the National Tourist Board and Head Property on the balance payment and title for the premises. The Ministry of Tourism and Cultural Affairs/NTB have stated their position on the matter to the Ministry of Finance. We also learnt that the Ministry of Finance referred the matter to the Audit Service Sierra Leone for opinion, but Audit Service Sierra Leone also sent the matter to the Law Officers' Department for a legal opinion.

Provisions were not made for 2018 salaries and entitlements paid to the NTB's staff because, we discussed the issue with Accountant General's Office. They advised that since they are in charge of the payroll functions of all Ministries Department and Agencies and are being audited by the Audit Service Sierra Leone, there was no need for us to make provisions. Now that we know that it is a requirement, we did make provision for all salaries and entitlements paid to and on behalf of NTB."

4.60. RIGHT TO ACCESS INFORMATION COMMISSION – 2019

4.60.1. Insurance of Assets

The Commission does not have insurance cover for its assets. The Commission should consider insuring its assets.

Official's Response

The Executive Secretary in his response said: "The Commission will look into this issue and try to include it in the next Budget for FY 2021".

Auditor's Comment

Management's response in relation to Insurance of Assets is noted. A follow-up will be done in our next audit.

4.60.2. Withholding Tax

Withholding tax of Le50,896,454 is still outstanding and has not been paid to the NRA. We strongly recommend that withholding tax should be paid over to the NRA on due date as per NRA Legislation.

Official's Response

The Executive Secretary in his response said: "The Commission will approach the National Revenue Authority to possibly establish a payment plan and going forward, the RAIC will ensure to deduct and pay withholding tax on demand as recommended by the auditors".

Auditor's Comment

Management's response in relation to withholding tax is noted. This issue will however be followed up during the next audit to confirm whether management has made payments to the NRA.

4.60.3. Accounting Manual

There is no Accounting Manual or procedural guidelines. We advise that the Commission prepare an Accounting Manual which should be approved by management.

Official's Response

The Executive Secretary in his response said: "The Commission will look into this issue and try to include it in the next budget for FY 2021".

Auditor's Comment

Management's response in relation to Accounting Manual is noted. The issue however remains unresolved.

4.61. SIERRA LEONE NATIONAL COMMISSION ON SMALL ARMS - 2016 – 2019

4.61.1. Vehicle Maintenance

During our audit, we noticed that a huge amount of money was spent on vehicle maintenance. For 2016 through 2019; vehicle maintenance amounted to Le1,139,345,889. From an analysis of the vehicle maintenance below:

- 2016 – 23% of the total expenditure less salaries was spent on vehicle maintenance.
- 2017 – 30% of the total expenditure less salaries was spent on vehicle maintenance.
- 2018 – 16% of the total expenditure was spent on vehicle maintenance.

- 2019 – 22% of the total expenditure was spent on vehicle maintenance.

We recommend that management should consider acquiring new vehicles to reduce expenditure on vehicle maintenance.

Official's Response

The Commissioner in his response said: "Your recommendation for the acquisition of new vehicles is in place, management will try to engage the Ministry of Transport and the Ministry of Finance for the acquisition of new vehicles for the Commission. For the old vehicles, the Commission will follow the due processes to dispose of them based on your audit recommendation".

Auditor's Comment

Management's response in relation to acquisition of new vehicles is noted. This issue will be followed up.

4.61.2. Accounting Software

It was noted that the Commission did not have an accounting software. The Commission was currently using Excel Spreadsheet in preparation of their account. We recommend the use of small accounting software for preparation of account.

Official's Response

The Commissioner in his response said: "Management has noted your recommendation for the use of a small accounting software which is in place and that management will make sure that we factor it into our next year budget for the training of the finance staff".

Auditor's Comment

Management's response in relation to accounting software is noted. This issue will be followed up.

4.61.3. Establishment of Regional Offices

We reviewed the 2018 and 2019 project proposals for the establishment of the SLNCSA regional offices and noticed that it was yet to be implemented. The Commission should put more effort on relevant authorities for the establishment of the regional offices for effectiveness of its operations.

Official's Response

The Commissioner in his response said: "Your recommendation is highly noted for the establishment of regional offices as a priority to the Commission in our next year's budget and also would put more effort by soliciting sources from donors if possible".

Auditor's Comment

Management's response in relation to the establishment of regional offices is noted. This issue will be followed up.

4.62. SIERRA LEONE ROAD SAFETY AUTHORITY (SLRSA) – 2018

4.62.1. Inadequate Supporting Documents

Payments totalling Le3,656,411,823 that were made to suppliers and contractors for the period under review lacked salient supporting documents such as delivery notes, back-to-office report, invoices, receipt etc. These supporting documents were not attached to the payment vouchers that were submitted for audit.

Official's Response

The Executive Director in his response said: "The documents highlighted above are ready for audit inspection, although some back-to-office reports are yet to be provided. The individuals in question have agreed to make themselves available before the end of the verification exercise".

Auditor's Comment

Missing documents such as receipts, invoices, delivery notes, back-to-office report etc. were submitted for payments totalling Le1,872,339,852. Payments totalling Le1,784,071,971 were however without adequate supporting documents. Therefore, the issue remains partly resolved.

4.62.2. Commissions from Printed Number Plates

The agreement which contains the basis of computing the commissions due from license plates printed was not made available/submitted for audit inspection. In addition, a schedule and supporting documents detailing the number of license plates printed, the amount obtained and commissions due/paid to the Authority were not submitted for audit.

Official's Response

The Executive Director in his response said: "The Board Secretary has assured that the agreement will be made available during the verification exercise".

Auditor's Comment

The agreement was provided and verified. The schedule of license plates printed; detailing commissions due/paid was however not submitted. Our recommendation was partly implemented.

4.62.3. Non-compliance with the GST Act of 2009

A review of a sample payment vouchers with an aggregate invoice value of Le1,753,653,392 and an input GST of Le228,229,625 revealed payments made to suppliers for taxable supplies, but invoices attached were not GST invoices, which is in contravention with Section 31(1) of the GST Act of 2009.

Official's Response

The Executive Director in his response said: "Suppliers have been contacted and GST invoice will be made available for audit inspection. Management has however noted your comments and going forward; the Authority will ensure that invoices are available before disbursement".

Auditor's Comment

Management's comment noted. Receipts justifying payments made by suppliers to the NRA were however not submitted for verification. The issue remains unresolved.

4.62.4. Ineffective Governance and Operation of the Internal Audit Function

A review of the Authority's internal audit function revealed the following:

- The Internal Audit charter which defines the purpose, authority and responsibility of the Unit is yet to be developed.
- The manual currently in use by the Unit is outdated, and since its development on 12th September 2012, it has not been reviewed. It continues to refer to the Government Budgeting and Accountability Act of 2005, which has been repealed and replaced by the Public Financial Management Act of 2016. Moreover, the manual is yet to be approved by the Board, and it fails to address emerging risks faced by the Authority.
- Annual work plan in respect of the Internal Audit function for the 2018 was not provided for audit inspection.
- There was no evidence suggesting that management responded to audit queries issued by the Internal Auditor during the period under review.

Official's Response

The Executive Director in his response said: "The Director of Internal Audit has assured management that the Internal Audit Plan is available and will be provided for audit inspection".

Auditor's Comment

Except a draft annual work plan that was produced and submitted during the verification exercise, otherwise the issues remain unresolved.

4.62.5. Non-submission of Procurement Documents – Autospect (SL) Ltd.

A review of contract documents revealed that a contract was agreed between the Government of Sierra Leone and Autospect (SL) Ltd. for the development, operation and implementation of the following services at the Sierra Leone Road Safety Authority:

- Construction/rehabilitation of vehicle inspection stations and related systems.
- Development of an electronic vehicle registration cards system.
- Production of license plates, using a vehicle secured plates system.
- Implementation of radio frequency identification windshield stickers system.

Procurement documents such as adverts, bids, bid register, bid opening minutes, evaluation report and contracts etc. justifying the basis upon which this contract was awarded to Autospect (SL) Ltd. in an open, transparent and competitive manner, were not submitted for audit.

Official's Response

The Executive Director in his response said: "The Procurement Manager by then was on suspension and efforts have been made to reach him to respond to the audit query, but to no avail. Going forward, management will ensure that the said recommendations are followed to the fullest".

Auditor's Comment

Management's response was noted. Procurement documents to justify the basis upon which this contract was awarded to Autospect (SL) Ltd. and whether the procurement process was open, transparent and competitive were not submitted for audit. The issue therefore remains unresolved.

4.62.6. No Approved Procurement Plan

The audit team noted that the Authority did not prepare a Procurement Plan for 2018, which is in violation of Section 29 of the Public Procurement Act of 2016.

Official's Response

The Executive Director in his response said: "The Procurement Manager by then was under suspension and efforts have been made to reach him so that he could respond to the audit query, but to no avail. Going forward, management will ensure that the said recommendations are followed to the fullest".

Auditor's Comment

Management's response was noted. Our recommendation was however not implemented, the issue therefore remains unresolved.

4.62.7. Three Requests for Quotation and Local Purchase Orders not Submitted

Requests for quotation and local purchase orders etc. were not produced to substantiate procurement which totalled Le628,901,700 and US\$10,000, relating to goods, works and services procured in 2018.

Official's Response

The Executive Director in his response said: "The Procurement Manager by then was under suspension and efforts have been made to reach him so that he could respond to the audit query, but to no avail. Going forward, management will ensure that the said recommendations are followed to the fullest".

Auditor's Comment

Request for quotations and local purchase order etc. were submitted for procurement totalling Le485,997,700 and US\$10,000 leaving a balance of Le142,904,000, not submitted for verification. Our recommendation therefore remains partly implemented.

4.62.8. The Contract, Adverts and Bidding Documents not Submitted

Procurement documents (such as agreement, advertisements and signed bidding documents, minutes of bid evaluation committee, evaluation reports etc.) relating to procurements undertaken worth Le1,986,720,175 were not provided for audit inspection.

Official's Response

The Executive Director in his response said: "The Procurement Manager by then was under suspension and efforts have been made to reach him so that he could respond to the audit query, but to no avail. Going forward, management will ensure that the said recommendations are followed to the fullest".

Auditor's Comment

Our recommendation was not implemented. The issue therefore remains unresolved.

4.62.9. Wrong Procurement Method Used

The Authority did not comply with procurement thresholds stipulated in Sections 40, 44 and the first schedule of the Public Procurement Act of 2016. The procurement of equipment and consumables totalling Le487,616,500 were through the Requests for Quotation method instead of the National Competitive Bidding method.

Official's Response

The Executive Director in his response said: "The Procurement Manager by then was under suspension and efforts have been made to reach him so that he could respond to the audit query but to no avail. Going forward, management will ensure that the said recommendations are followed to the fullest".

Auditor's Comment

Management's comment is noted. This issue will be followed up to determine whether relevant sections of the Procurement Act and Regulations were duly adhered to. This issue remains unresolved.

4.62.10. Procurement Splitting

Procurement of similar item of consumables worth Le635,532,500 was divided among suppliers on diverse dates during the period under review. Had adequate procurement planning been carried out, these consumables would have been procured through the National Competitive Bidding method with a framework contract being developed. Instead, Requests for Quotations method was used, thereby evading the procurement threshold as stipulated in Section 37 (2) of the Public Procurement Act of 2016.

Official's Response

The Executive Director in his response said: "The Procurement Manager by then was under suspension and efforts have been made to reach him so that he could respond to the audit query, but to no avail. Going forward, management will ensure that the said recommendations are followed to the fullest".

Auditor's Comment

Management's comment is noted. This issue will be followed up to determine whether relevant sections of the Procurement Act and Regulations were duly adhered to. The issue therefore remains unresolved.

4.62.11. No Strategic Plan

A Strategic Plan is a document that articulates both the decisions made about the organisation's goals and the ways in which the organisation will achieve those goals. It is ideal for most organisations to prepare three to five years ahead, when engaged in strategic planning. We observed that the organisation did not have a strategic plan.

Official's Response

The Executive Director in his response said: "A strategic plan has been developed and will soon be launched; copy of it will be made available".

Auditor's Comment

Our recommendation was not implemented as no strategic plan was provided during the verification exercise. We however note management's comment and this issue will be followed up.

4.62.12. No Evidence was Submitted for the Annual Training Plan

Training and development are a critical activity in Human Resources development, and is aimed at enhancing the skills and competence of employees to increase productivity. Staff needed the training to improve their capacities for the work they perform. There was however no evidence of an annual training plan, nor any training needs assessment was submitted during the audit.

4.62.13. Long Outstanding Items

Long outstanding reconciling items that were more than six months amounting to Le123,637,254 were still in the Authority's books of account, and no action had been taken to investigate and rectify this situation.

4.62.14. Bank Confirmations Circularised not Received

Closing bank balances totalling Le8,833,009,962 were sent for confirmation. Responses were however received for closing balances totalling Le1,513,920,976 for three bank accounts out of 28 that were circularised. The confirmed balances represent 17% of the total amounts circularised. In addition, a difference of Le105,138,047 was noted between amount confirmed and bank balance as per the reconciliation statement.

Official's Response

The Executive Director in his response said: "Circularisations have been sent to all banks. We are therefore requesting that list of those that have not be received by the Audit Service Sierra Leone be made available as that will aid the Authority to quickly follow up on the said banks. Another letter sent to the banks will however be made available".

Auditor's Comment

We note management's response and await the response from these banks. The issue therefore remains unresolved.

4.62.15. No Tenancy Occupancy List and Tenancy Agreement Provided

The Authority accommodated some tenants in its Kissy Road office for which it failed to provide tenancy agreement, occupancy list and updated agreements among others, to the audit team for verification. In addition, there was no evidence that the Authority has invoiced any of these tenants or has accrued rental amount on its financial statements for 2018.

4.62.16. Recording of Revenue not Properly Supervised

The audit team reviewed the recording of revenue prepared by the Authority and observed that it was not adequately supervised, reviewed and approved by the appropriate officer. There was also no evidence of periodic reconciliation between the Commercial Department and the Finance Department on revenue collection.

Difference between Revenue Recorded and Amounts Reported

Comparison between revenue recorded in the general ledger and amounts reported per the Management Information System (MIS) database for the different stations showed a difference of Le11,060,337,772 for the period under review.

Official's Response

The Executive Director in his response said: "Management set up a committee that comprises Finance Department, Audit Department and Management Information System Unit in ensuring that anomalies are corrected. Schedule of it will be made available for audit inspection".

Auditor's Comment

Management's comment is noted. Schedule to reconcile the amount was not submitted during the verification exercise. The issue therefore remains unresolved.

4.62.17. Inefficient and Ineffective Controls Found in the Governance and Operation of the ICT

- Control lapses were identified in the work of the Information and Communication Technology Department as a result of the following:
- The Authority did not have an ICT strategy, and there was no steering committee addressing ICT issues at a strategic level.
- The Authority did not have a disaster recovery plan in place for the year under review.
- Inspection of the driver and vehicle application server at the SLRSA revealed that, there was no licensed anti-virus programme installed to prevent data loss within the server and computers used for the application system.
- Evidence in the form of backup logs and external hard drive to substantiate that data files /information from Great Plains and driver and vehicle applications were backed-up and securely kept in an offsite location was not submitted for audit review.
- There was no maintenance agreement in place between the Authority and service providers for the Great Plains and driver and vehicle system to ensure that reported faults are resolved within an acceptable timeframe.
- There was no evidence of a change management policy or documented procedures in place to support changes to the systems.

4.62.18. Ineffective Personnel Management

The following control lapses were identified in the SLRSA management:

- Evidence to confirm that staff were appraised during the year under review was not provided for audit purposes. This is in breach of Article 7.0 of the terms and conditions of service of the Authority.
- Two personnel were recruited during the period under review. We were however not provided with documents such as advertisement, evidence of interview conducted, police clearance, medical report, and reference letters to confirm that the recruitment process was open, fair and credible and in accordance with Article 1.0 of the terms and conditions of services of the Authority.

4.62.19. Payroll

The following control lapses were identified in the payroll management of the Authority:

- Payments amounting to Le211,200,000 were made to contract staff, interns and armed guards without formal agreements. We were unable to determine the accuracy of the payments made to them. In addition, relevant taxes were not deducted from such payments, and it was paid in cash rather than recipient's bank account.
- Evidence of an approved document justifying the legitimacy of the salary paid to the Executive Director was not submitted for audit review. As a result, the audit team could not determine the basis of the amount of his salary.

4.62.20. Outstanding Pay as You Earn (PAYE) and Withholding Tax

An amount of Le304,616,000 and Le628,322,616 was recognised as outstanding in the financial statements with regard PAYE and withholding tax respectively, and there was no evidence of payment of these amounts to the NRA. Some of these amounts had been outstanding as far back as 2017.

4.62.21. Provincial Visits

A review of the provincial stations of the Authority revealed the following:

- **Kailahun Station**

The station office was without toilet facilities.

- **Kenema Station**

- ❖ The station was without a working photocopier.
- ❖ The three air conditioners installed in the station license hall were faulty.
- ❖ The office of the Admin Officer was without an air conditioner.
- ❖ The chairs for Head of Station, Sector Commander, Licenses Officer and System Operator were damaged and needed immediate replacement.
- ❖ The Head of the Station was without a workstation computer.
- ❖ The toilet facility of the station was unhygienic and needed immediate attention.
- ❖ There was no water in the office as the borehole was faulty.
- ❖ The two benches in the license office were damaged and needed repairs/replacement.

- **Bo Station**

- ❖ The station lacked water facilities.
- ❖ The electrical system in the station was faulty and needed urgent attention.
- ❖ The two generators in the office were faulty. The station had to rent an additional generator for the running of the office.
- ❖ A total of 24 motorbikes were arrested for over six months but were not returned to the owners or placed on the public bid as stated in the Authority's Act.
- ❖ There were three faulty operational bikes which limited the operational effectiveness of safety corps to execute assigned tasks.
- ❖ Filing cabinets were damaged and needed urgent repairs/replacement.

- **Kambia Station**

- ❖ From a total of 50 traffic offence books issued to the station since 2017, only 29 books were submitted for audit review.
- ❖ The station had one motorbike that was utilised by a Traffic Warden.
- ❖ The station was without an air conditioner.
- ❖ There was lack of segregation of duties as the licenced operator was responsible for both recording and issuing of receipt for payment.
- ❖ Land owned by the Authority was not fenced and was on secured which could result to the possibility of encroachments if appropriate action was not taken.

- **Lunsar Station**

- ❖ There was a leakage on the roof of the station building, resulting in the movement of documents to prevent damage from water.
- ❖ Three of the standing fans were found to be faulty.
- ❖ Two cabinets were wrongly coded and one standing fan was not coded.

- **Makeni Station**

- ❖ The office cabinet coded RSA/MAK/OE-01 was faulty.
- ❖ Two kingmax 5.3 kva generators were not seen for audit inspection.

- **Kabala Station**

- ❖ There was frequent power outage as a result of a continuous breakdown of the generator used by the station. The generator had undergone series of repairs but still lacked the capacity to provide electricity to the station.

- ❖ Requisition for ticket books to confirm the total number of booklets supplied to the station was not submitted for review. This made it difficult to reconcile tickets supplied, utilised and stock at hand.

4.63. SIERRA LEONE CIVIL AVIATION AUTHORITY – 2017 - 2018

4.63.1. Review of Employees' File

We reviewed personnel's file and observed the following:

- Some staff files were not properly updated and maintained to prove that the actual files reflect the staff who own it. Evidence like birth certificates was not available in some files.
- Acceptance letter, training and travelling report, application letter and educational qualification were not tracked in some of the employees' personal files.
- The Agency should ensure that all employees' files contain the necessary documents including application letter, passport picture, birth certificate and also report on training or seminar attended by staff whether local or international.

Official's Response

The Director General in his response said: "The documents in question will be retrieved from the staff involved and forwarded for your verification".

Auditor's Comment

Some of the files were submitted for verification. The issue therefore remains unresolved.

4.63.2. Management of Documentation

Documentation of payment vouchers was not properly done. Documents were not filed and packed in a chronological and a systematic order which made it difficult for the auditors to trail documents during the audit process. We recommend that documents should be filed and packed in a systematic order. This is to ensure that documents could be easily traced and when missing can be spotted quickly.

Official's Response

The Director General in his response said: "The Finance Department in collaboration with the Internal Audit Department will ensure that proper and accurate filing system is maintained by the Authority".

Auditor's Comment

The Authority is still struggling with its documentations and therefore the issue is not resolved.

4.63.3. Fixed Assets Register not Updated

We reviewed the fixed assets register and observed that the register was not updated on a regular basis. We recommend that the Agency should update its fixed assets register regularly. This will ensure that the Agency's assets are kept track of and can be traced quickly and easily when the need arises.

Official's Response

The Director General in his response said: "The preparation of a comprehensive fixed assets register and fixed assets policy for the entity has been contracted to an independent consultant who has already started the process and work is in progress for the completion of the queried documents".

Auditor's Comment

Fixed assets register was not presented for verification. Therefore, the issue remains unresolved.

4.64. SIERRA LEONE ROAD TRANSPORT CORPORATION 2014 – 2016

4.64.1. Bank Accounts not Part of the Financial Statements

We observed that the below mentioned bank accounts were not part of the financial statements under review, even though they were confirmed by the corporation's bankers.

- Eco Bank Account – US\$ 499.04.
- Union Trust Bank Account – Le746,282

Official's Response

The General Manager in his response said: "The corporation has only one (1) USD account at Ecobank (Account No. 0021014802071601) for which bank reconciliation was done on a regular basis. The corporation cannot confirm using the stated bank account reported in the audit findings. The Union Trust Bank account has been dormant and therefore was not in operation during the audit period under review".

Auditor's Comment

We received a dormant bank statement from Union Trust Bank but no documentation or further confirmation from Ecobank.

4.64.2. Bank Reconciliation Statements

We observed that bank reconciliation statements were not prepared for three banks.

Official's Response

The General Manager in his response said: "All these stated bank accounts have been classified as dormant and as a result no bank statements can be provided by the bank to facilitate reconciliation. The Board will write for the closure of these accounts".

Auditor's Comment

We were not provided with any written document from the Board for the closure of these accounts. The issue therefore remains unresolved.

4.64.3. Collection of Bus Hire Debts and Staff Loans

We observed that the corporation was not making much effort to collect debts relating to bus hire debtors and staff loans/advances of Le160,749,615 and Le1,625,000 respectively.

Official's Response

The General Manager in his response said: "Some of these debts have been recovered and adjustments will be made in subsequent financial statements. Regarding the staff loan and advances, our Human Resources records cannot confirm the named staff stated in the audit findings".

Auditor's Comment

We were provided with an internal memorandum from the Corporation's secretary, copied to the General Manager, PR/Marketing Manager and Finance Manager of the Board's resolution to waive all bus hire debts from 2006 – 2012 that cannot be recovered. We were also provided with another internal memorandum from the Senior Hire Officer, copied to the General Manager and Deputy General Manager attached to which is a list of the breakdown and status of these debts. According to the breakdown of the list and status of the debts provided by the Senior Hire Officer, receipts were not provided for the under mentioned list of the debts that were recovered (i.e. not waived). Mr Abu Bangura C/o NCP Le600,000, Open Government Initiative Le14,200,000, UNDP Le3,300,000, Guma Valley Water Company Le320,000, Honourable Musa Tarawally Le4,800,000. Our audit findings revealed records of the named staff, an age of debt for staff loans and advances even though SLRTC claims were not part of their records.

4.64.4. Controls over Invoicing

There were no structural financial procedures in place to check the accuracy and completeness of customer's invoices because of lack of control in the use of the invoices. We noted that the Corporation's invoices were sometimes used as pro-formas.

Official's Response

The General Manager in his response said: "Management has developed separately revised invoice and a pro forma invoice which will be used for bus hire purposes".

Auditor's Comment

A proposed separately revised invoice has been developed but is yet to be officially administered.

4.64.5. Supplier Balances

We observed that documentation to support the undermentioned suppliers' balances were not available for our verification.

	2014	2015	2016
	(Le)	(Le)	(Le)
Aureol Insurance Company	7,935,315	7,935,315	7,935,315
Davida Enterprise	162,349,120	162,349,120	162,349,120
Guma Valley Water Company	(37,372,153)	(48,799,065)	(37,372,153)
Jaward EL Zein & Sons	26,726,000	26,726,000	26,726,000
Khalil Shaban Auto Spares	22,320,000	22,320,000	22,320,000
NP(SL) Limited	49,302,000	49,302,000	49,302,000
NIC	47,811,755	47,811,755	47,811,755
Ritcorp	66,668,219	100,538,174	66,668,219
Rolmac Enterprise	69,360,500	69,360,500	69,360,500

Official's Response

In his response, the General Manager said: "Your reconciliations are now been made on suppliers balances and adjustments will be made and reflected on subsequent financial statements".

Auditor's Comment

We were not provided with the supplier's reconciliation.

4.64.6. Withholding Tax

We observed that withholding tax rule was not applied to all payments above the threshold as required by the Sierra Leone Income Tax Act of 2000 (as amended).

Official's Response

The General Manager in his response said: "Withholding tax rule was applied to some payments. Management will in the future be applying it to all payments".

Auditor's Comment

Withholding tax rule is still not applied to all payments.

4.64.7. Completeness of Liabilities

We observed that there is no formal system in place to capture liabilities of the corporation as and when they were incurred.

4.64.8. Questioned Procurement

We observed that the undermentioned transactions are not adequately supported by the required third-party documents.

Date	Details	Amount (Le)	Issue
28th April	Desktop computer	1,900,000	Receipts not available
19th August	2 Dell desktop computers	5,890,000	Receipts not available
24th March	1 flat screen TV	700,000	Receipts not available
14th April	6 KVA generators	6,460,000	Receipts not available

Official's Response

The General Manager in his response said: "Management was unable to produce these documents due to challenges in our archive system. Management is working on improving the archive system so that all documents are produced when needed".

Other Income

The required third-party documentation to support the completeness of the below mentioned account balances were not available for verification.

Details	2014 (Le'000)	2015 (Le'000)	2016 (Le'000)
Rent from shed and other property	189,623	-	-
Workshop revenue	4,540	780	8,870
Courier services	-	8,025	11,371
Sale of scrap tyres and metals	28,283	19,541	20,250
Cash shortage	4,909	3,634	-
Packing space	8,400	15,600	21,812
Accident claims	-	-	15,190
Miscellaneous income	151,338	411,207	7,636

Official's Response

The General Manager in his response said: "Reconciliations are now being made on other income balances and adjustments will be made and reflected in subsequent financial statements".

Auditor's Comment

We were not provided with the said income reconciliation.

4.64.9. The Project of the 100 Special Buses

We observed the following issues with regard the project of the 100 special buses:

- The costs of the 100 buses were not part of the financial statements of the corporation for the years ended 31st December, 2014 to 2016.
- There was no formal agreement between the Government of Sierra Leone and the corporation as to whether the cost of the buses should be treated as a loan or grant.
- The bank account of the special bus project with the Union Trust Bank was also not part of the financial statements of the corporation under review.
- The revenues generated by these buses were not part of the financial statements.

We observed the under-mentioned audit differences in respect of direct fuel issues by the special bus project to the SLRTC buses.

Date	Description	Fuel Issues Debited to Diesel Stock Account (Le)	Fuel Utilised Credited to Diesel Stock Account (Le)	Audit Difference (Le)
31st January, 2016	Monthly fuel issues	45,421,052.40	1,858,536.00	43,562,516.40
29th February, 2016	Monthly fuel issues	51,900,550.80	50,782,443.60	1,118,107.20
31st March, 2016	Monthly fuel issues	47,514,704.40	46,667,540.40	847,164.00
30th April, 2016	Monthly fuel issues	49,927,069.20	47,983,443.80	1,943,625.40
31st May, 2016	Monthly fuel issues	53,169,057.60	52,309,951.20	859,106.40
30th June, 2016	Monthly fuel issues	48,218,932.80	47,462,083.20	756,849.60
31st July, 2016	Monthly fuel issues	35,062,140.00	34,341,864.00	720,276.00
31st August, 2016	Monthly fuel issues	35,562,228.00	34,468,752.00	1,093,476.00
30th September, 2016	Monthly fuel issues	30,441,924.00	29,676,864.00	765,060.00
31st October, 2016	Monthly fuel issues	31,404,780.00	30,643,452.00	761,328.00
30th November, 2016	Monthly fuel issues	25,713,400.00	25,030,524.00	682,876.00
31st December, 2016	Monthly fuel issues	21,654,840.00	20,811,378.00	843,462.00
Total		475,990,679.20	422,036,832.20	53,953,847.00

Official's Response

The General Manager in his response said: "Management accepted all of the audit findings. The above mentioned audit differences however arose as a result of changes made in the diesel stock account for which the account was revised and the debit posted with the correct figure unlike the credit which remain unchanged".

4.64.10. Lack of Staff Training

Staff in the Finance Department needs to get further training in order to sharpen their knowledge and skills in accounting and the use of the QuickBooks Financial Management System.

Official's Response

The General Manager in his response said: "This finding has been noted and action will be taken to ensure that staff in the Finance Department receive additional training in the use of QuickBooks Financial Management System".

4.65. SIERRA LEONE WATER COMPANY (SALWACO) - RURAL WATER SUPPLY AND SANITATION PROJECT (RWSSP) - 2019

4.65.1. Stale Cheques

We noted that two cheques had been issued more than six months and were still in the bank reconciliation.

Official's Response

The Managing Director in his response said: "Cheques issued if not presented after six months will become stale. These cheques were written in January and expired on 11th January, 2020. The reconciliation was done in February, 2020"

4.65.2. Lack of Internal Control Policies for Per Diem and Accommodation Allowances

We observed that approved internal policies or procedures that cover per diem and accommodation allowances given to staff for all project activities were not available for audit inspection.

Official's Response

The Managing Director in his response said: "The policies or procedures used for per diem and accommodation allowances for 2019 were those of the Government of Sierra Leone. For the year 2020, the management of SALWACO has reviewed and revised the above allowances and they have been approved by the Board of Directors of SALWACO".

4.65.3. Vehicle Log Book

We observe that vehicle log books were not maintained for motor vehicles of the project.

Official's Response

The Managing Director in his response said: "All project vehicles and motorbikes are supplied with log books. Vehicles and motorbikes maintained at the five district councils have been a challenge to monitor. Several discussions have been held with the councils but the challenge of them adequately maintaining a log book looks very difficult to achieve, since the project management team cannot monitor them on a daily basis. Also, for 2019, no operating costs were sent to the five district councils, since the project special accounts were not replenished. Project vehicles and motorbikes maintained at SALWACO are also supplied with log books, and drivers attached to those vehicles and motorbike do adequately maintain their log books".

4.65.4. Approval of Budget

There was no evidence that budget was approved for the period under review. Even though the budget was made available for audit inspection, there was no indication that this budget was approved.

Official's Response

The Managing Director in his response said: "The formal Task Team Leader (TTL) usually approves the Annual Work Plan and Budget with a mail as a formal means of communication by the African Development Bank (AfDB). The current TTL sends a formal 'No Objection' in approving the budget".

4.66. SIERRA LEONE WATER COMPANY (SALWACO) - THREE TOWNS WATER SUPPLY AND SANITATION PROJECT (TTWSSP) – 2019

4.66.1. Lack of Adequate Supporting Documents

Supporting documentation such as receipts for transactions totalling Le9,419,000, were not in the name of the Project. We also noted that vehicle numbers were not specified on the receipts.

Official's Response

The Managing Director in his response said: "Most of the receipts received from staff of SALWACO were written in the name of SALWACO instead of the Project. The Project has identified these mistakes and has communicated to all parties involved. We have also encouraged them to include the vehicle number on the receipt. This has been corrected".

4.66.2. Vehicle Log Book

We observed that vehicle log books were not maintained for the motor vehicles of the Project.

Official's Response

The Managing Director in his response said: "All project vehicles and motorbikes were supplied with log books. Vehicles and motorbikes maintained at the regional offices have been a challenge to monitor. Several discussions have been held with drivers but the challenge of them adequately maintaining a log book looks very difficult to achieve, since the project management team cannot monitor them on a daily basis".

4.66.3. Lack of Internal Control Policies for Per Diem and Accommodation Allowances

Approved internal policies or procedures that cover per diem and accommodation allowances given to staff for all project activities were not available for inspection.

Official's Response

The Managing Director in his response said: "The policies or procedures used for per diem and accommodation allowances for 2019 were those of the Government of Sierra Leone. For 2020, the management of SALWACO has reviewed and revised the above allowances and they have been approved by the Board of Directors of SALWACO".

4.66.4. Approval of Budget

We noted that there was no evidence that budget was approved for the period under review. Even though the budget was made available to us, there was no indication that it was approved.

Official's Response

The Managing Director in his response said: "The formal Task Team Leader (TTL) usually approves the Annual Work Plan and Budget with a mail as a formal means of communication by the African Development Bank (AfDB). The current TTL sends a formal 'No-Objection' in approving the budget".

4.66.5. Unavailability of Adequate Fleet Management Policy for Motor Vehicles

No Fleet Management Policy was available for motor vehicles of the Projects. We were also unable to verify some of the project vehicles for the Three Towns Water Supply and Sanitation Projects which were claimed to be under repairs. Upon our visit to one of the garages in Bo were one vehicle was said to be under repairs, we were unable to identify the vehicle (i.e. no tag or vehicle number plate can be identified). We also noted that project vehicles were assigned to various drivers which limited the use to drivers for official use. Our review however showed that some of these vehicles were driven by station managers and other officials which was against the company's policy.

Official's Response

The Managing Director in his response said: "All project vehicles are assigned to a driver. All station managers have SALWACO vehicle assigned to them. One of the project vehicles, AHH 694 was involved in an accident which was at a garage for maintenance. At the time of the verification, the vehicle had been handed over to the garage. There was an accident report on the said vehicle".

4.66.6. Lack of Third-party Supporting Documents

Supporting documents were not provided for transactions totalling Le37,700,000.

Official's Response

The Managing Director in his response said: "Tax paid to authorities were issued with a receipt. The receipt is available for the PAYE paid. Payment for radio discussions for public sensitisation also has receipts. This can be verified".

4.67. OFFICE OF NATIONAL SECURITY – 2018 – 2019

4.67.1. Inefficient Control in the Processing and Issuance of Fuel to Vehicles and Generator

Vehicles and generators usage logbook and fuel usage reconciliation with National Petroleum were not submitted for audit inspection.

Official's Response

The National Security Co-ordinator in his response said: "Though best practice is the use of vehicle and generator logbooks, the office use fuel log sheets in place of logbooks. The ONS headquarters vehicles are issued vehicles and fuel checklists. This also helps the office to determine the correct status of vehicles and its fuel usage on a weekly basis. The log sheets are now available for inspection. It is true that fuel reconciliation was not done during the period under review (FY2018 and FY2019) respectively, which is an essential control for its usage. There is a database of all fuel issued and its purchases. Going forward, the office will adhere to the use of logbooks. Its reconciliation is now available for inspection".

Auditor's Comment

The issue was not addressed and therefore remains unresolved.

4.67.2. Non-deduction and Non-payment of Withholding Taxes

An amount to the tune of Le366,226,250 was paid to suppliers and contractors during the 2018 financial year without deducting withholding tax which resulted in a tax loss of Le20,142,446.

Official's Response

The National Security Co-ordinator in his response said: "A good number of the transactions withholding taxes were withheld and paid to the NRA. The NRA receipt is available for inspection. For the others, withholding taxes were inadvertently not deducted and paid to the NRA. An agreement has been reached for its payment".

Auditor's Comment

NRA withholding tax receipts amounting to Le7,667,556 were submitted and verified. The remaining balance of Le12,474,890 is still outstanding. The issue is therefore partly resolved.

4.67.3. RFQ and LPO not Submitted

Requests for Quotations (RFQ) and Local Purchase Orders (LPO), etc. were not produced to substantiate procurement which totalled Le84,610,050 and Le136,697,990 relating to goods and services in 2018 and 2019 respectively.

Official's Response

The National Security Co-ordinator in his response said: "The requisite documents such as request for quotation, local purchase order and or contract are now available for inspection".

Auditor's Comment

Requests for quotation and local purchase order amounting to Le35,685,250 and Le58,850,000 were submitted and verified for the period ended 31st December 2018 and 2019 respectively, leaving a balance of RFQ and LPO amounting to Le48,924,800 and Le77,847,990 not submitted for the period ended 31st December, 2018 and 2019 respectively. The issue has therefore been partly resolved.

4.67.4. Non-compliance with Staff Loan Policy

Staff loan and/or advances amounting to Le90,600,000 and Le58,687,196 for the period 2018 and 2019 respectively have been outstanding for more than one year.

Official's Response

The National Security Co-ordinator in his response said: "As new entrants in the job, they were faced with numerous challenges. It consequently led to the failure of not honouring their loans. They had however accepted to pay their loans, but requested that management spread its payment over a specified period. In addition, management has insisted that we go strictly by the recommendation ensuring that in future, all loans given to staff are properly accounted for in line with the Terms and Conditions of Service".

Auditor's Comment

The issue was not addressed and therefore remains unresolved.

4.67.5. Internal Audit Control Lapses

Internal audit working papers detailing how audit tests were performed and conclusions arrived at was not submitted for audit inspection for the period under review.

There was no evidence to confirm that the institution had set up an Internal Audit Committee charged with the responsibility of ensuring that all internal audit issues raised by the Internal Auditor were addressed by management.

Official's Response

The National Security Co-ordinator in his response said: "The internal audit working papers are now available for review. Management notes your observations. The Office of National Security has set up an Internal Audit Committee which comprises five officers. The Committee is to start work very soon".

Auditor's Comment

There was no evidence of internal audit working papers submitted during the verification. Therefore, the issue remains unresolved. On the issue of the institution establishing an Audit Committee, management's response noted. Though our recommendation was not implemented, this will be followed up in the subsequent audit.

4.68. NJALA UNIVERSITY - 2019

4.68.1. Financial Audit

Presentation of Financial Information

We observed the following:

- A review of financial statements revealed that schedules were not made available to justify revenues such as government grant and sundry income reported in the financial statements amounting to Le69,436,820,751 in 2016, Le39,636,293,196 in 2017, Le39,503,339,500 in 2018. Also, expenditures such as salaries and wages, allowances, employers' social security contribution and contract gratuity reported in the financial statements amounting to Le62,721,789,158 in 2016, Le49,887,151,115 in 2017 and Le102,337,319,763 in 2018.
- Review of financial statements revealed that schedules were not made available for construction work in progress and current assets such as receivables, staff loan and advances, revolving funds, cash and bank balances for Bo and Njala Campuses etc. reported in the financial statements amounting to Le3,648,962,059 in 2016, Le7,502,595,370 in 2017, Le6,722,137,404 in 2018. Also, liabilities such as local creditors, students' refund payables, supplier tax, salaries and wages control, PAYE, NASSIT contribution, staff association etc. reported in the financial statements amounting to Le67,668,679,160 in 2016, Le67,538,888,821 in 2017 and Le81,075,029,242 in 2018.
- Review of financial statements revealed that additions in the values of property plant and equipment amounting to Le4,503,351,835, Le280,550,660 and Le81,790,350 for 2016, 2017 and 2018 respectively were without schedules and other documentary evidence to support these additions.
- Review of financial statements revealed that withholding taxes amounting to Le74,624,186; Le57,131,962 and Le47,535,597 were not disclosed in the 2016, 2017 and 2018 financial statements respectively.

We recommend the following:

- That the Finance Director should submit schedules in support of figures reported in the financial statements or a disclaimer of opinion will be issued on the University's financial statements.
- That the Finance Director should submit schedules and other supporting documents to account for the additions in the value of the property, plant and equipment of the University for the three years under audit. Secondly, the appropriate adjustment and disclosures should be made in the financial statements and update the assets register and submit them to the Auditor-General for verification.
- That the financial statements are revised by the Finance Director to include the disclosed tax liabilities (payables) for the years 2016, 2017 and 2018.

Official's Response

- *The principal in his response said: "Schedules justifying figures included in the FS for 2016, 2017 and 2018 will be prepared and made readily available for inspection."*
- *The VC in his response said: "Schedules justifying figures included in the FS for 2016, 2017 and 2018 will be prepared and made readily available for your inspection."*
- *The VC in response said: "Supporting schedules justifying "additions" in Property, Plant and Equipment (PPE) was prepared alongside the position statements in hidden cells ranging from columns T to Q contained*

alongside figures for PPE in the accounts for the financial years 2016, 2017 and 2018. This is attached herein to narrow year search and for ease of reference. Furthermore, the appropriate accounting adjustments and disclosures were made in the draft and final FS that were made available to the auditors. The assets registrar will be updated accordingly and made available for your inspection.”

Auditor’s Comment

- Schedule figures for revenue and expenditure presented in the financial statements for 2016, 2017 and 2018 were made available. Supporting documents such as remittance/transfer letters for the government's grants and expenditures such as salaries and wages, allowances, employers’ 10% NASSIT contributions and contract gratuity reported in the financial statements were not made available. This issue remains partly resolved.
- Schedule figures for assets and liabilities presented in the financial statements for 2016, 2017 and 2018 were made available. Supporting documents to justify the figures of receivables, staff loan and advances were however not made available. This issue remains partly resolved.
- During the verification, the Finance Director did not submit the schedules and other supporting documents to account for the additions in the value of the property, plant and equipment for 2016 and 2017. This issue therefore remains unresolved.
- During verification, review of the reverse financial statements revealed that the withholding taxes of Le74,624,186; Le57,131,962 and Le47,535,597 were not disclosed in the 2016, 2017 and 2018 financial statements. This issue therefore remains unresolved.

4.68.2. Ineffective Internal Controls

A review of the University’s internal control and operating systems revealed that:

The University did not have a risk assessment process in place for the identification and management of fraud and fraud related matters. We recommend that the VC and the Audit Committee ensure that the Director of Internal Audit develop risk identification and management procedures that will eliminate the opportunity for dishonest person to successfully perpetrate fraud in the University. This risk identification and management procedures must be regularly monitored and updated.

It was observed that the University did not use an Accounting Software for the recording and reporting of its financial transactions to mitigate the possibility of errors in the financial statements and to ensure a timely preparation of financial reports. We recommend that the VC and Finance Director should ensure that an appropriate accounting software is acquired that will significantly improve the financial recording and preparation of the financial statements.

4.68.3. Ineffective Internal Audit Unit

A review of the operations of the Internal Audit Department revealed the following:

It was observed that the Internal Audit Committee only met once in 2016 and 2017. There was no meeting held in 2018. We recommend that the VC should liaise with the University Court to ensure that the Audit Committee carries out its functions effectively including but not limited to overseeing the Internal Audit Unit, monitoring the implementation of all audit recommendations, etc. This Committee should meet at least once every quarter to address audit matters.

Official’s Response

The VC in his response said: “The external auditors were right to cite that the University’s Internal Audit Committee did not meet on a regular basis. The period in question was actually troubling time in the University as the period was seriously affected by frequent industrial actions. In a situation of such matter, it would be very difficult for any Administrative Unit to convened serious meetings under such circumstance. Therefore, the Unit was not able to hold its

regular Audit Committee meetings as it was supposed to be for the period in question. The Committee has since started holding regular meeting from 2019 to date.”

Auditor’s Comment

During verification, minutes of meeting of the Audit Committee was not submitted for 2018. This issue remains unresolved.

Procurement activities which are key areas of the University’s operation were not audited by the Internal Audit Unit for the years under review.

We recommend that the Director of Internal Audit should develop a risk register of the University and plan his audit work in such a manner that will include high-risk areas.

Official’s Response

The VC in his response said: “For this issue as well, the Unit was unable to perform such audit function due to the frequent industrial actions in the University (2016/2017 academic year). This narrative has however improved considerably with evidence of the number of audit exercises done as well as those the Unit is currently engaged in. In summary, as stability has returned to the University, the issue of Procurement and Financial Statements Audit would not arise in subsequent audit exercise.”

Auditor’s Comment

During verification, the Internal Auditor did not carry out procurement audits for the years under review. This issue therefore remains unresolved.

Even though the team requested for all working papers maintained by the Internal Auditors to determine the procedures carried out to arrive at the conclusion made in its report, these working papers were not submitted for review.

We recommend that the Internal Auditor should ensure that his working paper file is properly maintained such that all working papers and evidence of test performed and conclusion are in the file and are referenced and cross referenced.

Official’s Response

The VC in his response said: “The Internal Auditor has always relied on working papers in carrying out its audit exercise and conclusion arrived at. It is the Unit’s philosophy that going forward, there is always the need for innovation and or improvement in the ways we carry out our work. Based on such philosophy, staff have been trained on audit documentation and audit evidence with the sole aim of improving our work. This internal development training has tremendously helped staff on how they approach audit work. Therefore, the issue of non-submission of working papers will not arise in any subsequent work.”

Auditor’s Comment

During verification, internal audit working papers were not submitted for verification. This issue therefore remains unresolved.

The Internal Auditor carried out the following audits and issued four internal audit reports in 2016, two internal audit reports in 2017 and one internal audit report in 2018. There was however no management response to those internal audit reports issued to management. It was further noted that the Internal Auditor did not carry out follow-up exercises on the implementation of the internal audit recommendations. We recommend that the Audit Committee should ensure that the VC implement all internal audit recommendations on time and respond to the Internal Audit reports within the given timeframe.

Official's Response

The VC in his response said: "It is true that the past management had not been responding to queries raised by the Internal Auditor. The situation has however been extremely improved since the inauguration of the new Audit Committee. With help from especially the Chairperson of the Audit Committee, management has really been cooperative in responding to queries raised in any audit exercise carried out."

Auditor's Comment

During the verification, we still noted that management did not respond to Internal Audit reports. This issue remains unresolved.

Ineffective Management of the Budget and Budgetary Control Processes

There was no evidence submitted to the auditors indicating that the various department/units participated in the preparation of the University's budget and approved by their faculty Board for the attention of the Senate for 2016, 2017 and 2018 budgets. This is contrary to Section 20(b) of the University Act of 2005 which requires that each Board of faculty shall have the following powers and functions to approve estimates of Department for submission to the Deputy Finance Director and the Senate.

We recommend that the VC and the Budget Committee ensure that the Finance Director obtain estimate from the various Department and faculty Boards as a basis for the preparation of the overall budget of the University.

Official's Response

The VC in his response said: "The University prepares budget using the bottom-top approach to ensure that Heads of Department and Deans of Schools participate in the budgetary process in order to circumvent future misunderstanding. At the start of every budget period, the Finance Director will circularise memos inviting them to join the budgetary process via submission of their budget's requirements."

Auditor's Comment

During the verification, memo to justify that various department/units participated in the preparation of the University budget was not made available.

The University did not effectively monitor the budgets, as variance analysis reports of actual revenues and expenditures compared with budgeted revenues and expenditure was not prepared for the attention of management. We recommend that the Finance Director should prepare regular variance analysis report to assist the Budget Committee and the management to effectively monitor the budget and enhance informed decision making.

Official's Response

The VC in his response said: "These will be investigated to ascertain the reason(s) and such will be provided again for your verification for FY 2018 and 2017. We will ensure henceforth that budgets are monitored by us vehemently in order to prevent any overspending in the future."

Auditor's Comment

During verification, the variance analysis reports were not made available to justify monitoring of budget. This issue is unresolved.

It was observed that the University overspent its budget without obtaining approval from the University Court on budget lines such as group seminars, hospitality, local travel and other general expenses etc. amounting to Le1,549,686,036 in 2017 and Le1,106,551,911 in 2018.

We recommend that the VC and the Finance Director should submit all documentary explanation to justify why the excess expenditure listed in appendices 2a and 2b were incurred without prior approval

by the University Court. Otherwise, they should refund the amount in excess. Secondly, in future, the VC and the Finance Director should ensure that approval is given by the university court for overspending of budget lines; otherwise, the excess amount should be refunded to the University account.

Official's Response

The VC in responding said: "These will be investigated to ascertain the reason(s) and such will be provided again for your verification for FY 2018 and 2017. We will ensure henceforth that budgets are monitored by us vehemently in order to prevent any overspending in the future."

Auditor's Comment

During verification, documentary explanation was not provided to justify why the excess expenditure listed in appendices 2a and 2b were incurred without prior approval by the University Court. This issue is unresolved.

4.68.4. Ineffective Control over Cash and Bank Management

Bank reconciliation statements were not prepared for 13 bank accounts which had closing balances in bank statements amounting to Le357,098,481 as at 31st December 2016. Similarly, bank reconciliation statements were not prepared for 15 bank accounts which had closing bank balances amounting to Le206,699,485.52 as 31st December, 2017 and 7 bank accounts which had closing bank balances amounting to Le6,010,596,362.46 as 31st December, 2018.

We recommend that the Finance Director should prepare for each month and each account correct bank reconciliation statements for 2016, 2017 and 2018 and submit to the Auditor-General otherwise; the financial statements for the three years will be qualified.

Official's Response

The VC in his response said: "Almost all of the 13 bank accounts in 2016, 15 bank accounts in 2017 and seven bank accounts in 2018 had no movement in them as transactions are hardly directed into them. Most times, during the period of audit, these accounts are made dormant by the respective banks.

Furthermore, majority were opened purposefully for specific projects and funds remitted during the period of audit; hence, adjustments were hardly made and accepted by the team of auditors during that period. Most times, at the end of the project duration, the accounts will be made dormant by our bankers on our instructions to avoid payment of huge interest. These adjustments will be effected and made available for your inspection alongside the relevant bank reconciliation statements since they are now activated."

Auditor's Comment

During verification, bank reconciliation statements were not provided for the 13 bank accounts for 2016 and the 15 bank accounts for 2017. Bank reconciliation statements were however submitted for the seven bank accounts in 2018. This issue was partly resolved.

Discussion with the Finance Director revealed that bank accounts such as Institute of Social Sciences Administration Management (ISSAM) Account, Njala University Account and Njala University Mentor Pace and Pandova ID. Net Accounts shown on the list of accounts presented were opened in 2018 at the United Bank of Africa (UBA). Documents of accounts opening and evidence of authorisation for the opening of these accounts were however not made available.

We recommend that the VC Finance Director and the Registrar should submit written authorisation for the opening of these accounts to the Auditor-General for verification within 15 days upon receipt of the report.

Official's Response

The VC in his response said: "The total cash and cash equivalent balances reported in the financial statements via the trial balance emanate from the general ledger as the cashbook balances rather the reconciled bank balances on the bank statement especially for savings accounts. Hence, the bank statement balances are reported in the bank reconciliation statements not the financial statements. As we said earlier, these bank reconciliation statements will be prepared for all accounts mentioned that were active and not dormant ones."

Auditor's Comment

During verification, written authorisation for the opening of the three bank accounts at UBA in 2018 was not made available. This issue is unresolved.

Comparison of bank balances in the bank statements and the bank balances used in preparing the bank reconciliation statements for Njala University Main Operating Account, Njala University International School Accounts and Njala University College Account 1 revealed differences in bank balances of Le218,093,791 in 2016, Le110,159,991 in 2017 and Le512,158,613 in 2018.

We recommend that the Finance Director should provide documentary explanation for the discrepancies and reconcile the differences between the bank balances in the reconciliation statements and the bank statements for the 3 bank accounts for 2016, 2017 and 2018 and submit for audit review.

Official's Response

The VC said: "This area of the draft management report had already been explained above and your recommended advice adhered to"

Auditor's Comment

During verification, reconciliation was not made available to account for the differences in bank balances of Le218,093,79 in 2016 Le110,159,991 in 2017 and Le512,158,613 in 2018 for the three bank accounts highlighted. This issue is unresolved.

4.68.5. Inadequate Control of the General Processing of Payment Vouchers

Criteria: Section 73(1) of the Financial Management Regulations (FMR) 2007, requires that all disbursements of public monies should be supported by an appropriate payment voucher and other relevant documents. The following were observed:

Payment vouchers and their supporting documents were not submitted for audit in respect of expenditures recorded in the cashbook, amounting to Le2,369,617,470, Le689,223,600 and Le1,599,273,972 for the audits of 2016, 2017 and 2018 respectively.

We recommend that the Finance Director, the VC and the Registrar should provide the payment vouchers and supporting documents to account for the expenditures recorded in the cashbook for the three financial years; otherwise, they should refund the full amount to the University's bank account and evidence of refund submitted to the Auditor-General for verification.

Official's Response

The VC in his response said: "Payment vouchers and the relevant supporting documents will be made readily available for your inspection regarding expenditure recorded in the cashbooks".

Auditor's Comment

During verification we noted from the 2016 expenditure of Le2,369,617,470 that payment vouchers and supporting documents amounting to Le273,620,000 were submitted leaving a difference of Le2,095,997,470. Similarly, out of Le689,223,600 missing payment vouchers and supporting documents for 2017, payment vouchers and supporting document totalling Le90,540,000 were submitted leaving a difference of Le598,683,600. In addition, out of Le1,599,273,972 missing payment vouchers and supporting documents for 2018, payment vouchers and supporting document totalling

Le894,668,625 were submitted leaving a difference of Le704,605,348. Therefore, the issues are partly unresolved.

Expenditure totalling Le3,117,203,723, Le3,189,873,355 and Le2,968,378,334 were without adequate supporting documents such as requests, receipts, invoices, delivery notes, etc. for the years 2016, 2017 and 2018 respectively. We recommend that the Finance Director, the VC and the Registrar should ensure that the missing supporting documents are submitted to fully account for these otherwise, the amount in question should be refunded.

Official's Response

The VC in his response said: "The relevant supporting documents will also be made available for your verification for the scheduled payments in the draft management report. Henceforth, we have adopted robust practice regarding these areas and properly adequate records as listed in the draft management report are now kept in their respective files."

Auditor's Comment

During verification we noted that, out of the Le3,117,203,723 for which adequate documents were not submitted, additional supporting documents amounting to Le1,091,637,500 were submitted for 2016 leaving a difference of Le2,025,566,223. Similarly, out of Le3,189,873,355 missing supporting documents, additional supporting amounting to Le477,138,175 were submitted for 2017, leaving a difference of Le2,712,735,180. Finally, out of Le2,968,378,334 missing supporting documents, additional supporting documents amounting to Le1,497,189,122 were submitted for 2018 leaving a difference of Le1,471,189,212. Therefore, this issue is partly unresolved.

4.68.6. Withholding Taxes not Deducted and Paid to the NRA

Withholding taxes totalling Le99,854,482, Le64,354,851 and Le76,328,573 for goods and services procured were not deducted and paid to the NRA for the years ended 31st December 2016, 2017 and 2018 respectively.

We recommend that the Finance Director and the VC should recover the total amount of Le99,854,482, Le64,354,851 and Le76,328,573 for 2016, 2017 and 2018 respectively from the payees and pay them over to the NRA. The NRA receipts should be submitted to the ASSL for verification.

Official's Response

The VC in his response said: "Except for few payment requests and vouchers which are not listed in this reply due to lack of the luxury of time on our part were affected by non-tax deductions inadvertently. In usual cases, withholding taxes are always deducted from suppliers' payment before adding the relevant amount of Goods and Services Taxes (GST) if the supplier is GST registered."

The only snag here regarding withholding tax is the timely remittance to the NRA. This practice is not deliberate as funds are most times not readily available enough to effect such payments on time. Those for which payments have been effected to the National Revenue Authority (NRA) are available for your verification.

To sum, we are on the verge of completing payments to the NRA as we have been paying the arrears of this tax to the NRA in tranches as funds are available at our disposal for use.

Again, frantic effort had been made to recover from suppliers all withholding taxes not deducted previously at source from invoices that qualify via written correspondences to those suppliers. Rest assured; we will definitely recover all taxes not deducted from suppliers' invoices."

Auditor's Comment

During verification, there was no NRA receipt to show that the withholding taxes that were not deducted and paid to the NRA amounting to Le99,854,482, Le64,354,851 and Le76,328,573 for 2016, 2017 and 2018 respectively had been recovered and paid to the NRA. Therefore, this issue remains unresolved.

Withholding taxes amounting to Le30,916,950.25, Le41,649,737.50 and Le14,031,674.25 for the years 2016, 2017 and 2018 respectively were deducted at source from payments made to suppliers/contractors for goods, works and services but, the amounts were not paid over to the NRA. We recommend that the VC and the Finance Director should ensure that the total amount of Le30,916,950, Le41,649,737 and Le14,031,674 for the years 2016, 2017 and 2018 respectively are paid to the NRA and receipt of payments forwarded to the ASSL for verification.

Auditor's Comment

During verification, NRA receipt was submitted to confirm that out of Le86,598,362 withholding taxes that were deducted but not paid to the NRA, the University has paid Le47,506,250 leaving a difference of Le39,092,112 unpaid. A schedule was however not attached to the NRA receipt to provide clear details of the amount paid. Therefore, this issue is partly unresolved.

4.68.7. Non-reconciliation of Revenue Records

The following issues were identified:

Review of the financial statements and bank statements revealed the following differences. The sum of Le17,977,528,132 was reported in the Financial Statements for 2017 as students' fees, while a total of Le16,383,172,199 was recorded in the bank statements for the same year. This resulted in a difference of Le1,594,355,933. Similarly, a total of Le21,090,376,206 was reported as students' fees in the Financial Statements for 2018; while Le16,355,459,752 was recorded in the bank statements for the same year, leaving a difference of Le4,734,916,454. The University did not provide sufficient evidence to support why these differences in total students' fees were not recorded in the bank statements.

We recommend that the Finance Director should investigate and reconcile the discrepancies in students' fees reported in the financial statements and the amounts recorded in the bank statements. He should also revise the financial statements to reflect the correct amount for 2017 and 2018, and submit to the ASSL for verification.

Official's Response

The VC in his response said: "Students' fees disclosed in the FS should always outweigh the fees on the bank statements for obvious reasons such as; fees from GOSL in favour of students who benefit from the Sierra Leone Grant-In-Aid and tuition fees waivers also granted to staff are not paid into the fees account rather in the Holdings Account and the latter is in the form of benefits in kind to staff towards their personal development and capacity building. The necessary journal entries that explain the differences will be made available."

Auditor's Comment

During verification, schedule for students on SLG was made available. There was however no schedule for the amount of tuition fee waiver granted to staff of the University in 2017 and 2018. This issue is partly resolved.

It was observed that out of the total revenue collected from the Guest House and the Animal Production Division, amounts of Le119,164,450 and Le16,704,500 respectively were not deposited into the bank in 2017. In a similar instance, amounts of Le208,759,000 and Le91,574,100 were not deposited into the bank for revenue collected from the Guest House and Animal Production Division respectively in 2018. These fees were put into immediate use which is contrary to Section 44(1) of the Financial Management Regulations of 2007.

We recommend that the Finance Director, the Guest House Manager and the Head of the Animal Production Division should provide written explanation to justify why these amounts were not deposited into the University's bank accounts.

Official's Response

The VC in his response said: "The University Guest House situated on Njala Campus operates as a self-financing unit independent of the main or general operations of the University. Income derived from sale of services provided by this guest house is normally lodged into the Guest House Account at the SLCB. Due to the bureaucracy and other financial procedures and protocols, especially when the signatories are out of campus and there arises urgent and money demanding activities in the guest house management; cash collected by the Guest House Manager is used in providing services to guests and records maintained accordingly. This is also a self-financing unit, as such, the above explanation in respect of the Guest House holds same for this unit. We will ensure to apply the rules proffered by you stringently thereof."

Auditor's Comment

During verification, no evidence was provided to confirm that the Guest House management had started depositing all revenue collected into the bank before use.

Comparison of students' fees register maintained by the Secretariat and the financial statements revealed discrepancies between the two documents. Total students' fees recorded in the student register was Le576,593,140 and the amount reported in the financial statements is Le917,183,928 leaving a difference of Le340,600,788 for 2017. Similarly, total students' fees recorded in the students' fees register was Le1,336,613,275 and the amount reported in the financial statements was Le917,193,928 leaving a difference of Le419,419,347 for 2018.

We recommend that the Finance Director should investigate the reasons for the discrepancies between the two documents and take the necessary corrective action to reflect accurate and complete balances in the 2017 and 2018 financial statements. In addition, the documentary evidence of the investigations including the corrective action and adjustment in the financial statements should be made available to the ASSL.

Official's Response

The VC in his response said: "The FD had mounted an immediate investigation to curb this inconsistency in the two sets of reported books of account and the appropriate journal entry will be made to correct the differences that existed in the accounts for 2016 and 2017 respectively."

Auditor's Comment

During the verification, no evidence of journal entry was done to correct the differences between the student fees register and the financial statements for the Secretariat. This issue remains unresolved.

A special investigation report revealed that 73 application forms with amounts totalling Le18,350,000 were given to students without making immediate payments. It was concluded that the former Deputy Registrar accepted the responsibility to pay the sum of Le18,350,000 in respect of the forms given to these students., there was however no evidence to confirm he had paid the amounts and he was no longer working at the University. We recommend that the VC and the Finance Director should ensure that the amount is recovered from his post employment benefit; otherwise, the VC should pursue the matter for the University Court and take necessary action to recover the Le18,350,000 from the former Deputy Registrar.

The investigation report stated that "necessary action was taken against three employees to account for 91 postgraduate application forms with a total value of Le27,300,000". There was neither any evidence to indicate that necessary action was taken against the of the three employees nor indications that the matter had been appropriately resolved. We recommend that the Finance Director and the VC should enforce the necessary action to ensure that the Le27,300,000 is recovered from the three employees.

4.68.8. Inadequate Control of the Management and Security of Fixed Assets

It was observed that a fixed Assets register was not maintained for the administrative building at Towama Campus in Bo. Physical verification of assets at the Secretariat building also revealed that assets maintained in the Finance Director's office, Academic Affairs office and the Students Affairs office were not included in the assets register. We recommend that the Director of Physical Plant Services should ensure that the assets registers are comprehensive and properly maintained to record all assets of the University located at Bo Towama Campus and at the University Secretariat. These updated assets registers should be made available to the ASSL for verification.

It was also noted that there were no lists of inventories pasted at each office within the Secretariat Building and the Towama Campus in Bo to display all assets within each office. We recommend that the Director of Physical Plants Services should ensure that lists of assets within each office in the Secretariat and Bo Towama campus are displayed for ease of identification and monitoring.

Physical verification of generators at the Secretariat, the Njala Campus and the Bo Towama Campus revealed that the University had six generators which were faulty and needed urgent repairs. In addition, it was observed that the 110KVA Perkins standby generator for water supply in the Njala Campus was not functioning and needed repairs.

We recommend that the VC, DVC and the Director of Physical Plant Services should ensure that the generators are repaired and put forward for disposal through the legal procedures.

Official's Response

The VC in his response said: "The Physical Plants Services Director had obtained professional clearance from the Ministry of Transport and Aviation regarding this matter. In addition, he has also engaged the VC regarding which appropriate action to take on either their disposal or repairs were applicable."

Auditor's Comment

During verification, a letter written to the Chairman of the National Assets Commission and Government for permission to be granted for the disposal of the faulty generators was made available but these generators were not yet disposed. In addition, the 110KVA Perkins standby generator for water supply in the Njala Campus have been repaired. This issue is partly resolved.

It was observed that there was inadequate water supply throughout the Secretariat and Njala Campus during the time of the audit. Physical verification revealed that out of the 3 heavy duty submersible intake pumps there was only one functioning effectively. The remaining two submersive pumps were faulty and one other lifting pump was similarly faulty.

We recommend that the VC and the Director of Physical Plant Services should liaise with other stakeholders to ensure that the two faulty submersible intake pumps and the one lifting pump are repaired or replaced to enhance effective supply of water in the University.

Official's Response

The VC in his response said: "SALWACO has been contacted and they made series of needs assessments in an effort to curb this menace. When achieved, the problem of water supply will definitely be a thing of the past."

Auditor's Comment

During verification, it was observed that the two faulty submersible intake pumps and the one lifting pump were not yet repaired or replaced. It was however further observed that the University had been supported by the Ministry of Water Resources with four boreholes for the Njala Campus and Secretariat.

4.68.9. No document to Justify Ownership of Freehold Lands

Review of land document revealed that the University had two freehold lands 45.8 acres situated at the Bo Campus in Kowama and two town lots situated at Henry Street, in Freetown. Documents such as title deed/conveyances were however not made available to justify ownership of these freehold lands.

We recommend that the Director of Physical Plant Services in collaboration with other stakeholders should ensure that the title deeds/conveyances for the 45.8 acres of land in Bo Campus (Kowama) and two town lots at Henry Street, Freetown are acquired and securely kept for future reference.

Official's Response

The VC in his response said: "The two-town lot at Henry Street was given to Njala University after the sharing of property between the University of Sierra Leone and Njala University. The conveyance/survey plan for the 45.8 acres of land at Bo Campus-Kowama location cannot be located now but more effort is being made to find it. In the event that it could not be found then a re-survey of the land can be immediately instituted."

Auditor's Comment

During the verification, the title deeds/conveyances for the 45.8 acres of land in Bo Campus (Kowama) and piece of land at Henry Street, Freetown were not made available. This issue is unresolved.

4.68.10. Misapplication of PAYE Tax Rate

A review of the University's payroll vouchers revealed that the PAYE tax rate in the 2016 Finance Act was not applied in computing PAYE for 2016, 2017 and 2018. It was observed that 30% was used as the higher tax threshold when they should have used 35% in computing the PAYE as stated in the Finance Act 2016. As a result, the figures for PAYE of Le32,247,344,692, Le32,247,344,692 and Le42,425,422,014 reported as payables in the financial statements for 2016, 2017 and 2018 respectively were incorrect. It was further observed that some employees' salaries were over-taxed while some other employees' salaries were under-taxed.

We recommend that the VC and the Finance Director should ensure that the tax rate in the 2016 Finance Act is correctly applied for the three years under review and the financial statements revised to include the correct salaries and wages and PAYE figures. Secondly, the VC and the Finance Director should collaborate with the NRA to ensure that fair taxes are deducted from employees' salaries and any over or under deductions made during the three years under audit are appropriately resolved. The actions taken should be forwarded to the Auditor-General.

Official's Response

The reason for the application of the wrong tax rates in the payroll for the years 2016, 2017 and 2018 was partly due to the early non-provision of the Act to us by the NRA. Henceforth, we will collaborate with the NRA regarding this area when new Acts are released upon repealed of the existing ones. In addition, we will also attempt to apply the appropriate tax rates retrospectively as we had been applying the correct tax rates since that time.

Auditor's Comment

Review of the revised financial statements revealed that the PAYE figures have been restated and disclosed as Le31,119,074,746 Le32,116,833,981 and Le34,566,834,659 for 2016, 2017 and 2018 respectively.

4.68.11. Unpaid NASSIT

A review of payroll documents revealed outstanding NASSIT (employees' and employer's) contributions for the three years under review amounting to Le4,414,335,966.38.

We recommend that the VC and Finance Director should ensure that the NASSIT contribution arrears for employees are paid to NASSIT or a payment plan is made between the University and NASSIT to clear this backlog. Documentary and receipt evidence should be forwarded to the Auditor-General.

Official's Response

The VC in his response said: "NASSIT and the University have had an arrangement and payment plan agreed upon in a subtle pattern that satisfies both parties. We have since in September 2018 commenced settlement of the arrears of the bill in tranches and follows the same pattern until the last amount is paid as agreed upon by the Trust."

Auditor's Comment

An agreement was submitted to the team to confirm that the University and NASSIT have a settlement plan. The NASSIT payment of Le4,414,335,966 is still outstanding.

4.68.12. Award of Contract Beyond the Age of Retirement

Seven personnel who had exceeded the age of 60 years were awarded contracts without documentary evidence. We recommend that the Vice Chancellor & Principal, Registrar and Human Resources Manager should provide explanations backed by documentary evidence for awarding contracts to staff who had exceeded the retirement age.

Official's Response

The VC in his response said: "Amongst the seven personnel, only Professor Baimba was without medical certificate. He has however been contacted to submit same to the Human Resources Management Office. Dr. A. B. Rashid-Noah's extension did not exceed five times. In view of his expertise, he was appointed Associate Lecturer after extension of service on different condition. The Services of Mr. John B. Coker were extended three times. In view of his expertise and dire need he was appointed Associate Lecturer in 2019 on different conditions."

Auditor's Comment

Our recommendation was not implemented. This issue remains unresolved.

4.68.13. Lack of Adequate Documentation

A review of the Secretariat cashbook revealed that out of the total leave allowances paid to employees in 2017 and 2018, Le9,893,640,796 and Le7,733,488,643 respectively were without supporting documents to show the computations of these amounts and the list of staff to whom these payments were made. We recommend that the VC and Finance Director should ensure that all supporting documents relating to the payment of these leave allowances are submitted to the ASSL.

Official's Response

The VC in his response said: "Supporting documents showing the computations of annual leave allowances paid to staff of the University in the selected years are available for your verification to confirm your assertions regarding this area. Supporting documents confirming computations of ex-gratia paid to retired and deceased colleague members of staff, list of beneficiaries acknowledging receipts are available for your verification."

Auditor's Comment

Some supporting documents in respect of leave allowances paid were provided and verified, leaving a balance of Le1,820,882,268 without supporting documents. This issue has been partly resolved.

(ii) Review of the cashbook in respect of the Secretariat and Bo Campus revealed that wages amounting to Le343,565,500, Le699,321,080 and Le22,000,000 were paid to casual workers for the 2016, 2017 and 2018 financial years respectively. Documentation such as payment vouchers, salary vouchers, time sheet, beneficiaries/recipients list acknowledging payments, etc. were not made available for audit. We recommend that the VC and Finance Director should ensure that the payment vouchers, beneficiaries/recipients list, time sheet etc. are provided for inspection; otherwise, the total amount is refunded into the University account.

Official's Response

The VC in his response said: "Supporting documents showing the computations of annual leave allowances paid to staff of the University in the selected years are available for your verification to confirm your assertions regarding this area."

Supporting documents confirming computations of ex-gratia paid to retired and deceased colleague members of staff, list of beneficiaries acknowledging receipts are available for your verification.”

Auditor’s Comment

Some supporting documents in respect of wages to casual workers were provided and verified leaving balances of Le343,565,500 for 2016, Le419,444,500 for 2017 and Le22,000,000 for 2018 without supporting documents.

(iii) Review of the Njala Campus cashbook and bank transfer advice for 2018 revealed that the total sum of Le5,087,712,994 was paid as salaries to various staff. The list of staff that were paid salaries was however not attached to the bank transfer advice. We recommend that the Deputy Vice Chancellor should ensure that the Acting Senior Assistant Finance Officer submit the signed salary vouchers, bank account details and other relevant supporting documents to account for the Le5,087,712,994; otherwise, the total amount should be refunded into the University account.

Auditor’s Comment

Management did not respond. Some supporting documents in respect of salaries were however provided and verified leaving a balance of Le2,653,121,303 without supporting documents. This issue has been partly resolved.

4.68.14. Physical Verification of Staff

Physical verification of staff observed that seven staff were not seen and verified and there were no tangible reasons for their absence. The total salaries to these staff for the three years amounted to Le340,380,827.

We recommend that the VC and the Human Resources Manager should ensure that the 28 unverified staff make themselves available for verification and come along with all their relevant employment documents; otherwise, the total salaries paid to them for the three years must be refunded to the consolidated fund.

Official’s Response

The VC in his response said: “Staff who did not avail themselves during physical verification left together with the VC upon termination of his contract in 2018 as they worked directly with him as cooks and cleaner.”

Auditor’s Comment

Five staff had been removed from the University payroll. Evidence was provided for one who was sick. Another staff was however not available for physical verification. This issue has therefore been partly resolved.

A review of study leave list revealed that four personnel had overstayed their study leave period. We recommend that the VC and the Finance Director should provide explanation backed by documentary evidence for the personnel that have overstayed their study leave granted to them.

Official’s Response

The VC said: “Except for Rosetta Kpenge who is still working with the University attached in the Domestic Bursary on transfer as Head Cook from the VC’s house, Joseph Musa was involved in a terrible accident and was hospitalised at the time of the audit. Joseph Ernest passed away prior to the audit and Sr. Angella Karimu was on suspension and later got terminated.”

Auditor’s Comment

One staff that overstayed her study leave has been removed from the University payroll. No evidence was provided to confirm the actions taken in respect of the three remaining staff who had overstayed their study leave. This issue was partly resolved.

4.68.15.Ex-gratia/Retirement Benefits not Paid

From the review of the terminal benefits schedule, it was observed that end of service benefits was not paid on time to beneficiaries. Terminal benefits were not paid to staff whose services ended with the University since 2013 and there was no mechanism/plan provided as to how the University was planning to settle these liabilities. We recommend that the VC in collaboration with the Finance Director and Human Resources Manager should ensure that a mechanism is instituted to ensure that terminal benefits due staff are paid within a reasonable period following retirement, resignation etc. In addition, all outstanding terminal benefits are paid to staff whose services ended with the University due to retirement, resignation etc.

Auditor's Comment

Payment vouchers and supporting documents in respect of payments made for 2013 ex-gratia/end of service benefit were submitted during the verification. Ex-gratia/end of service benefits were still owed for 2014 to 2018. This issue was partly unresolved.

(ii) The outstanding terminal benefits were not recognised as payable in the 2016, 2017 and 2018 financial statements. The terminal benefit due to staff from 2013 to 2017 as per terminal benefit schedule provided amounted to Le10,155,236,639. In addition, the schedule for 2018 Ex-gratia/end of service benefit was not made available for inspection. We recommend that the Finance Director should ensure that all outstanding retirement benefits are recognised and disclosed in the financial statements. In addition, the schedule for the 2018 end of service benefit is made available to the ASSL for verification.

Auditor's Comment

During verification, the ex-gratia/end of service benefit schedules for 2018 were submitted during the verification. The total unpaid ex-gratia/end of service benefit for 2014-2018 amounted to Le14,050,156,434. Furthermore, the outstanding ex-gratia/end of service benefit was not recognised and disclosed in the revised financial statements.

4.68.16.Ineffective ICT Control Environment

(i) It was observed that there was no licensed anti-virus for the University computers and servers.

We recommend that the VC and the ICT Director should ensure that an appropriate licensed anti-virus is installed on the computers and servers owned and controlled by the University.

Official's Response

The VC in his response said: "The Director has formally requested the procurement of a corporate anti-virus software. The procurement is pending on availability of funds. The purchase and installation of anti-virus software is mandatory for all new computers and laptop purchase."

Auditor's Comment

There was no evidence of licensed antivirus for the University's computers. This issue remains unresolved.

(ii) It was observed that the University lacked adequate ICT equipment such as computers, printers etc. to carry out official task. During physical verification of assets, it was observed that staff in key department such as the Internal Audit Department were using private laptop computers to carry out official duties. We recommend that the VC and the ICT Director in collaboration with other stakeholders should ensure that office equipment such as computers, printers etc. are provided for the University offices to ensure that they carry out their normal office duties.

Official's Response

The VC in his response said: "Requirements for the purchase of ICT equipment by various department was prepared and submitted to the Procurement Unit. Due to funding constraints, most department did not have computers. The VC and the ICT Director were working on an initiative to purchase computers in bulk to minimise the short of computers."

Auditor's Comment

The University was still challenged with ICT equipment such as computers, printers etc. The issue remains the same.

4.68.17. General Observation

Drugs were not adequate in the Njala Health Centre to cater for the patients that visited the centre. Furthermore, the laboratory at the Njala Health Center was not fully equipped with test kits to carry out medical tests.

The incinerator used to burn medical waste in the Njala Medical Centre was not functioning and needed repairs.

The water purification machine was faulty. The water in the reservoir was brownish in colour, which indicates that the water was not pure for human consumption.

The toilet facilities in the Blocks A at both Kowama and Towama Campuses in Bo were not in a decent state as the toilet walls were stained with flits and the toilet seats had no covers.

The library facility in Bo Towama Campus lacked the required essential facilities like chairs, desks, shelves, spaces and personnel as there are only two staff to manage the library facility.

We recommend the following:

- The VC and the Medical Officer in collaboration with other stakeholders should ensure that the necessary drugs and test kits are provided at the Health Centre and evidence of delivery submitted to the ASSL.
- The VC, the DVC and the Medical Officer in collaboration with other stakeholders should ensure that plans and efforts are put in place for the repair of the incinerator to enhance effective waste management within the campus.
- The VC and the Director of Physical Plant Services should ensure that repairs should be done on the water purification machine and/or acquire new purification machine to facilitate the effective supply of quality water to the Secretariat and the Njala Campus.
- The DVC and the Estate Officer in Bo, in collaboration with other stakeholders should ensure that the toilet facilities at both campuses are renovated. Secondly, they should ensure that regular cleaning of the toilet environment and effective monitoring mechanisms are carried out to keep the toilet decent.
- The DVC should ensure that the essential library facilities such as chairs, desks, shelves, space and additional personnel were provided for the Library Unit.

Auditor's Comment

Our recommendations were not implemented. Therefore, the issues remain unresolved.

4.68.18. Compliance Audit

Procurement Irregularities

There was no evidence to confirm that procurement plans were approved as the hard copies were not provided.

We recommend that the Procurement Officer should ensure that procurement plans are prepared and approved by the Committee before procurement activities are undertaken.

Review of procurement documents submitted revealed that Request for Quotation (RFQ) method of procurement was used instead of the National Competitive bidding method for the procurement of goods and services amounted to Le177,158,850 in 2016, Le492,524,300 in 2017 and Le644,951,000 in 2018. The value of each of these procurement activities exceeded the RFQ threshold in the First Schedule of the Act. which simply means the Procurement Committee must have used the NCB method as the suitable and appropriate method for the procurement of these goods and services. This contravenes Section 44 of the Public Procurement Act of 2016. In addition, procurement documents revealed that procurement activities were divided by the University into small amounts to avoid using the NCB method as the appropriate method stipulated in the first schedule of the Act. As a result, procurement activities totalling Le70,778,750 in March 2017 and Le221,982,000 in October and November 2018 were done using the RFQ method to award contracts. We recommend the following:

The VC and Procurement Officer should provide explanations backed by documentary evidence for the non-compliance with procurement laws and regulations.

The VC and the Procurement Officer should ensure that in future procurement procedures are followed for all activities based on the thresholds highlighted in the First Schedule of the Procurement Act of 2018 to obtain value for money in public expenditure.

The VC and the Procurement Officer should provide written explanation why they decided to divide the procurement activities in order to avoid national competitive bidding.

Official's Response

The VC said: "During this period, the University experienced several industrial actions which prevented us from advertising for examination materials for first and second semester exams as time tables were already out. It was on this pretext that we applied for a waiver to the National Public Procurement Authority (NPPA) to procure examination materials via Restrictive Bidding Methods (RBM) and it was granted."

Auditor's Comment

During verification, the approvals from NPPA for the procurement of goods and services using the Restrictive Bidding Method (RBM) for 2016, 2017 and 2018 were not submitted. This issue remains unresolved. In addition, there was no written explanation and supporting documents to justify why the University decided to divide the procurement activities in order to avoid national competitive bidding. This issue remains unresolved.

It was observed that the University adopted the restrictive bidding method to procure stationery amounting to Le137,173,000. The contract was awarded to Ishmarie Enterprise without soliciting bids from other suppliers in 2017. This contravenes Section 42(1) of the Procurement Act of 2016 which states that "When restricted bidding is employed on the grounds referred to in paragraph (b) of Section 41, the procuring entity shall solicit bids from a minimum number of five bidders, if possible" as the procurement process was conducted with one supplier. We recommend that the VC and the Procurement Officer should ensure that in future, procurement procedures are observed for all activities undertaken with the use of restrictive bidding process that is in line with Section 42(1) of the Procurement Act of 2016.

Official's Response

The situation that necessitated this was the continuous industrial action which prevented us from using the preferred method. We obtained a waiver from the NPPA to undertake the procurement using RBM and bids were solicited from five suppliers.

Auditor's Comment

During verification, request for quotations from five suppliers were submitted for verification. This issue has been resolved.

4.68.19. Evaluation Report not Prepared

Review of procurement documents revealed that procurement contracts were awarded by the University to various suppliers for goods and services amounting to Le1,331,995,500 in 2016, Le672,861,500 in 2017 and Le970,988,750 in 2018. The Evaluation Committee reports to confirm whether evaluation was done and recommendations made to the Procurement Committee for the award of contracts to suppliers/contractors were however not provided for audit. We recommend that the VC and the Procurement Officer should ensure that the Procurement Committee evaluate and recommend the best responsive and successful suppliers/contractors before contracts are awarded.

Official's Response

The VC in his response said: "Evaluation reports were prepared for most high value procurements undertaken during the period under review. Evaluation reports were however not prepared for some minor procurements. The available reports are ready for your inspection."

Auditor's Comment

During the verification, evaluation reports was submitted for procurements amounting to Le468,245,500 for 2016 leaving a difference of Le863,750,000, Le667,044,500 for 2017 leaving a difference of Le5,817,000 and Le899,589,500 for 2018 leaving a difference of Le71,399,250. These issues are partly unresolved.

4.68.20.Quotations were not Made to Suppliers for Goods/Services

A review of procurement documents revealed that three written requests for quotations were not made to suppliers for goods/services amounting to Le164,986,100 in 2016, Le168,295,000 in 2017 and Le239,320,750 in 2018 which, was contrary to Section 45(1) of the Public Procurement Act of 2016. The prices paid may not be competitive and the University may not achieve the best value for money. We recommend that the Procurement Officer should provide reasonable explanations and documentary evidence to justify the basis upon which the contracts were evaluated and awarded without RFQs from competitive bidders submitted. The PO should ensure that three requests for quotation are obtained from at least three suppliers /contractors.

Official's Response

The VC in his response said: "Some of the missing requests for quotations have been found and they are available for your attention".

Auditor's Comment

During verification, we noted that out of Le164,986,100 worth of procurement activities undertaken in 2016, three requests for quotation were submitted for Le52,012,000 leaving a difference of Le112,974,100. Similarly, out of Le168,295,000 worth of procurement activities undertaken in 2017 three requests for quotation were submitted for Le129,158,000 in 2017 leaving a difference of Le39,137,000.

In addition, out of Le239,320,750 procurement activities undertaken in 2018, three requests for quotation were submitted for Le189,593,000, leaving a difference of Le49,727,750. Therefore, the issue is partly resolved.

4.68.21. Payments without Required Documents

Procurement activities undertaken in 2017 by the University worth Le212,867,000 was not supported with original invoices as required under Section 138(1) of the Procurement Regulations 2006. We recommend that the Procurement Officer should provide the original invoices for the payments

in respect of the goods/services procured in compliance with Section 138 (1) of the Procurement Regulations 2006; the VC and the Procurement Officer should ensure that all required documents are obtained and available before payments to the suppliers/contractors are recommended.

Official's Response

The VC in his response said: "The invoices for SLL26,306,000 and SLL 126,159,000 are available for your perusal."

Auditor's Comment

During verification, out of a total of Le212,867,000 worth of procurement activities undertaken by the University, original invoices totalling Le191,145,000 was submitted and verified leaving a difference of Le21,722,000. Therefore, this issue is partly unresolved.

4.68.22. Assistance in the Preparation of a Contract

Although the University entered into contracts with different contractors/suppliers, there was no written evidence that these contracts were forwarded to the Law Officers Department for their assistance before they were signed. We recommend that the VC should explain in writing why they did not seek assistance from the Law Officers Department in preparing the contracts before signing them. In addition, the Procurement Officer should ensure that contracts are prepared in accordance with Section 122 of the Public Procurement Regulations of 2006 and this agreement should be signed and dated by both parties and their respective witnesses.

Official's Response

The VC in his response said: "Our contracts are reviewed by Betts and Berewa our legal retainers. This was underscored by undue delays we experienced with the Law Officers Department and some of the contracts are time bound."

Auditor's Comment

During verification, evidence to confirm that contracts were forwarded to the Law Officers Department for their assistance before they were signed was not submitted. Therefore, this issue is unresolved.

4.68.23. Unavailability of Purchase Requisition

Purchase requisitions were not attached to Local Purchase Order for procurement of stationery awarded to Sheruk Enterprise for the sum of Le95,469,100 in 2016. This was contrary to Section 32(1) of the Public Procurement Regulations of 2006. We recommend that the Procurement Officer should ensure that the purchase requisition for the contract awarded to Sheruk Enterprise in 2016 should be submitted to the Audit team within 15 days upon receipt of this report.

Official's Response

The VC in his response said: "The purchase requisitions were submitted for 2016".

Auditor's Comment

During the verification, purchase requisitions were not submitted. This issue is therefore unresolved.

4.69. EASTERN POLYTECHNIC – 2019

4.69.1. Fixed Assets Register not Maintained

A fixed assets register was not maintained and updated with the non-current assets disclosed in the financial statements. It was recommended that the Finance Officer should ensure that a fixed assets register is maintained and available for inspection.

Official's Response

The Principal said: "The fixed assets register is now available for your verification".

Auditor's Comments

The fixed assets register which was made available for review was not updated and could not be reconciled with the non-current assets disclosed in the financial statements.

Value of Land Misstated

As noted in the FY 2018 audit, it was reported that the basis for unbundling land and buildings was not disclosed in the FY 2019 financial statements. Moreover, in confirming the correctness of the restated comparatives, it was ascertained that the restated comparative for land was in excess to the tune of Le330,000,000. We recommend that the Finance Officer should disclose the basis for unbundling (splitting) land and buildings.

Official's Response

The Principal in his response said: "The College administration has engaged relevant stakeholders to have the land valued by professional valuator. It is hoped that the valuation exercise will be completed by the end of 2020."

Auditor's Comment

The finding has not been resolved as no valuations were done. The issue therefore remains unresolved.

4.69.2. Revenue and Payroll Costs

Since July, some personnel expenses of the Eastern Polytechnic were paid directly to staff by the Ministry of Finance. The total of Le5, 673,567,073 was paid by the Ministry of Finance but was neither recognised nor disclosed in the financial statements, as required by IAS 20) Accounting for Government Grant and Government Assistance) resulting in an understatement of salary and revenue in the subvention. We recommend that the Finance Officer should effect the necessary entries as in IAS 20 (Accounting for Government Grants and Government Assistance).

Official's Response

The Principal said that the recommendation had been effected with adjustments to the financial statement.

Auditor's Comment

No adjustment was made to the financial statements. The issue therefore remains unresolved.

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MAIN POINT

What We Examined

For two consecutive years, we have carried out risk-based compliance risk-based compliance standalone compliance audits, and in some instances financial audits, on Ministries, Departments and Agencies (MDAs). This is in fulfillment of the Auditor General's mandates, as stated in Section 119 (2) of the 1991 Constitution of Sierra Leone and Section 11(1&2) of the Audit Service Act of 2014.

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 of the selected MDAs.

Why It Is Important

The legislative arm of government is mandated to pass yearly budget into law. These statutory functions now authorised the executives to collect revenue and make expenditure as approved by an Act of Parliament. MDAs are therefore required to comply with those statutory instructions in the Act of Parliament as a breach will have an adverse effect on the integrity of government and also negatively impact the confidence of stakeholders; especially civil society and donors.

What We Found

Very little had been done to ensuring that MDAs act on our audit recommendations. We still continue to observed the same recurring issues in our audit of MDAs during 2019. Our review revealed that total cash losses amounted to Le65.5 billion.

These cash losses which cut across MDAs were mainly attributable to the following:

- Payroll irregularities
- Payments without supporting documents
- Unapproved payments
- Unrecovered funds
- Imprest not retired
- Irregularities in accounting for revenue
- Stores and assets management irregularities
- Withholding taxes not paid over to the National Revenue Authority
- Fuel not brought to account
- Irregularities in procurement activities leading to losses

The main composition and analysis of this losses are summarised in **Table 5.1** below:

Table 5.1	
Ministries, Department & Agencies	
Detail	Amount
	Le
Payroll Irregularities	6,066,989,608.96
Payment without supporting documents	47,490,944,857.35
Imprest not Retired	3,939,575,735.00
Unrecovered funds	271,120,451.10
Irregularities in Accounting for Revenue	26,856,150.00
Stores and Assets Management irregularities	3,293,799,835.00
Fuel Not brought to Account	3,448,365,320.00
Withholding taxes not paid over to NRA	520,030,103.00
Irregularities in Procurement Activities	457,459,528.00
Total	65,515,141,588.41

We additionally continue to observed material breach in the procurement laws and regulations. Of grave concern is the aspect of procurement splitting. MDAs were deliberately splitting procurement activities into smaller portions, use the Request for Quotations method instead of the National Competitive Bidding. All these were geared towards avoiding competition in the procurement process which would have given a greater value for money.

5.1. MINISTRY OF FINANCE - 2019

5.1.1. Salaries Paid to Staff of the Ministry without Documentary Evidence

We observed that 50 staff were on the payroll of the Ministry. Total salaries of Le2,470,202,760 were paid to them without evidence of appointment letters and, or transfer letters to confirm their eligibility as staff. We therefore recommended that the Deputy Financial Secretary, Administration, should ensure that the relevant documentary evidence to justify the salaries paid to them are submitted for verification.

Official's Response

The Deputy Financial Secretary, Administration stated in his response that, supporting documents such as appointment and or transfer letters were available for verification.

Auditor's Comment

Evidence were submitted to the auditors. There are 27 staff still on the payroll with salaries to the tune of Le1,252,822,596 in 2019 without documentary evidence. Therefore, the issue is partly resolved.

5.1.2. Staff Salary Increment and Arrears without Documentary Evidence

Upon observation of the payroll, it was discovered that a total of Le Le1,741,523,684 was indicated an increase on certain staff salaries, there was however no evidence to justify the reasons for the said increases. In addition, salary arrears were paid to staff and consultants of the Ministry which totalled Le890,468,018 and Le 230,591,459 respectively. We however noted that for both payments, amendment forms which should be part of the payment process were not provided to support the said payments. We therefore recommend that the Deputy Financial Secretary in charge of Administration should provide documentary evidence to justify the salary increment and the amendment forms in respect of salary arrears.

Official's Response

The Deputy Financial Secretary, Administration stated that the relevant supporting documents were available for verification.

Auditor's Comment

Evidence were submitted. The recommended documentary evidence was however not provided for outstanding total monthly increase of Le78,235,634 on certain employees' basic salaries and salary arrears of Le183,822,803 and Le155,874,178 respectively for the period under review. Therefore, the issue partly resolved.

5.1.3. Employees in the Ministry Receiving salaries but not in the Updated Staff List

We compared the names of employees in the Ministry's staff list with the names on monthly payrolls in 2019. We observed that the names of 63 employees were seen in the payroll vouchers who received salaries and other allowances (net pay) totalling Le4,757,240,782 but these names were not on the staff list provided by the Ministry. We therefore recommended that the Deputy Financial Secretary of Administration, in collaboration with the Human Resources Management Office, should explain circumstances for the additions and all the relevant documents validating the reasons should be submitted to the Audit Service for verification.

Official's Response

The Deputy Financial Secretary, Administration stated that the twenty-six (26) staff who received salaries which amounted to Le2,435,141,151 are MoPED staff. During the split from the Ministry of Finance, the names of these staff were inadvertently remained on the Ministry's payroll. A letter has been written to the Accountant General's

Department for the transfer of these names to MoPED's payroll, and is available for audit verification. Additional eight (8) staff are personnel of the Ministry of Finance amounting to Le1,387,005,443. The staff list will be updated accordingly, and will be made available for audit verification. Management will take action to ensure that the remaining twenty-nine (29) staff amounting to Le935,094,188 whom might not be identified as staff of the Ministry are deleted from the payroll.

Auditor's Comment

We noted management's response on the issue raised and observed the following:

- We were not provided with evidence to justify that the 26 names were staff of the Ministry of Planning and Economic Development. This issue is therefore unresolved.
- An updated staff list was submitted to ascertain that the additional eight (8) staff were personnel of the Ministry of Finance. This issue is therefore resolved.
- There was no evidence that management took the necessary action to ensure that the names of the remaining 29 staff identified as ghost staff of the Ministry have been deleted from the payroll. This issue is therefore unresolved.

As a result, the remaining 55 employees received salaries and other allowances (Net Pay) totalling Le3,678,352,905 under the Ministry of Finance, but not in the updated staff list of the Ministry.

5.1.4. Pay as You Earn Taxes Under Deducted from Salaries and Allowances

During our examination of the payroll, it was revealed that Pay As You Earn (PAYE) taxes totalling Le475,720,292.96 was under deducted from employees' salaries and allowances. We therefore recommended that the Deputy Financial Secretary, Administration should ensure that the said fund is paid to the NRA and receipt forwarded to the ASSL for verification.

Official's Response

The Deputy Financial Secretary in charge of Administration stated that a review of the details is included in the report. The list that contain the details of the under deducted taxes, shows that there is effectively no under deduction of tax. The calculation of tax by the ASSL included arrears and acting allowances. Arrears are paid in the system net of tax and other deductions and hence can no longer be taxed in the system as that will mean double taxation. Rule 4.1 of the Civil Service code makes provision for the payment of acting allowance (see attached). These allowances are included in the system net and hence cannot be double taxed. Both arrears and acting allowances explained above are included in the system net to avoid complication in the tax tables included in the system. Furthermore, not all arrears are subject to taxation and also the acting allowances paid vary depending on the position acted upon. Including these in the system gross can cause so much complication on the tax table.

Auditor's Comment

The audit recommendation was not implemented.

5.1.5. Top-up Allowances Paid to Staff without Regulation and Authorisation

We observed that top-up allowances totalling Le5,800,942,585 were paid to staff in grades 2 to 7 without regulation or authorisation justifying such payments. We therefore recommend that such payments are discontinued and the said funds should be disallowed and surcharged.

Official's Response

The Deputy Financial Secretary, Administration stated that approval for the payment of responsibility allowance and top-ups to the respective staff were now available for audit verification.

Auditor's Comment

Evidence was submitted to justify that an internal auditor in grade 7 should be given top-up allowances. The regulation or authorisation was however not available to support outstanding top-up allowances which totalled Le3,131,181,683. Therefore, the issue remains partly resolved.

5.1.6. Contract was Signed in Foreign Currency Instead of Local Currency

We observed that contracts were signed in United State Dollars (USD) and Great Britain Pounds (GBP) instead of the local currency (Leones) for the procurement of three lifts and publishing of magazine for US\$258,625 and £110,000 respectively for the period under review. There was no evidence to substantiate that executive clearance was given prior to the signing of these contractual agreements. We therefore recommended that an explanation with documentary evidence be provided to substantiate why the contracts were signed in foreign currency without any executive clearance.

Official's Response

The Deputy Financial Secretary, Administration stated that the contract for the three elevators was in foreign currency because it is based on the production/ manufacturing will be done outside of Sierra Leone. The Leones equivalent of the contract amount will however be reflected on the contract which will be provided for audit verification.

Auditor's Comment

The reviewed contract agreement was not submitted during for verification. Therefore, the issue remains unresolved.

5.1.7. Splitting of Procurement Activities to avoid the National Competition Bidding (NCB) Method

We observed that procurement activities valued at Le1,924,744,500 were split and as a result request for quotations method was used thereby avoiding the competitive bidding method. We therefore recommended that the Ministry should provide explanation with documentary evidence why these contracts were split during the period under review.

Official's Response

Splitting has been a perennial scarce on the face of audit reports over the years and the reason for splitting has always been the same for this Ministry. Requests for like items are been made at different timing and the allocations or funding to execute like items are been made available on a quarterly interval and thus making it impossible to agglomerate for a bulk purchase. From a general assessment made over the years, it was possible to avoid splitting on frequently used office items like sundries, stationery and computer consumables and therefore a framework contract was signed. For these reasons, I will rather call it piecemeal procurement instead of "splitting" which connotes differently to any arbiter of procurement transaction. Procurement of office and equipment are done on request basis since requisitions are made on different timings.

Auditor's Comment

Management's responses were noted. Based on the date of the transactions and the Request for Quotations method used to procure them, the procurement were split to avoid competition. Therefore, the issue remains unresolved.

5.1.8. Anomalies in the Procurement of Consulting Services

Review of contract for consulting services revealed the following:

Request for Quotations was used instead of the National Competitive Bidding based on the cost of the consultancy, which was US\$15,900. As such, the bidding procedures relating to the NCB was not

followed. In addition, relevant procurement documents such as the expression of interest, proposals and evaluation report was not submitted for consultancy.

Request for a consultant to be hired in the Ministry was dated 12th December 2018 while the contract was signed on 10th November 2018 indicating that the contract was signed before the request for consultancy was made.

Based on the contract, the consultancy should start on 3rd December 2018 and continuing through February 2019. We observed that payment of Le44,803,921 (US\$5,300*8,453.57) was made for November 2018. Furthermore, the contract was extended from February to December 2019, and as such, the consultant received payment twice for February 2019. The request for the extension of the consultancy was dated 19th April, 2019.

Official's Response

With respect to the recruitment of Samuel Bonzu, Dr. Samuel Bonzu is an individual consultant whose recruitment file will be made available to you for audit verification

Auditor's Comment

Consultancy files were not submitted and evidence to ratify the anomalies in respect of consultant payment was also not submitted. Therefore, the issue remains unresolved.

5.1.9. Expenditure without Supporting Documents

Review of the payment vouchers and supporting documents revealed that payments totalling Le8,313,421,766 were without payment vouchers and the relevant supporting documents. We recommend that the Deputy Financial Secretary, Administration should ensure that payment vouchers and all relevant supporting documents in respect of these transactions are submitted to the ASSL for inspection.

Official's Response

Most of these transactions were not processed by the Ministry of Finance, while some were committed but not paid. The Ministry will however liaise with other line ministries that are directly link to some of these payments to provide the necessary supporting documents for audit verification.

Auditor's Comment

A letter was written to the Accountant General to clarify whether these were payments of other MDAs but processed by the Ministry of Finance. Though some payment vouchers were submitted, payments totalling Le3,638,932,299 were however without payment vouchers and the relevant supporting documents. One of the payment vouchers submitted involved Le2,300,000,000 spent by the Ministry of Political and Public Affairs on the Bintumani 3 National Dialogue Conference. Even though the payment voucher was submitted, no other supporting documents were submitted to justify how the funds stated in the concept note were utilised. Therefore, the issue is partly resolved.

5.1.10. Daily Subsistence Allowance (DSA) without Back-to-office Report

We observed that payments amounting to Le1,732,397,127 in respect of travelling were without back-to-office report to justify the expenditure. It was recommended that the Deputy Financial Secretary, in collaboration with the Principal Accountant, should ensure that documents in respect of DSA transactions are submitted to the ASSL for inspection.

Official's Response

The Deputy Financial Secretary for Administration stated that copies of invitation letter, passport, and back-to-office report were now available for audit verification.

Auditor's Comment

Some back-to-office reports were submitted during the verification. Payments amounting to Le1,181,318,217 in respect of travelling were without back-to-office reports to justify the expenditure. The issue is therefore partly resolved.

5.1.11. Misclassification of Domestic Arrears Information in the IFMIS

Misclassification of expenses in the IFMIS results in misinformation to users of the information and possible misstatement of figures in the General-Purpose Financial Statement.

We observed that domestic arrears totalling Le25,200,914,186 were paid during 2019. These transactions were charged under the unallocated head expenditure (612) instead of the Domestic Arrears (509).

Official's Response

The Deputy Financial Secretary for Administration stated various PETS form 1 amounting to Le.25.2 billion with authorisation to process are now available for audit verification. This is a misclassification of expenditure and will be corrected accordingly.

Auditor's Comment

No evidence was submitted to ascertain that the misclassifications have been corrected. Therefore, the issue remains unresolved.

5.1.12. Government's Contribution to Defray the Cost of Funeral Expenses without Any Regulation/Policy

Funds which amounted to Le1,226,355,302 were disclosed under the "Unallocated Expenditure Head (612)" to defray the cost of funeral expenses of some government and public officers who had passed away without any regulation, policy or other legal instrument to justify the stated disbursements. This was however 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.

Official's Response

The Deputy Financial Secretary for Administration stated that Audit Service's recommendation is noted. The policy on funeral expenditure will be finalised.

Auditor's Comment

A regulation/policy in respect of funeral expenses was not available. Such payments are therefore considered ineligible expenditure until the policy is finalised and operationalised. Therefore, the issue remains unresolved.

5.1.13. Domestic Arrears in the Draft Clearance Strategy Paid in 2019

We observed that some domestic arrears totalling Le26,326,787,832 were paid in 2019, and these payments have not been deducted from the outstanding debts reported in the draft debt clearance strategy. We also observed that according to the strategy, payment of these arrears were scheduled to commence in 2020.

Official's Response

The Deputy Financial Secretary for Administration through the Director of Public Debt stated that the strategy was purely a draft and is yet to be approved by Cabinet. Some of the contracts were however ongoing and suppliers/contractors demanded payments to enable them proceed on current supplies. Additionally, contractors and suppliers received payments which were duly due them for which the Ministry had an obligation to pay as and when resources were available. The

Audit Service recommendation is noted, the debt strategy will be updated with new information as and when domestic arrears is being crystallised.

Auditor's Comment

Updated debt strategy was not submitted. Therefore, the issue remains unresolved.

5.1.14. Inadequate Documentation to Support Debt Arrear of Gen Pharmaceutical Company

A review of payment of debt arrears in respect of contract for the supply of medicines and pharmaceutical supplies revealed the following:

- Contract analysis report, legal opinion by the Law Officers Department and contract for the supply of medicines and pharmaceutical supplies were not submitted.
- Based on the internal audit report dated 8th August 2017, total forex paid by the Accountant General's Department was US\$1,635,583. The Financial Secretary's letter dated 7th February, 2019 indicated that the total forex paid was US\$1,405,500.8. There was therefore a difference of US\$230,082.2 between the two records.

Official's Response

The Deputy Financial Secretary for Administration stated relevant supporting documents including the payment voucher for the payments made to Abdulai and Associates in respect of contract awarded to Gen Pharmaceutical Company are available for audit inspection. The ASSL referenced an internal audit report which showed the difference of US\$230,082.2. Documents reviewed could not point to that difference. This will be clarified with the Internal Audit and the Ministry will make the necessary correction accordingly.

Auditor's Comment

Contracts in respect of debt payment totalling Le13,635,949,469 to Abdulai and Associates in respect of contract awarded to Gen Pharmaceutical Company for the supply of medicines and pharmaceutical supplies for 2019 was submitted. Contract analysis report and legal opinion by the Law Officers Department was not submitted. Difference identified between the internal audit report and the Financial Secretary's letter was not clarified by the management of the Ministry. We continue to recommend that the excess payment is adjusted against future payments to the contractor. Therefore, the issue remains unresolved.

5.1.15. Assets Bought but not Traced in the Ministry

The Ministry submitted an inventory of assets. Pertinent information that should be disclosed in the assets register was not captured in the inventory of assets such as the date of purchase, value of the assets, etc. It was therefore difficult to trace the assets bought which totalled Le7,493,616,732 to the inventory of assets. We therefore recommended that the Deputy Financial Secretary should ensure that an asset register and evidence of the existence of all assets purchased in 2019 are submitted during the verification. Otherwise, those expenditure may be deemed ineligible.

Official's Response

The Deputy Financial Secretary for Administration stated that the issue regarding assets register details have been noted by the Stores Department and will be implemented going forward. Delivery notes in respect of assets purchased in 2019 are available for audit inspection.

Auditor's Comment

Asset register and evidence of assets existence were not submitted during the verification. As a result, the auditors cannot ascertain that assets valued at Le7,493,616,732 was owned or still in existence in the Ministry. Therefore, the issue remains unresolved.

5.1.16. Stores Items Bought During the Year not Accounted for

During the audit process, we were informed that the Ministry did not have storage facilities and items purchased were directly distributed to end-users by the Procurement Unit. Stores items totalling Le5,427,037,132 were purchased in 2019 but we could not ascertain that these store items were distributed to the end-users as there was no paper trail to confirm such distribution.

Official's Response

A Directorate of Stores has been set up within the Ministry which is charged with the responsibility of handling all stores related issues, including putting together proper recording system and procedures in the handling of assets. Going forward, all the records and procedures recommended by the auditors will be instituted.

Auditor's Comment

Lack of records may result in stores items totalling Le5,427,037,132 not properly utilised and possible misuse of public funds. Therefore, the issue remains unresolved.

5.2. MINISTRY OF PLANNING AND ECONOMIC DEVELOPMENT - 2019

5.2.1. Final Copies of Civic Education Curriculum Documents not Submitted

We were not provided with evidence of service rendered for a contract worth Le50,179,500 in respect of the development of Civic Education Curriculum. It was recommended that the final copies of Civic Education Curriculum be provided for audit inspection.

Official's response

The Development Secretary in his reply said that the draft copies of the textbooks on Civic Education for Primary and Junior Secondary Schools for which payment were made valued at Le50,179,500 were attached as proof of work already done.

Auditor's Comment

Our recommendation was not implemented. Therefore, the issue remains unresolved.

5.2.2. Request for Quotation Method not Followed for Goods and Services

We observed that payments valued at Le146,165,000 were made by the National Council for Civic Education and Development (NaCCED) for goods and services for which no request for quotation method was applied. It was recommended that the Development Secretary, in collaboration with the Procurement Officer, should provide explanations regarding the deviation from the Public Procurement Regulations, 2006.

Official's Response

The Development Secretary in his response said that the query relates to funds provided by UNICEF to implement several activities amounting to Le146,165,000 relating to the 30 years celebration of the Convention on the Rights of the Child (CRC). The fund was meant to sensitise citizens on the Convention on the Rights of the Child in most parts of the country. The activities were timebound and the entire funds were given to National Council for Civic Education and Development to implement the programmes. As a new institution, NaCCED was encountering teething problems with compliance when implementing partner activities. In their bid to implement the programmes, most of the activities were sole-sourced and the necessary withholding taxes were not deducted from payments made to service providers who were mostly in the provinces.

Auditor's Comment

Management's comment was noted. Even though NaCCED is a new institution, the NPPA Act and regulation do not make provision for newly established institutions not to follow the laid down procedures. Therefore, the issue remains unresolved.

5.2.3. Supporting Documents not Provided for

We requested for supporting documents relating to expenditure recorded in the cashbook of NaCCED totalling Le23,609,500 but were not provided for audit inspection.

Official's Response

The Development Secretary in his response said that adequate supporting documents justifying the expenditure undertaken by NaCCED which amounted to Le23,609,500 were available for verification.

Auditor's Comment

During the verification exercise, supporting documents were not made available. Therefore, the issue remains unresolved.

5.2.4. Fuel Reconciliation not Done by the National Measurement and Evaluation Department (NaMED)

It was also observed that NaMED did not perform regular reconciliation with the fuel station as reconciliation statements were not made available for audit inspection.

Official's Response

The Development Secretary in his response confirmed that NaMED did not reconcile their fuel consumption with the service provider. He stated that it was not deliberate on their part. The Chairman and Deputy Chairman of NaMED having worked abroad for a very long time, were not aware (although this not an excuse) that they should reconcile their fuel consumption with Total Fuel Station, their service provider. We must therefore apologise for these anomalies which was done purely out of ignorance. Going forward, (and it has already started) NaMED will henceforth reconcile their fuel consumption with their service provider.

Auditor's Comment

Fuel reconciliation statements were not presented for verification. The issue is therefore unresolved.

5.2.5. Pay as You Earn Taxes not Deducted and Paid to the NRA

We observed that allowances were paid to staff/taskforce members of NaMED and NaCCED to the tune of Le93,600,000 and Le123,000,000 respectively. Those allowances were however not subjected to PAYE deductions, it was recommended that the Development Secretary, in collaboration with the chairmen of NaMED and NaCCED should ensure that those taxes are correctly deducted and paid back to the NRA.

Official's Response

The Development Secretary in his response said that it is true that tax deductions were not made on stipends paid to NaMED and NaCCED taskforce members. This issue was raised with MoPED Finance Team informed the Chairman of both NaMED and NaCCED that they made an enquiry at the NRA about whether stipends should be subject to tax deduction and they were given a verbal advice that stipend should not be taxed. Most members of the taskforce have however gained formal employment with their institutions and are now on government payroll and hence they have started paying tax accordingly.

Auditor's Comment

Our recommendation was not implemented. Therefore, the issue remains unresolved.

5.3. MINISTRY OF AGRICULTURE AND FORESTRY (HQ) - 2019

5.3.1. Procurement and Supply Chain Management

Quotation of Bids Accepted in Foreign Currencies and Contract Signed in Foreign Currencies

Section 23(2&4) of the Bank of Sierra Leone Act, 2011 requires that prices for all transactions in Sierra Leone shall be indicated in Leone, and that the Leone shall be the currency for all accounting, financial reporting and official purposes in Sierra Leone. In 2018, the President issued an Executive Order No. 2 that requires prices for contracts to be quoted and payable only in the local currency (Leone), and that all existing contracts already quoted in foreign currency be paid in Leones. In spite of these, the Ministry accepted quotations in a foreign currency (United States Dollars (USD)) for the supply of fertiliser, veterinary drugs and vaccines. The initial cost in the agreement signed with the successful bidder was quoted in USD, and that was also the same for an addendum contracts for the supply of drugs and reagents. There is a risk that adverse movement or depreciation of the Leones might result in increased financial commitments of government towards this contract.

Official's Response

The procurement method for the selected tenders was International Competitive Bidding (ICB) which allows bids from outside the jurisdiction. Such bids are normally priced in US Dollars.

In a number of representations, the suppliers indicated their disagreement to price and sign an ICB contract in the Leones. They cited fluctuation of the Leones to the Dollar and the fact that the contract goods would have to be bought in Dollars as a justification for pricing the contracts in dollars. The suppliers additionally noted that long delays in payments which is typical of government contracts, mostly results in losses and serious constraints for contract execution.

To find a common ground, the procurement committee agreed that since the contracts were international competitive bidding and the contract goods will have to be procured by the supplier in US Dollars, contract prices can be stated in US Dollars but payable in Leones at the exchange rate of the time payment is being processed.

To lend further credence to the suppliers' case, all the contractors but one in this category are yet to receive advance payments in respect of the said contracts, even though prices quoted by the suppliers were submitted over a year ago. To subject such contracts to their market value then will make contracts execution almost impossible.

With seeming improvements in the payment patterns, all contracts will now be priced in the Leones.

Auditor's Comment

The explanation proffered by the Ministry did not justify circumvention of the above provisions. Therefore, issue is still unresolved.

5.3.2. Goods not Delivered in Accordance with Contract Requirements

Contrary to the provisions in Section 142(1b & 2b) of the Public Procurement Regulations, 2006, we observed variances between the contracts and delivery records for a sample of three (3) transactions with a total contract value of Le148,000,000. Goods worth to Le70,880,000 (48% of the total contract value) were not delivered by the supplier and there was no action taken by the Ministry for a supply or refund of amount in respect of the outstanding deliveries. The Procurement Committee should ensure that the variances are immediately investigated and corrected. The outstanding goods must be immediately accounted for by those concerned failing which, the matter will be reported to the appropriate authorities for further investigations.

Official's Response

The items in the contracts were fully delivered, the delivery notes of the queried contracts are now available.

Auditor's Comment

The audit recommendation was not addressed. Therefore, the issue remains unresolved.

5.3.3. Artificial Splitting of Procurement to Evade the National Competitive Bidding Method of Procurement

Contrary to Section 37(2) of the Public Procurement Act of 2016, the Ministry artificially split procurement activities valued at Le3,435,347,000 into smaller amounts, and used Requests for Quotations (RfQ) rather than the National Competitive Bidding (NCB) procurement method, and awarded the contracts to various contractors. In some instances, these contracts were awarded to the same supplier. The procurement of these goods and works may not have been as competitive and transparent if it was not split and the NCB procurement method had been used.

Official's Response

The figure accounts for a combination of acquisitions from across the various divisions of the Ministry's management structure and not a single activity broken into pieces (splitting) for the purposes of beating procurement thresholds and related methods.

Please note that in the operationalisation of the IFMIS payment system used by the Ministry of Finance and the Accountant General's Department, every unit within an MDA is allotted dedicated budget lines under which budgetary allocations are committed and approved for payment by the Ministry of Finance.

It is also important to note fact that divisional heads separately and intermittently submit requests to the Permanent Secretary for approval in accordance with the timelines attached to such activities in the production cycle. Such requests once approved are processed by the procurement unit and not accumulated and dealt with as a single procurement activity.

Notwithstanding the use of RfQs, due diligence by way of floating quotations to three competitors followed by all other selection procedures as provided by the NPPA Act, 2016 (As amended) were applied.

Auditor's Comment

The explanation proffered by management for circumventing provisions of the Public Procurement Act and its regulations to which all activities of MDAs must conform is not acceptable, as they fall short to address the audit recommendation provided. Therefore, the issue remains unresolved.

5.3.4. Managing Contracts

We noted that on 11th April 2019, a contract was signed between the Ministry and a supplier for the supply and delivery of farm tools for a contract price of Le1,289,078,000. Our reviews further indicated that the Ministry after entering into this contract still went ahead and raised RfQs for the supply of the same items, for which a total of Le785,030,000 was paid to the contractors. There is a risk of duplication of government spending which may affect other service deliverables.

The Procurement Committee must immediately provide justification for this action, failing which the matter will be forwarded to the appropriate authorities for necessary action

Official's Response

The tender process for the procurement activity in question (Farm Tool –Takeleneb Ent.) was one of those that proved extremely challenging to obtain approval and no objections to enable the Ministry sign contracts within the expected timeframe. It took almost a year to obtain the necessary approvals to enable the Ministry sign a contract with the recommended supplier following technical evaluation.

While management continued to follow-up on progress of the tender process with particular reference to obtaining no objections as noted above, it became imperative that the Ministry urgently undertakes a small scale acquisition of farm tools to service the very critical nondiscretionary needs of our small holder farmers across the country for whom waiting for the conclusion of the original tender process would have meant losing the entire farming season as their activities were time bound.

Auditor's Comment

The challenges with protracted tender processes cannot be justified by activities that deliberately ignore value-for-money considerations that underpin transparent procurement processes. The operational plan and approved budget of the Ministry should have been prepared with due diligence that must have taken into account several factors including tendering and most importantly the seasonal nature of agricultural activities. Therefore, the issue remains unresolved.

5.3.5. Guidelines for the Fertiliser Loan Scheme not Implemented

Guidelines for the Fertiliser Loan Scheme require for applications by farmer-based organisations to be vetted by the District Agriculture Officers (DAOs) who attested and recommended to a fertiliser committee for technical review before making recommendation to the Executive Management for approval. There was no indication that the Fertiliser Loan Scheme was implemented in accordance with the guidelines developed by the Ministry. A total of 50,149 bags of assorted fertiliser were given to 219 rice producing farmer-based organisations on loan across the country in 2019. Repayment could be made in either cash at the prevailing price at the time of repayment, or in bushels of certified rice seeds. There was however no evidence of recoveries either in cash or in bushels of certified rice seeds (100,298 bushels of certified rice seeds in respect of 50,149 bags of assorted fertiliser). In addition, the Ministry did not submit any agreed payment plans for the fertiliser loaned out to farmers.

Official's Response

The recovery of fertiliser loaned to various farmer-based organisations has been a problem over time. The Hon. Minister has therefore directed a robust recovery scheme that seeks to recover debts from all previous beneficiaries who are yet to make good their contractual obligations to payback. We have therefore compiled a comprehensive list of all debtors for follow-up action. Details of which are now available for inspection.

Auditor's Comment

The ineffective administration of the Fertiliser Loan Scheme was indeed acknowledged by management. Evidence of clear guidelines on the management of the scheme was however not submitted for review. Furthermore, the audit team did not receive any evidence that indicates substantial recoveries made in respect of the said farm input. Therefore, the issue remains unresolved.

5.3.6. No Access to the Ministry Store and Store Records for Audit Inspection

In spite of repeated requests, the audit team was not given access by the storekeeper to physically inspect and verify the Ministry's resources at the central store in Kissy. In addition, critical store documents such as allocated store ledgers, approved requisitions for certified seed rice and other assorted farm inputs were not available for audit inspection.

Proper store records may not have maintained or items in store may not have been used for their intended purposes which may result in loss to the government.

The Permanent Secretary in collaboration with the storekeeper should ensure that the audit team have immediate access to the central store at Kissy for audit reviews. The requested store records should also be produced for inspection without further delay.

Official's Response

The stores are now in readiness for your inspection and verification of records.

Auditor's Comment

We were given access to the Kissy Central Stores. The audit team reviewed internal controls, storage condition and also physically verified a sample of items kept in the stores. We however observed the following:

- Seven of 64 Yamaha motorbikes handed over to the Ministry by the Integrated Health Projects Administration Unit (IHPAU) were not available for physical verification.
- Two solar fridges, two solar freezers, four solar panels, 10 solar batteries, 10 ice boxes transferred to the Ministry by the BAFS Project were not available for physical verification.
- Warehouse No.2 was in a dilapidated state and abandoned by the Ministry without any indication of efforts to rehabilitate the storage facility to accommodate deliveries of critical farm inputs procured by the Ministry.
- There was no indication of proper recording of 62 bags of cashew seeds delivered to the stores from Comcashew in Ghana. The items were not taken on ledger charge and there was no trace of approved requests and store issue vouchers to indicate how these items were utilised by intended beneficiaries.
- Eight of 25 Feed Mill machines delivered to stores by the Small Holder Commercialisation Programme were not available for physical verification.
- There was no indication of effective supervision of stores operations. It was also observed that the substantive storekeeper is in charge of other stores at the Accountant-General's Department and Ministry of Finance, and therefore does not properly carry out his functions at the Kissy Central Stores.

5.3.7. Expenditure Management and Control

Inadequate Controls over Management of Funds

In spite of the presidential directives for the closure of all bank accounts maintained by MDAs, the transfer of those balances and revenues collected and retained by all MDAs into the CRF, we observed that Le1,511,048,425 in respect of transfer balances on closure of an account and revenues generated by the Ministry were transferred into the MAF Imprest Account at the Bank of Sierra Leone instead of the CRF without the prior approval of the Office of the President.

The Permanent Secretary should ensure that the Ministry is in full compliance with all relevant procedures and processes in the management of public funds. In addition, approval for the transfer of revenue and bank account balances into the Ministry's imprest account instead of the CRF should be submitted for our review; otherwise, the matter will be reported to the appropriate authorities for necessary action.

Official's Response

The Accountant General's Department of Sierra Leone regulates all Government Accounts. Based on the Presidential Directive, The Accountant General's Department wrote a letter on 3rd May, 2019 to the First International Bank, requesting them to close the Forestry Account and further instructed the bank to transfer all the funds to the imprest account at the Bank of Sierra Leone. Evidence of letter written by the AGD to the First International Bank is available for review.

Auditor's Comment

The said approval for the transfer of account closure balances to the Ministry's imprest account was not submitted to the audit team for inspection. Therefore, the issue remains unresolved.

5.3.8. No Evidence of Effective Monitoring and Evaluation of the Ministry's Operations

Section 13(1) of the Public Financial Management Act, 2016 states: "The vote controller of a budgetary agency shall be responsible for prudent, effective, efficient and transparent use of the resources of the budgetary agency".

We noted that effective monitoring and evaluation was not conducted on the food sufficiency initiatives implemented by the Ministry even though there had been a dedicated performance monitoring and evaluation division. Effective collaboration within the various units was not available as evidence in the form of minutes and attendance register to indicate that committees such as the Presidential Taskforce on Agriculture, Agriculture Advisory Group, Agricultural Coordination and Transformation Team, District Coordinating Committees, Fertiliser Committee etc. outlined in the National Agricultural Transformation Plan, to have been operating effectively, were not available for audit reviews.

Official's Response

The PEMSD is a division in the Ministry of Agriculture and Forestry that is responsible for the planning, evaluation, monitoring and statistical aspects of the Ministry. The reports that are linked to the food sufficiency initiative for 2019 are available for audit inspection.

There is also effective collaboration within the various units in the Ministry. To justify such claims, evidence of minutes of meetings held are available for inspection.

Auditor's Comment

There was no evidence such as monitoring and evaluation reports on the food sufficiency initiatives implemented by the Ministry and evidence of minutes and attendance register of meetings of committees such as Presidential Taskforce on Agriculture, Agricultural Advisory Group, Agricultural Co-ordination and Transformation Team, District Coordinating, etc. Therefore, the issue remains unresolved.

5.3.9. Vehicles not Available for Physical Verification

Section 13(1) of the Public Financial Management Act, 2016 requires that the vote controller of a budgetary agency shall be responsible for prudent, effective, efficient and transparent use of the resources of the budgetary agency. A total of eight (8) motor vehicles were not made available for physical verification. Based on explanations received from the Ministry during a response to queries raised, we noted that of the eight (8) vehicles, two (AMU 942 and AMU 947) were taken away by two (2) former short-term contractors whose contracts had expired, and two vehicles (AIT 349 and AIT 350) were still being held by the Sierra Leone Police in spite of several requests by the Ministry and the National Assets Commission for the release of the said vehicles.

Official's Response

The remaining vehicles are available for verification.

Auditor's Comment

After several reminders and follow-ups during the verification exercise, only four (4) of the eight (8) vehicles were physically verified. There was no trace of the outstanding four (4) vehicles, and therefore

the audit team could not ascertain whether they are in existence and controlled by the Ministry. Therefore, the issue is partly unresolved.

5.4. MINISTRY OF AGRICULTURE AND FORESTRY – BO DISTRICT

5.4.1. Stores Management and Control

Records of store items received not properly maintained

We reviewed the store vouchers and the allocated store ledger which revealed that contrary to the provision in Section 182(1) of the Public Financial Management Regulations (PFMR) 2018, the values of store items received and issued out were not recorded in the store vouchers and ledgers.

We recommend that the District Agriculture Officer (DAO) should ensure that the storekeeper update all vouchers and allocated store ledgers with the values of store items received.

Official's Response

The DAO responded that "stores vouchers and ledgers are all ready for physical inspection".

Auditor's Comment

The store vouchers and allocated store ledgers were not submitted for verification to confirm that they have been updated with values of store items received and issued.

5.4.2. Seed Rice Distributed to Unregistered Farmer-Based Organisations

We reviewed delivery notes, list of registered Farmers Based Organisations (FBOs), distribution lists and issue vouchers relating to 2,300 bags of seed rice procured by Small-holders Commercialisation and Development Project (SCADeP) and delivered by NAFASO to the Ministry. It was observed from our reviews that the Ministry and SCADeP were supposed to distribute 1,300 bags of certified seed rice and 1,000 bags of foundation seed rice to registered FBOs in the district. However, 686 bags of seed rice were distributed to beneficiaries that were not among the list of registered FBOs submitted for audit.

Official's Response

The DAO stated that the agreed quantities of seed rice to be recovered are fully recovered from the beneficiaries and made available for audit verification.

Auditor's Comment

Evidence of 30 bags of seed rice recovered from unregistered FBOs was provided and verified. A balance of 656 bags of seed rice was however received by unregistered FBOs was not recovered.

5.4.3. No Signed Agreement between the Ministries and the FBOs for Recoverable Rice

We further observed that there was no signed agreement between the Ministry and the FBOs, to clearly state the terms and conditions for the bags of seed rice distributed to the FBOs.

Official's Response

The DAO in his response state that "though a duplicate SIV always remain with the Ministry, we ensure to go by the recommended required procedure".

Auditor's Comment

No evidence of explanation was provided why there was no signed agreement between the Ministry and the FBOs.

5.4.4. Five Bags of Seed Rice not Accounted for

The distribution list and issue vouchers submitted by the Ministry for audit indicated that eight bags of husk foundation seed rice (NERICA 119) were supplied to the National Youth Commission (NAYCOM) in Bo. Verification exercise conducted at the NAYCOM-Bo, revealed that they only received three bags of husk foundation seed rice from the Ministry.

Official's Response

The DAO stated that "the five bags of seed rice had been recovered and ready for physical inspection".

Auditor's Comment

There was no evidence of recovery of the five bags of seed rice. The issue therefore remains unresolved.

5.4.5. Ten FBOs not Verified for 509 Bags of Seed Rice

On 4th March 2020, we requested the DAO to facilitate the verification of a sample of 13 FBOs. The DAO only facilitated verification of 3 FBOs. We were unable to verify the remaining 10 FBOs because their telephone numbers and contact addresses were not submitted. The 10 FBOs that the team did not verify received a total of 509 bags of seed rice.

The DAO, the storekeeper and the Extension Block Supervisors should facilitate the verification of the remaining 10 FBOs; otherwise, they should refund the full cost of the seed rice distributed to them.

Official's Response

The DAO stated that "there is no indifference of 10 FBO seed rice distribution activity(ies). Seed rice distribution list is ready for physical inspection".

Auditor's Comment

Nothing was done during the verification exercise to facilitate the verification of the remaining 10 FBOs.

5.4.6. Seed Rice not Recovered from FBOs

Our discussion with the DAO revealed that the 1,000 bags of foundation seed rice were not recoverable and the 1300 bags of certified seed rice should be refunded by the FBOs after harvest. The Ministry submitted a list of 22 bags of certified seed rice recovered from only two FBOs. There was no evidence submitted to confirm that the Ministry had recovered the remaining 1,278 bags of seed rice. We recommended that the DAO, the storekeeper and the extension block supervisors should recover the outstanding 1,278 bags of seed rice from the defaulted FBOs, otherwise stringent actions should be taken against these FBOs within 15 days from the receipt of this report. In future, proper monitoring mechanisms should be instituted and actions taken against defaulters.

Official's Response

The DAO stated in his response that he had noted our recommendation that "Defaulters were asked to register and the Block Extension Supervisors issued letter(s) of recovery through community authorities". He further stated that "Letter(s) done to defaulters".

Auditor's Comment

Of the 1300 bags of seed rice on the delivery note, the Ministry submitted documents to show that the Bo District Agriculture Office only received 438 bags of certified seed rice (NERICA L19). The balance was for other district offices. We verified a total of 36 bags of rice recovered from the 438 bags distributed. Therefore, a balance 402 bags were still not recovered.

5.4.7. Inadequate Controls over the Management of Fixed Assets Owned by the Ministry

In spite of the provisions in Sections 161(1), 169(1a & c), 171(1) and 214(1e) of the Public Financial Management Regulations of 2018, there were inadequate controls over the management of the Ministry's assets in the District. We observed the following anomalies:

- Four motorbikes and one motor vehicle recorded in the 2018 assets register were neither traced in the 2019 assets register nor were they made available for verification to confirm their existence. Further investigation revealed that the motor vehicle was disposed /boarded by the Ministry's headquarters. There was however no evidence to confirm that the due processes for disposal of public asset was followed.
- A interviews with the DAO revealed that the Ministry owned the following properties in the district: an administrative building at the Bo-Kenema highway which was transferred from GIZ/BO Pujehun Rural Development Project to the Ministry; a structure at Old Railway Station which was transferred from railway to the Ministry; and a livestock division office at Baima Road owned by the Ministry and Horticulture Unit office and store at Baima Road. Survey plans, transfer agreement, title deeds and any other relevant documents to confirm the ownership of the property were not made available for verification and these assets were also not included in the assets register. During the audit physical verification exercise, we observed that the horticulture office and store at Baima Road had been demolished and the land taken over by a private individual. There was also no office space for the unit. In addition, the Livestock Division office at Baima Road had collapsed and was yet to be reconstructed.
- Motorcycle (Zhuziang) with registration number AKX 365 was assigned to the Agriculture Engineer, Bo by the Ministry's headquarters in Freetown. We observed that this asset was not included in the Ministry's assets register submitted and it was not made available for verification. Additionally, 16 motorbikes recorded in the 2019 assets register were not seen and verified.
- Review of assets register submitted and physical verification of assets revealed that most of the Ministry's assets were not assigned with unique identification.

Official's Response

The DAO stated the following in his response:

- *Asset(s) register is updated and ready for physical inspection.*
- *The four motorbikes and the vehicle had been verified already.*
- *Boarded vehicle document read for physical inspection.*
- *Survey on that land (livestock)/ building is done with proposal to build livestock clinic for southern region by a donor fund through HQ.*
- *16 motorbikes have been verified.*

Auditor's Comment

We noted the following during the verification exercise:

Updated assets register was not submitted for verification, the four motorbikes were not made available for verification and no documentary evidence was submitted for verification to confirm whether the motor vehicle was disposed of or boarded for disposal.

5.4.8. Documents Relating to Vehicle Disposed of not Submitted for Verification.

There was no evidence of survey plan, conveyance, agreement, to confirm ownership of the said property. These assets had not been included in the Ministry's asset register. There was also no evidence that actions had been taken to reclaim and secure the land from the encroachers; and no evidence was

submitted to indicate that actions had been taken for the rehabilitation of the Livestock division's office at Baima Road.

Motorcycle (Zhuziang) with registration number AKX 365 was verified during verification. However, this asset is still not included in the asset register.

None of the 16 motorbikes was made available for physical verification.

At time of verification, there was no evidence to conform that the assets have been marked with unique identification codes.

5.4.9. Revenues Collected but not Deposited into the Consolidated Fund

Contrary to the provisions in Sections 13(1) and 44(1) of the PFRM 2018, the Ministry did not submit evidence such as bank pay-in-slips or NRA receipt to confirm that total revenue which amounted to Le14,420,000 in respect of FBO registration fees and hall rental fees was the correct amount and that the monies were deposited into bank account for onward remittance into the single treasury account. It was further revealed that revenues collected have been put into immediate use without evidence of approval from the Ministry of Finance.

We recommend that the DAO should forward the bank pay-in slips or NRA receipts to the Audit Service for verification to confirm banking. In addition, the DAO should provide evidence of authority for the revenue collected that was put into immediate use; otherwise, the whole amount should be recovered and paid into Consolidated Fund.

Official's Response

The DAO stated that "FBOs and Hall rental often come in bits not due NRA". He also said that he had noted our recommendations and it will be discussed with HQ and informed duly.

Auditor's Comment

A bank pay-in slip or NRA receipts was not submitted to confirm that Le14,420,000 of registration fees and hall rental fees collected was correct. Evidence of authority was not submitted for the revenue collected and put into immediate use.

5.5. MINISTRY OF AGRICULTURE AND FORESTRY-BOMBALI-2019

5.5.1. Administration Unit

Fuel not Properly Accounted for

Fuel valued at Le3,218,840 (Le1,000,000 and Le2,218,840) was paid for on two different occasions (i.e. 7th November, 2019 and 14th December, 2019) by the Bombali District Council in favour of the Ministry. Moreover, evidence to confirm the receipt and utilisation of the said fuel was not made available. We further observed that the Ministry did not perform regular reconciliations with the fuel dealer to ascertain the actual amount of fuel received and issued. Moreover, fuel statement from the dealer to confirm the actual fuel paid for and collected by the Ministry was not submitted for audit. As a result, a difference of 461 litres was observed as fuel balance between the fuel ledger maintained by the ministry and our fuel computation.

Official's Response

The DAO said that the fuel receipts and statement were ready for audit inspection. He further mentioned that he normally does regular physical monitoring of the fuel book at the fuel station thereby reconciling the fuel used weekly.

Nevertheless, he notes the recommendation and management will start to maintain evidence of fuel reconciliation between the Ministry and the fuel station.

Auditor's Comment

The fuel receipt was submitted. However, fuel operating records and fuel statement from the dealer to justify the utilisation of the fuel supplied were not submitted for verification. Therefore, the issue is partly resolved.

5.5.2. Stores Management and Control

Mismanagement of Seed Rice and Fertilizers

The following inadequacies were observed in the distribution of seed rice and fertilizers to Farmer Based Organisations (FBOs) in Bombali District:

- We were not provided with any evidence to justify how the FBOs were selected or approved for the supply of rice and fertilizers.
- The terms and conditions under which the items were supplied to the FBOs were neither explained to the audit team, nor was the relevant documentary evidence made available; and in 2019, 9406 bags of fertiliser and 2209 bags of seed rice were issued directly to FBOs in Bombali District by headquarters. Records such as Goods Received Note, Store ledgers, etc. were however not made available to the audit team for review.

Official's Response

The DAO said that Ministry of Agriculture and Forestry (MAF) Bombali had nothing to do with table rice given to farmers of Bombali in 2019 for the following reasons:

- *The District Agriculture Officer did not give any attestation to farmers prior to the distribution of that rice.*
- *The rice was also distributed in Freetown and not Bombali District Stores.*
- *Food-for-work is not part of the Agriculture input delivery system in Sierra Leone and came only after crisis (Rebel War) or in 2016 after the Ebola epidemic scourge.*
- *On that note, he said that the Ministry of Agriculture and Forestry (MAF) Bombali will not be accountable for that rice and has nothing to do with that distribution.*

Auditor's Comment

Upon verification, we note the following:

- Management's response attesting that they are not accountable for the distribution of rice to farmers was submitted for verification.
- Evidence showing how the FBOs were selected was not made available for audit verification.
- The relevant agreements between the Ministry and FBOs were not made available for verification.
- The relevant records relating to the issuance and accounting for the seed rice and fertilizers were not submitted for verification. Therefore, the issue remains unresolved.

5.5.3. Regular Inventory Count not Undertaken

The Ministry did not do regular or year-end inventory counts of items in its stores. This violates the provisions in Section 183 (3) of the PFM Regulation of 2018. It was recommended that in line with Section 183 (3) of the Public Financial Management Regulation of 2018, the DAO should ensure that regular stock counts are undertaken at the store.

Official's Response

The DAO said that he normally does regular stock counts and monitoring of the store; though it was not recorded. Going forward, he will however ensure that the stock count and monitoring is recorded for external review purpose.

Auditor's Comment

Management's response is noted. However, the issue remains the same.

5.5.4. Poor Maintenance of Store

A general inspection of the operation and facilities at the Ministry's store and mechanical garage revealed that proper supervision and control were lacking. In the absence of pallet and shelves, store items were placed on the ground. We further noted that the same store was used for the storage of both the Ministry's and projects items, without clearly separating them.

In the same vein, the mechanical garage was occupied with scrap tractors and expired agricultural chemicals.

The objective of the garage may not be achieved as the garage may be used for personal activities rather than the Ministry's activities. It was recommended that the Director should ensure that immediate steps are taken to put the store and mechanical garage in a suitable condition, in order to allow for store items to be parked in an orderly manner. Further, store items relating to the Ministry and projects should be clearly separated and labelled to avoid unnecessary mistakes leading to the mismanagement of much needed government funds. Again, the Director in collaboration with the mechanical engineer should ensure that the scrap tractors and expired chemicals are disposed of as soon as possible.

Official's Response

The DAO said that he has noted the audit recommendation and hope to take action immediately funds are made available to tidy the store and the garage. He further mentioned that the Ministry intends to clearly separate and label the store items relating to the Ministry and projects.

Auditor's Comment

Management's response is noted. The issue however remains the same as the audit recommendation was not implemented.

5.5.5. Inadequate Control over the Collection Recording and Reporting of Revenues Generated

A review of the paid-up registers for Farmer Based Organisations (FBOs) revealed that 30 FBOs were registered for which revenues were collected. Records of revenue collected such as receipt books, bank statements, photocopies of certificates, etc. were however not made available for audit inspection. In the absence of the aforementioned documents, it was difficult for the audit team to ascertain how much revenue was actually collected. Further review of the revenue register revealed that the register was not detailed enough to capture key information such as amount paid by each FBO, year for which the registration was paid for and the type of registration (first registration or renewed registration). Additionally, records of revenue collected and banked in respect of livestock were not made available for audit inspection.

Official's Response

The DAO said that the audit recommendation is noted and will ensure that receipt books issued are maintained. He concluded by saying that copies of certificates issued to the FBOs were ready for audit verification.

Auditor's Comment

The issue remains unresolved, as the relevant documents were not made available for verification.

5.5.6. Inadequate Control over the Management of the Ministry's Residential Quarters

We observed the following:

- There was no policy to determine who were entitled to occupy the quarters and how long a staff should occupy a quarter after retirement;
- The Ministry did not maintain a comprehensive list of approved occupants at the Ministry's quarters;
- Physical verification of the quarters revealed that there were occupants at the quarters that were not staff of the Ministry (e.g. Military Personnel at the IDA quarters). Moreover, there were other occupants at the quarters who were either retired or transferred to other districts but were still occupying these quarters, whilst pin-coded staff who are currently working are without quarters to carry out their functions. As such, active staff of the Ministry may be deprived of such facilities leading to inefficiency and ineffectiveness of staff;
- Community people had encroached and built houses on the Ministry's land without any action taken by the Ministry to reverse the situation; and
- The quarters were found in a deplorable state.

Official's Response

The DAO said the audit recommendation is noted and will design a policy when funds are available. He stated that the comprehensive list of approved occupants in the Ministry's quarters was available for inspection. He furthered that his predecessor had long issued eviction notice to all retired occupants and will continue to follow up on the matters as they also have staff of other government institutions living in those quarters. He concluded by stating that the matter had been communicated to headquarters and intends to take necessary action based on their advice.

Auditor's Comment

Management's response is noted. The issue however remains the same.

5.5.7. Management of Fixed Assets

Missing Motorbikes

During the physical verification of assets within the District, the team was unable to physically verify five (5) motorbikes owned by the Ministry. Failure to adequately safeguard assets may result to them being converted into private purposes unnoticed. It was recommended that the DAO should ensure that the motorbikes are made available for verification; otherwise, the staff to whom these motorbikes were assigned to should pay back the full cost of the motorbikes and evidence of recovery forwarded to the ASSL for verification.

Official's Response

The DAO said that the five motorbikes were ready for physical verification.

Auditor's Comment

The motorbikes were not made available for audit verification, therefore the issue remains unresolved.

5.5.8. Vehicle Logbook not Maintained

It was observed that the Ministry did not maintain records in the form of a log book/operating records for usage, servicing and repairs of motor vehicles and plants. The absence of a log book for assigned vehicles and motorbikes made it impossible for the auditors to determine the use of the fuel, distances covered and the number of litres consumed on a daily basis.

Official's Response

The DAO said that they will ensure that log books for all vehicles and motorbikes are maintained and train staff on the use of it when funds are made available.

Auditor's Comment

Management's response is noted. The issue however remains the same.

5.5.9. Human Resource Management

Unverified Staff

Of the 78 staff at the Ministry, 42 personnel were unverified (i.e. they failed to avail themselves for verification as active staff of the Ministry). We note that this is a recurring issue as a review of the previous year's report revealed that some of the unverified staff (e.g. four staff) did not avail themselves for verification by the audit team. It may be difficult to ascertain the physical existence of these staff. There is therefore the risk that these staff are illegal, thereby resulting in loss of public funds from salaries paid to them. It is recommended that the Human Resource Officer in collaboration with the DAO should ensure that the staff in question avail themselves for physical verification; failing which the information will be communicated to the Director General, HRMO for those names to be deleted from the Ministry's payroll.

Official's Response

The DAO said that the establishment of new councils has led some staff to be transferred to these other districts even though their names are running under Bombali District. He furthered that most of the staff that were not verified stay in areas where access to communication is difficult. He however said that headquarters have been informed of the matter.

Auditor's Comment

Management's response is noted. The letter sent to headquarters informing them of the situation was not made available. The issue therefore remains unresolved.

5.5.10. Key Departmental Functions Performed by Volunteers

During the course of the audit, we observed that there were staff who had served the ministry for a very long time as volunteers. For instance, the stores and accounts functions were performed by volunteers. There were also volunteers acting as Block Extension Supervisors (BES) and Frontline Extension Workers (FEWs) responsible for monitoring and recovery of agricultural inputs from farmers. Moreover, documentary evidence to confirm that the issue had been reported to headquarters for prompt action to be taken to address the anomaly was not submitted to the audit team. Furthermore, there was no formal staff policy on the maximum length of time that a volunteer should serve at the Ministry. Deploying volunteers to recover agricultural inputs may lead to misappropriation of agricultural inputs, thereby resulting in waste of government resources. It will also affect the efficiency and effectiveness of service delivery as this may result in demotivation of staff in these positions. The DAO should ensure that the issue is reported to headquarters for prompt action to be taken to address the anomaly.

Official's Response

The DAO said that most of the Ministry's workers were retired. In the process, they had to train volunteers on the job. He furthered that few people in the technical areas recommended that they work with them. Without an alternative they had been working with them. The matter was however reported to the councils and headquarters and they have expressed concern and modalities will be put in place for appropriate action.

Auditor's Comment

Management's response is noted. The issue however remains unresolved.

5.5.11. Lack of Fire Beds to Prevent Tree Nurseries from Fire

Even though monies were spent in 2018 for the establishment of tree nurseries, site verification of the tree nurseries revealed that they were destroyed by fire. It is our considered view that in order to prevent the nurseries from fire, fire beds should have been erected. It is therefore apparent that the lack of proper prevention mechanisms may have led to the waste of government's much needed funds.

We recommended that the DAO should ensure that necessary action is taken to establish fire beds in order to prevent future occurrence.

Official's Response

The DAO said that the issue was as a result of the lack of byelaws in place for defaulters. He noted that management intends to engage the stakeholders like the chiefs, local council and community people within the area to help talk to the community people to depart from such act. With the aid funds we also intend to establish fire belts so as to prevent future occurrence.

Auditor's Comment

Management's response is noted. The issue however remains unresolved.

Seed Multiplication Project

5.5.12. Payments without Supporting Documents

A review of the expenditure cashbook revealed that a total of Le14,580,000 was expended for which payment vouchers and their supporting documents were not made available for audit inspection. This violates the provisions of Section 100 (1) of the Public Financial Management Regulations of 2018. We recommended that the Seed Centre Manager (SCM) should ensure that the payment vouchers and their relevant supporting documents are made available for audit inspection; otherwise, the amount in question should be refunded and evidence of payment forwarded to the Audit Service for verification.

Official's Response

The SCM said that the queried documents are available for verification.

Auditor's Comment

Management's response is noted. Supporting documents were however not made available for audit inspection. Therefore, the issue remains unresolved.

5.5.13. Seed Rice and Fertilizer Not Accounted for

In 2019, we noted that 47 bags of NPK 15:15 and 29 bags of Urea fertilizers were distributed to the storekeeper at the Makeni Seed Centre. Relevant records such as store receipt and issue vouchers were not made available to account for the fertilizers. Furthermore, interview with the Seed Centre Manager revealed that seed rice was distributed to farmers and recovered during the period under review. Evidence such as store receipts and issue vouchers were not made available to account for the receipt, distribution and recovery of the seed rice. See table for details

Activity	Quantity in 2019/2020
Seed rice distributed	970.6
Estimated seed rice recovery	1323.9

We recommend that the Seed Centre Manager should ensure that the relevant records to account for the fertilizer and seed rice are submitted for verification.

Official's Response

The SCM in his response to the query said that he had neither met with the said assistant storekeeper nor interacted with him. He said he has no knowledge of the own production undertaken and by extension the said inputs issued. He mentioned that in a phone conversation between the audit team lead and the Assistant Storekeeper, the storekeeper attested that he had never met him in person and had no knowledge of the said quantum of fertilizers issued to him.

Auditor's Comment

Management's response is noted. The response did not address the query as the relevant records to account for the fertilizer and seed rice were not submitted for verification. Therefore, the issue remains unresolved.

5.5.14. Unverified Staff

Fourteen (14) out of the 23 staff at the Makeni Seed Centre were not available for physical verification; and as such, we cannot ascertain the physical existence of these staff. There is therefore the risk that these staff are illegal staff thereby resulting in loss of public funds from salaries paid to them.

Auditor's Comment

Management failed to respond or address the finding; therefore, the issue remains unresolved.

5.5.15. Inappropriate Termination Procedure

A review of the staff list and other payroll documents revealed that four contract staff were relieved of their duties in July 2019 without any formal letter of termination. These staff were still in possession of valuable assets such as laptops, motorbikes, etc. owing to the fact that they were not officially informed of their termination. It is our considered view that the timing to terminate the staff in question was poor as it is within the peak period of the planting season where field officers are expected to carry out their duties. Again, the absence of formal procedure for termination would expose the seed centre to strike action and/or further legal consequences which could damage its reputation.

Auditor's Comment

Management failed to respond or address the finding; therefore, the issue remains unresolved.

5.5.16. Inadequate Controls over the Management of Fixed Assets

The Fixed Assets Register (FAR) for the recording of assets was not made available for audit inspection. In addition, physical verification revealed that all the assets were not marked with unique identification codes to easily identify them. This is in contravention of Section 231 (2) of the FMR 2007.

Official's Response

The SCM said that the Centre has a fixed asset register that was verified by personnel from the Accountant General's Department. The register he said was kept by the Administrative/Finance Officer, and will avail the said documents within the shortest possible time.

Auditor's Comment

Management's response did not address the query as the fixed asset register was not submitted for audit verification. Therefore, the issue remains unresolved.

5.6. MINISTRY OF AGRICULTURE, KAILAHUN DISTRICT – 2019

5.6.1. Inadequate Control over Expenditure Management

Expenditure cashbook was not maintained and there was no internal fuel policy used as a guide for distributing fuel to various units. We also noted that payments totalling Le76,440,000 lacked adequate supporting documents such as receipts, signatures of recipients, etc.

We recommended that the District Agriculture Officer (DAO) should ensure that:

- An expenditure cashbook is maintained.
- Fuel policy is developed and must be used as a basis for the use of fuel.
- Supporting documents are provided for payments totalling Le76,440,000.
-

Official's Response

The DAO stated that:

- *A letter has been sent to headquarters requesting for the existing fuel policy.*
- *An expenditure cashbook has been developed and it will be maintained.*
- *Supporting documents such as receipt, signature of recipients is now available.*

Auditor's Comment:

Our recommendation was partially implemented. Documents were provided for expenditure which amounted to Le70,440,000. They were reviewed and found to be adequate. However, no document was provided for some expenditures totalling Le6,000,000.

5.7. MINISTRY OF DEFENCE -HEADQUARTERS (2019)

5.7.1. Supply Chain Management

Contract Terms not Fully Met

We reviewed selected contracts to ascertain whether the terms and conditions were fully met by all parties to the said contracts. Our review revealed the following:

- Contrary to Articles 3.2.2 and 3.2.3 of the contract, performance securities were not submitted for the supply of rice, stationery and IT consumables, oil and lubricants and Peace Support Operations (PSO) equipment.
- The contract provides for the supplier to customise the packaging of each bag of rice with the RSLAF details and for which the supplier quoted Le139,089,000 as cost. In the review of payment vouchers and supporting documents, we noted that the supplier did not customise the bags as required by the contract. As a result, this amount should have been deducted from the payment to the supplier. This was not the case when the Ministry made payment to the supplier on 18th December 2019. Therefore, the over-payment of Le131,439,105 to the supplier was noted (less tax withheld of 5.5%). In another payment to the same supplier, withholding tax amount of Le151,381,725 was included in the invoice price which the Ministry paid. Therefore, the over-payment of Le143,055,730 (less 5.5% tax withheld). The total overpayment to the supplier was Le274,494,835 (Le131,439,105+ Le143,055,730).
- The Ministry signed an addendum contract for the supply of reagents for three months but at the time of audit verification at the stores of the Ministry, these reagents had still not been delivered.
- The Ministry may be unduly exposed to non-performance by the suppliers especially when they do not provide performance security. Additionally, the Ministry may have paid for a product that was not delivered, thereby resulting in loss of government much-needed

resources. Overpayment to the supplier may have resulted in the loss of government much-needed financial resources.

We recommend that the Senior Procurement Officer should submit the performance securities for the mentioned contracts. We also recommend that the DG in collaboration with the Senior Accountant should ensure the following:

- immediately notify the supplier about this overpayment and make sure that overpayments are deducted from the subsequent payment or ask for refund,
- notify the Ministry of Finance accordingly with the correct monthly payment amount for rice supplied to the Republic of Sierra Leone Armed Forces.
- notify the supplier of the non-supply and expiration of the supply of reagents addendum contracts. Evidence of this communication should be submitted to the ASSL for audit inspection.

Official's Response:

Rice: The supply is on a monthly basis; however, management notes your concern and will follow-up with supplier.

Stationery & IT Consumables: The items were supplied almost immediately after the signing of the contract. See attached invoices and delivery note.

Auditor's Comment:

Performance securities were submitted for oil and lubricants and PSO equipment; but those regarding contracts for the supply of rice, stationery and IT consumables were not submitted for verification.

A memo dated 29th May 2020 informing the supplier about the refund of excess payment as a result of the customization of the RSLAF rice, the inclusion of withholding tax in the contract amount and requesting for a refund into the Ministry's bank account or deduction from subsequent payments was submitted for review. The said amount has not been refunded nor deducted from any subsequent payment.

There was also no evidence to justify that the supplier had been notified for non-supply and expiration of the supply of reagents.

Therefore, the issues are partly resolved.

5.7.2. Withdrawals from Bank Account without Relevant and Adequate Supporting Documents

In contravention of Section 100(1) of the Financial Management Regulations (FMR) of 2018, total bank withdrawals of Le193,591,875 were without supporting documents. In addition, payments of Le1,072,821,750 for goods and services were not backed by adequate supporting documents including approved end-users' request, invoice, receipts and delivery notes. Since these documents were not made available, there was a risk that these payments were for goods or services that were not actually delivered to the institution. In addition, it was impossible to conclude whether these payments had followed the proper procedures as stated in the law.

Official's Response

The retirement details and other documents are now available for audit inspection.

Auditor's Comment

Payment vouchers (PVs) and supporting documents were not submitted for the withdrawals totalling Le193,591,875. The issue remains unresolved.

Of Le1,072,821,750, PVs and supporting documents such as receipts, signed attendance lists etc. were only submitted for Le752,865,000, thereby leaving a balance of Le319,956,750 without PVs and supporting documents. Therefore, the issue is partly resolved.

5.7.3. Differences Between Salary Payment Schedules and the Payroll Voucher

We observed differences between the salary payment schedules and the payroll vouchers during 2019. During our review of payroll records and salary payment schedules, we noted that Le611,505,648 was paid to persons who were not on the payroll voucher. In spite of our requests, documentary evidence was not submitted to explain the reason for these payments. Salaries may have been paid to non-existing staff, resulting in loss of government much-needed resources. We recommend that the Commanding Officer in charge of Personnel and the Deputy Chief of Staff should investigate the anomaly and informed actions taken to resolve it.

Official's Response

The computation is done by the Accountant General's Department

Auditor's Comment

There was no evidence that the Commanding Officer of AFPC and Deputy Chief of Staff investigated the anomaly. Therefore, the issue remains unresolved.

5.7.4. Staff on the Payroll above the Retirement Age of 55 years

The terms of service for all ranks in the RSLAF state 55 years as the age for discharge from the force. Contrary to this provision, we noted the names of 172 RSLAF personnel above the age of 55 years on the nominal roll and payroll voucher. Some of these staff would have retired since 2014, but their names continue to be on a payroll. A total of Le3,172,509,713 was paid to them as salary. A summary is given in the Table below:

Year of retirement	Staff Number	Salary Paid in FY2019 (Le)
2014	2	64,780,548
2015	3	174,031,344
2016	5	184,761,868
2017	44	915,767,335
2018	118	1,833,168,618
Total	172	3,172,509,713

We recommend that the Commanding Officer in charge of personnel provide reasons for keeping these staff beyond their retirement age. Otherwise, salaries paid to them must be recovered and paid into the Consolidated Fund.

Management however failed to submit an official response or act on the recommendation. Therefore, the issue remains unresolved.

5.7.5. Inconsistency in Staff Records

From our analysis of the nominal roll of the RSLAF, we observed that the dates of birth in the NASSIT records for 1,985 personnel are different from the records maintained by the Ministry for the same personnel. Two staff in the payroll had incorrect NASSIT numbers and the names of 10 staff in the payroll were without staff number / RSLAF numbers. There is therefore a potential challenge with the maturity of staff pension arrangements with NASSIT because of the inconsistencies in staff records.

We recommend that the Commanding Officer in charge of personnel, immediately initiates actions to harmonise this anomaly.

Auditor's Comment

Management failed to submit official response or act on the recommendation. Therefore, the issue remains unresolved.

5.7.6. Assets Management and Control

Contrary to the provision in Section 157(1) of the Public Financial Management Regulations of 2018, there was no evidence that relevant information regarding the purchase of assets, which amounted to Le492,250,000, were submitted to the National Assets and Government Property Commission. Similarly, contrary to Section 161(4) of the Public Financial Management Regulations of 2018, the assets were not marked with the Ministry's unique identification codes. We therefore recommend that the Ministry communicate to the National Assets and Government Property Commission, details of assets acquired during 2019. In addition, the Director General in collaboration with the Senior Accountant should ensure that the fixed assets are marked with the Ministry's identification codes and the details of them recorded in the Ministry's fixed assets register. The used assets replaced must be made available for audit verification within 15 days upon receipt of this report.

Auditor's Comment

Management failed to either respond or act on the recommendations. Therefore, the issue remains unresolved.

5.7.7. Inadequate Controls over Revenue Management

Section 49(1) of the Public Financial Management Regulations of 2018 stipulates that every revenue collector who collects, receives, or has custody of any public money shall deposit it, within twenty-four hours of receipt, into the Treasury Main Account or other Treasury accounts designated by the Accountant General. These requirements were not met in 2019 as revenue totalling Le88,000,000 was collected but not banked. These funds were used for operational running of the hospital for which the supporting documents were provided and duly verified.

Records in respect of revenue generated from military aid services under the MAC-A arrangement were not submitted for review. This was contrary to the provision in Section 62(1) of the Public Financial Management Regulations of 2018 which requires that all public officers responsible for revenue collection shall keep such registers and other records manual or electronic as prescribed by the Accountant General.

We recommend that the Commanding Officer of Joint Medical Unit (JMU) should instruct the Finance Officer to bank all revenue collected at the JMU. The Director of Military Operations should submit the MoU and bank statements regarding military aid services provided in FY2019 within 15 days upon receipt of this report.

Official's Response

A bank account has been opened at the Sierra Leone Commercial Bank (SLCB), there is even an outlet.

Auditor's Comment

Evidence to justify that bank account has been opened for revenue generated at the JMU, and the MoU and bank statements in respect of military aid services were not submitted. Therefore, the issues remain unresolved. However, management failed to either respond or act on the recommendations. Therefore, the issue remains unresolved.

5.8. MINISTRY OF DEFENCE (4TH INFANTRY BRIGADE) - 2019

5.8.1. Fixed Asset not Properly Maintained

We noted that one of the trucks with registration number 14 SL 51 used by the Forward Support Group (FSG) North, to distribute ration to battalions and units under the brigade is in a serviceable condition and has a functioning engine. All six tyres are completely damaged beyond repairs. Discussion with the Commanding Officer (CO) FSG North revealed that requests have been made to the authorities for the replacement of those tyres including spares; however, no supply has been received. This hinders the timely delivery of ration to the battalions and units as there are only two functioning vehicles for same.

In addition, there was no functioning standby generator in the Military Intelligence Room. Power outage could lead to obstruction of service especially at night when patients are under observation or during emergencies.

Official's Response:

The Brigade Commander (BC) said that the faulty generator had been repaired and was now in good working order.

Auditor's Comment

We conducted a verification exercise to confirm the response submitted by the Brigade. The said generator is now functioning. There was however no comment on the said truck in the Brigade's response. The Brigade therefore did not fully comply with Section 171(8) of the PFMR 2018.

5.8.2. Lack of Accommodation for Serving Personnel Due to Dilapidated Military Quarters

We conducted interviews with key personnel of the 4th Infantry Brigade, reviewed the terms of reference of the Estate Policy of the MoD/RSLAF 2014 and conducted physical inspection of the military quarters. We noted that some serving personnel were not accommodated in the quarters and this was as a result of lack of maintenance of the dilapidated structures within the barracks including officers' quarters which could have housed dozens of personnel. It is recommended that the BC 4th Infantry Brigade should liaise with the estate department of the MoD to ensure that the dilapidated quarters are repaired to provide suitable accommodation for the serving personnel within the Brigade. The MoD should also liaise with the appropriate authorities to ensure that a perimeter fence is erected to prevent encroachment.

Official's Response

Management did not comment on this issue.

Auditor's Comment

This issue still stands, as no response was received from management of the Brigade.

5.8.3. Improper Maintenance of Store Records and Storage Facilities

We reviewed the reports on the stores and physically inspected the general conditions of the store. We further reviewed the 1033 receipts and issue vouchers for ration received and issued by the FSG North of the 4th Infantry Brigade and observed the following:

- The 1033 receipt and issue vouchers only showed the quantities of items received and issued but no values were indicated.
- The roof of the FSG store needed maintenance to repair the central metal plate that joins the two sides of the roof in order to curb the leakages. It is worth noting that the ration supply for the entire brigade is stored in that building before distribution and could lead to damage of stores items during the raining season.

- The supply of drugs to the MI Room was not adequate and not timely. For example, a review of the drugs received vouchers revealed that drugs should have been received in 2018 were partly received in 2019, and the last consignments for November and December 2018 were still not received at the time of the audit. This hindered service delivery to the personnel and their dependents. The drugs store was not ideal for the storage of drugs as there were no air conditioners or ceiling fan to ventilate the store. This may cause the drugs to get damaged before expiration.

Auditor's Comment

Management failed to submit official response or act on the recommendation. Therefore, the issue remains unresolved.

5.9. MINISTRY OF DEFENCE – 5TH BRIDAGE, BO

5.9.1. Inadequate Accommodation Facilities

The Accommodation Policy of 2010 of the Republic of Sierra Leone Armed Forces states that the RSLAF shall provide adequate accommodation facilities for its army personnel. We carried out physical verification of the accommodation and other facilities of 5th Infantry Brigade in Gondama and 14th Battalion in Pujehun. We observed that the army officers' houses were in a deplorable condition as some of the houses were unfit for dwelling. For instance, most of the quarters in Pujehun including that of the Commanding Officer needed serious repairs as there were leakages on the roof. The 14th Battalion in Pujehun did not have an officer's mess. It was also observed that there had been considerable delays in the reconstruction of housing units at Gondama Barracks, Bo. The toilet facilities at 5th Infantry Brigade in Gondama and 14th Battalion in Pujehun were observed to be in very poor condition. We physically verified the toilet facilities and observed that these facilities were completely worn out.

Official's Response

The Brigade Commander responded that "this issue should entirely be directed to the Ministry of Defence or the Joint Force Command Headquarters for their response and action".

Auditor's Comment

We observed the following during the verification exercise:

- A copy of correspondence submitted revealed that the Brigade Commander is engaging the Ministry of Defence Headquarters to improve the situation. The situation however remains the same.
- Brigade Commander has made efforts for the contractors to continue the construction of the quarters. The contractor has however not yet resumed work.
- There was no evidence to show that the condition of the toilet facilities had been improved in the 5th Infantry Brigade and 14th Battalion Pujehun.

Management of Medical Storage Facilities

5.9.2. Medicare (Medical Services)

Contrary to the provision in Section 194 (1) of the Public Financial Management Act of 2016, we observed that the medical units at Gondama and Pujehun did not have stock cards to records drugs kept in the store. This created difficulty for us to carry out physical verification of store items. Poor records management of store items may create room for store items/drugs to be used misappropriated and eventual loss of information at the store.

We carried out physical verification of the medical units at Gondama and Pujehun which revealed that the medical store in Gondama was in a deplorable condition and there was no evidence that plans were under way for its maintenance.

Official's Response

The Brigade Commander replied that "this issue should entirely be directed to the Ministry of Defence or the Joint Force Command Headquarters for their response and action".

Auditor's Comment

There was no evidence that the issues were addressed by management.

5.9.3. Lack of Adequate Ambulance Service

There was only one ambulance available in the Brigade which was inadequate to meet the demand of ambulance services for the RSLAF within that location.

Official's Response

The Brigade Commander stated that "this issue should entirely be directed to the Ministry of Defence or the Joint Force Command Headquarters for their response and action".

Auditor's Comment

There was no evidence that the situation of the inadequate ambulances had been improved.

5.9.4. Lack of Quality Health Care Services to Beneficiaries

In non-compliance with Section 16 (2) of the Hospital Boards Act of 2003, we observed that there were delays in the supply and delivery of essential drugs when they run out of stock. The medical units at Gondama and Pujehun were constrained with essential equipment and clinical accessories such as beds, kidney sets, scissors, etc.

Official's Response

The Brigade Commander stated in his response that "this issue should entirely be directed to the Ministry of Defence or the Joint Force Command Headquarters for their response and action".

Auditor's Comment

There was no evidence that the delay in supply of drugs to the 5th Brigade and 14th Battalion clinics has been improved.

5.9.5. Lack of Adequate Equipment and Furniture to Aid Effective Operations

One of the policy objectives of the Sierra Leone Ministry of Defence is to equip and provide logistic support to the RSLAF. We observed that the 5th Infantry Brigade Headquarters and 14th Battalion in Pujehun were constrained with vehicles and motorbikes to enhance effective operations of the RSLAF in the area of responsibility. There were lack of adequate vehicles and motorbikes for the Forward Patrol Bases to patrol the border areas. In addition, we also noted that office equipment such as computers, printers, photocopiers, desks, chairs and cabinets were not adequate to help in the effective execution of duties of the RSLAF in the area of responsibility. We further observed that the batteries that supported the sustainable power at the Joint Communications Unit at the 14th Battalion in Pujehun was not in use.

Official's Response

The Brigade Commander stated in his response that "this issue should entirely be directed to the Ministry of Defence or the Joint Force Command Headquarters for their response and action".

Auditor's Comment

There was no evidence that new vehicles, motorbikes and other office equipment had been supplied to the Brigade. There was no evidence that essential office equipment has been supplied to the various offices to ensure the effectiveness of work done. There was also no evidence that batteries have been supplied to support the sustainable power box for the Joint Communication Unit at the 14th Battalion.

5.10. MINISTRY OF DEFENCE (1ST BATTALION), DARU

5.10.1. Poor Accommodation Facilities for Personnel

There were no maintenance plans at the battalion for staff quarters and there was also no evidence that major maintenance was done on staff quarters and offices. The housing conditions, particularly for the lower ranks, were deplorable; thereby endangering the lives of the officers and their families dwelling in those quarters. We also noted that hygiene conditions of the toilet facilities were poor with toilets located about 200 meters from residence.

The Battalion Commander (BC) in collaboration with other key officials of the Ministry should ensure that a proper accommodation assessment is done for RSLAF personnel in the Battalion. In addition, the BC should ensure that a maintenance plan is developed to address the poor housing conditions and offices in the Battalion.

Auditor's Comment

There was no official's response or evidence of actions taken by management to implement the audit recommendation. The issues therefore remained unresolved.

5.11. MINISTRY OF DEFENCE (2ND BATTALION), KENEMA

5.11.1. Poor Accommodation Facilities for Personnel

There were no maintenance plans at the battalion for staff quarters and there was no evidence that major maintenance was done on staff quarters and offices. The housing conditions, particularly for the lower ranks, were deplorable, thereby endangering the lives of the officers and their families dwelling in those quarters. We also noted that hygiene conditions of the toilet facilities were poor with toilets located about 200 meters from residence.

The Battalion Commander (BC) in collaboration with other key officials of the Ministry should ensure that a proper accommodation assessment is done for RSLAF personnel in the Battalion. In addition, the BC should ensure that a maintenance plan is developed to address the poor housing conditions and offices at the Battalion.

Official's Response

The Battalion Commander has reported the matter for maintenance of the quarters through the chain of command in order to address the issue of accommodations in the barrack.

Auditor's Comment

There was no evidence of actions taken by management to implement the audit recommendation. The issues therefore remained unresolved.

5.12. MINISTRY OF BASIC AND SENIOR SECONDARY EDUCATION - HQ (2019)

5.12.1. Quotation of Bids accepted in Foreign Currencies and Contract Signed in Foreign Currencies

Section 23(2&4) of the Bank of Sierra Leone (BSL) Act, 2011 requires that prices for all transactions in Sierra Leone shall be indicated in Leones and that the Leone shall be the currency for all accounting, financial reporting and official purposes in Sierra Leone. In 2018, the president issued Executive Order No. 2 which requires prices for contracts to be quoted and payable only in the local currency (Leone) and that all existing contracts already quoted in foreign currency to be paid in Leone. In spite of these, the Ministry accepted quotations in a foreign currency (United States Dollars) for the procurement of motorcycles. We further observed that even though the contract sum in US Dollars was converted to Leones during the bid evaluation stage, the contract cost signed with the successful bidder was quoted in US Dollars.

The Permanent Secretary should provide plausible explanations for not adhering to the Bank of Sierra Leone Act of 2019. In future, the Permanent Secretary must ensure that laws, regulations and orders are adhered to when making contractual decisions.

Official's Response

Payment is made in Leones and not in foreign currency and this is spelt out in the contract. The Procurement process used the International Competitive bidding and so had to make provision for bidders outside of Sierra Leone. You can award in foreign currency but made payment in Leones.

Section V (GCC Clause 16.1) of the bid document states that: "Payment of foreign currency portion shall be made in Leones. It further states that the exchange rate shall be that of prevailing selling price at the Central Bank.

Auditor's Comment

Management's response is in conflict with the provisions in both the Bank of Sierra Leone Act of 2019 and the Executive Order No.2. The issue is still unresolved.

5.12.2. Suppliers Invoicing for Periods outside School Calendar

During our review of the school calendar and the diet supplies for the 2019/2020 academic year, we noted that during the first term, schools reopened on 16th September 2019 and closed on 20th December 2019 for the Christmas break. In spite of this, we observed that full months' invoices were sent by the supplier for September and December even though the dates of reopening and closing of schools were not at the end of month. There is the risk that government may be losing its much-needed fund as suppliers claimed for payment for full months, while schools opened and closed half way in the month. There is also the risk of collusion between the school authorities and the suppliers to defraud the state.

The Assistant Director of Procurement should ensure that the extra amount paid to the suppliers for September and December of 2019 be retrieved and paid into the Consolidated Revenue Fund.

In future, the contracts should take into consideration the differences in the months of a term.

Official's Response

Contracts are awarded on a monthly basis and supplies are also delivered to schools on a monthly basis. The period in question is half month.

Auditor's Comment

There was no evidence that the extra amounts paid to the suppliers for diets in September and December were paid into the Consolidated Fund. The issue is still unresolved.

5.12.3. Duplication of Rice Supplied to Boarding Home Schools and Differences between the Delivery Notes and Rice Distribution List

We observed the following:

- During 2019, the Ministry received 30,000 bags of rice donated by the Chinese Government as aid towards the implementation of the Free Quality School Education Programme. The Ministry, through the School Feeding Secretariat, distributed some of the rice to boarding home schools, even though there was an existing regular monthly supply of rice to the schools by various suppliers during the same period. This resulted in a total loss of Le938,916,000.
- We also noted differences between the distribution list and the delivery notes for the distribution of rice to the boarding home schools. We reviewed delivery notes and distribution lists for four of seven schools, and there was a total difference of 7,186 bags of rice valued at Le1,540,110,000 between the two records. The delivery notes indicated 10,988 bags of rice, whereas the rice distribution list indicated 3,802 bags of rice.

It was recommended that the Permanent Secretary should explain why rice were supplied to the government boarding home schools even though there were existing diet suppliers to these schools.

We also recommended that the difference between the delivery notes and distribution list should be investigated, failing which the officer(s) responsible should account for the 7,186 bags of rice.

Official's Response

The supply of rice to schools was not part of diet supply to boarding schools and the Ministry hasn't the mandate to amend existing contract due donation of rice on a one-off basis to the schools. Procurement Unit didn't take part in the distribution.

Auditor's Comment

The issue relating to the duplication of the rice supply and the difference between distribution lists and delivery notes was not addressed by the Ministry. This issue is still unresolved.

5.12.4. Bank Withdrawals without Supporting Documents or Adequate Supporting Documents

Contrary to Section 100 of the PFMR 2018, bank withdrawals which amounted to Le4,656,703,850 were without payments vouchers and other supporting documents. Additionally, our review of 2019 Expense Analysis and payment vouchers retrieved from the Accountant General's office on the MBSSE revealed that payments which totalled Le9,040,201,054 were paid to institutions and for different purposes without adequate supporting documents such as: receipts, invoices, delivery notes, signed list of beneficiaries, payroll vouchers, minutes, attendance list, back-to-office report etc.

As these transactions were without supporting documents, we were unable to ascertain whether proper public financial management procedures were followed, and or whether the goods were delivered or services rendered.

The Permanent Secretary in collaboration with the Senior Accountant should ensure that adequate supporting documents in relation to these transactions are submitted to ASSL for inspection. In future, all supporting documents must be attached to PVs and retained for audit purposes.

Official's Response

Audit recommendation is noted by Management. Supporting documents have been assembled and could be presented for verification. Supporting documents are retrieved from the Program Managers and will be presented for verification.

Auditor's Comment

From a total bank withdrawal of Le4,564,203,850, supporting documents were submitted for a total of Le2,778,289,325 leaving a balance of Le1,878,414,525 without supporting documents.

In respect of transactions from the 2019 Expense Analysis and payment vouchers retrieved from the Accountant General's Office on the MBSSE, we noted that out of payment vouchers totalling Le9,040,201,054, adequate supporting documents were submitted for a total of Le2,552,013,279 leaving a balance of Le6,488,187,775 without adequate supporting documents such as: receipts, invoices, delivery notes, signed list of beneficiaries, payroll vouchers, minutes, attendance list, back-to-office reports, etc.

These issues are therefore partly resolved.

5.12.5. Withholding Taxes not Paid to the National Revenue Authority (NRA)

A review of information in the Ministry's cashbook and the payment vouchers submitted for our review revealed that payments were made to various suppliers and contractors for goods, works and services during 2019. The statutory withholding taxes of Le45,702,049 were deducted from these payments, but only Le8,464,775 was paid to the NRA leaving a balance of Le37,237,274. This was contrary to the provision in Section 117 (4) of the Income Tax Act of 2000.

We therefore recommend that the Acting Principal Accountant must ensure that the balance of amount is immediately paid to the NRA and evidence of payment submitted for inspection.

Official's Response

Receipts are available for verification

Auditor's Comment

Of a total withholding taxes of Le37,237,274, the NRA receipts totalling Le11,244,714 were submitted as evidence of payments leaving a balance of Le 25,992,560 without receipts. The issue is partly resolved.

5.12.6. Human Resource Management

We also noted that contrary to Section 130(1) of the NASSIT Act of 2000, 48 staff of the Ministry were without social security (NASSIT) numbers. In spite of the provision in Rule 8.1 of the Sierra Leone Civil Service Code, there was no evidence that Ministry's staff were appraised during 2019.

It becomes difficult to determine whether their social security contributions are being paid to NASSIT on their behalf, and it may lead to difficulties in accessing their end-of-service benefit or terminal benefit when the need arises.

Lack of staff appraisals could result in unidentified skills and knowledge gap and recommendation of appropriate training.

We recommend that the HRO should ensure that the NASSIT numbers are obtained for each staff of the Ministry and that supervisors of staff prepare the annual performance appraisals and copies kept in staff files.

Official's Response

Auditor-General's recommendation is noted with thanks and it will fully be complied with.

Auditor's Comment

There was no evidence that the recommendations were implemented by the Ministry. Therefore, the issues remain unresolved.

5.12.7. Inadequate Controls over the Management of Fixed Assets

The fixed assets register maintained by the Ministry was not updated, as information such as date of acquisition, value of assets and specification were not included in the register. Additionally, fixed assets procured for Le791,720,000 were not included in the fixed assets register.

In the absence of a complete fixed asset register and the non-inclusion of the newly bought assets in the register, there is the risk that the Ministry's assets may go missing without being noticed or the possibility of these assets being converted to personal use.

We recommend that the Permanent Secretary, in collaboration with the Administrative Assistant in charge of assets management, should submit an updated fixed assets register that includes information such as acquisition dates, values and specifications for audit inspection. In addition, fixed assets procured in 2019 must also be included in the fixed assets register. The updated register must be submitted for audit reviews.

Official's Response

Necessary actions have been taken to update the assets register.

Auditor's Comment

An updated fixed assets register was not submitted and there was no evidence that fixed assets worth Le791,720,000 were recorded in the fixed assets register. The issue is still unresolved.

5.12.8. Implementation of the Free Quality School Education (FQSE) Programme

Even though the Presidential Declaration of the Free Quality School Education (FQSE) has taken two years, we observed that there was no policy or guidelines for the effective implementation of the programme. Our review of the implementation of the FQSE programme in selected schools in the Western Area revealed the following:

- Teaching and Learning materials (TLM) were supplied to local councils without guidelines or policies for their distribution and handling.
- There was no equal distribution of exercise books to all pupils. In some schools, pupils were given four, five, six or seven exercise books as the case may be.
- Some of the schools lacked storage facilities to properly store the TLMs. Books were found in the open and on the bare floor; some were even covered in dusts.
- Some core textbooks (Integrated Science and Social Studies) received by schools were not distributed to pupils, but rather being held up in cupboards and in boxes. Our interviews with principals of these schools revealed that there was no clarity from the Ministry on the use of these books; some of the principals perceived the books to be distributed to every pupil whilst some considered them as resource materials for the schools since the books were not enough to be distributed to each pupil in their respective schools.
- Due to the lack of adequate data on school's requirements and enrolment, some pupils were not supplied with core textbooks (Mathematics and English Language). Interviews conducted with the Coordinator of "Leh We Lan" project (the European Union's contractors for the procurement and distributions of core textbooks) revealed that the data used for the

procurement of core textbooks for the junior and senior secondary schools were based on the 2017 school census report. This was far below the enrolment into schools after the declaration of the FQSE in 2018.

We recommend that the coordinator of the FQSE in consultation with other key stakeholders in education should ensure that policies and guidelines are immediately developed for the effective implementation of the FQSE.

Auditor's Comment

Management however failed to submit official response or act on the recommendation. Therefore, the issue remains unresolved.

5.12.9. Payments of School Fees Subsidies to Non-government and Government Assisted Schools

A total of Le933,740,000 was paid to 131 Non-Government and Government Assisted schools as school fees subsidies for the first term of the 2019/2020 academic year without any justification for payment. Management stated that the Ministry approved over 3,000 schools but didn't communicate that information to the schools and that the approval automatically changed status of schools from community, mission or private to government or government assisted. They further stated that 99.1% of schools identified in the audit query fall within newly approved schools, and the Ministry prepared payment list for tuition for them. Evidence of approval of schools submitted were issued in March 2020 but came into effect in the 2020/2021 academic year.

We recommend that the Director of Planning and Policy should ensure that the amount paid is immediately recovered from the affected schools and refunded into the Consolidated Fund with immediate effect; otherwise the issue will be forwarded to the appropriate authorities for further actions. In future, the Director of Planning and Policy should ensure that school fees subsidy is only paid to government and government-assisted schools. Any other beneficiary institution must be properly justified, approved and documents maintained for reference purposes.

Official's Response

The Ministry approved over 3,000 schools but didn't communicate that information to the schools. The approval automatically changed status of schools from Community, Mission or private to Government or Government Assisted. Ninety-nine point one percent (99.1%) of schools identified in the query falls within newly approved schools, and the Ministry prepared payment list for tuition for them. The remainder are private schools and were submitted by District Deputy Directors of Education. Almost all of them have correct bank details, whilst others could not be traced on payment list alleged.

Auditor's Comment

Evidence submitted for the approval of schools were issued in March 2020 and were to come to effect in the 2020/2021 academic year. The payment of Le933,740,000 was for the 2019/2020 academic year, this was prior to the Ministry's approval. The issue remains unresolved.

5.13. MINISTRY OF BASIC AND SENIOR SECONDARY EDUCATION-BO DISTRICT-2019

5.13.1. Inspection and Supervision of Schools

Data submitted by the District Statistical Clerk revealed that there were 1,020 schools in the entire Bo District that were to be monitored by Inspectors and Supervisors of schools. We observed the following:

- There were only two substantive inspectors of schools attached to the Ministry of Basic and Senior Secondary Education (MBSSE) in Bo District.
- There were only three teachers serving as supervisors of schools at the Inspectorate and Supervision Division of the MBSSE in Bo. They were assigned to monitor all the 1,020 schools in the district. Our findings further revealed that the three supervisors were not substantive employees of the MBSSE. They were teachers from various secondary schools in Bo District assigned to the Ministry.

Official's Response

The Deputy Director of Education responded that: "It is true that the District Education Office currently has one substantive Inspector of School since the only other inspector had been transferred to Bonthe before the Audit Exercise. It is also that in the absence of substantive teacher supervisors, the District Education Office is making use of services of teachers attached to the office are however not carrying out teaching services in their respective schools as expressed by the auditors. This staff shortage in the Bo District Education Office is known to the Ministry's headquarters. It will even interest you to know this situation is not peculiar to Bo District and that explains while the Ministry through Public Service Commission had long advertised for the positions of Inspectors and Supervisors. The District Education Office is looking forward to the outcomes of that advertisement with hopes that some of the future recruited inspectors and supervisors will be posted to the Bo Education Office"

Auditor's Comment

During the verification exercise, there was no evidence that additional inspectors or supervisors of schools have been assigned to the District Education Office. It was strange to also note that one of the two inspectors of schools had been transferred to Bonthe District in January 2020 and there was no evidence that he has been replaced in the Inspectorate and Supervision Division in the Bo district.

5.13.2. Implementation and Management of Free Quality School Education Programme

GOAL 4 of the United Nations Sustainable Development Goals (SDGs) - Quality Education - requires ensuring inclusive and equitable quality education and promote lifelong learning opportunities for all. We carried out verification exercise of a sample of 13 schools in Bo District to assess the implementation of the Free Quality School Education Programme and we observed the following issues:

Supply of Teaching and Learning Materials

We verified sample of school facilities in the Bo District and observed that most of these schools did not have proper storage facilities for the items supplied to them including teaching and learning materials. The core text and exercise books were placed on the bare floor in some of the principals' office. In other instances, the books were stored at the school libraries. These places are open to visitors and pupils, as and when the need arises.

Official Response

The Deputy Director responded that "Management was taken aback by the observation that some schools, at the time of verification exercise by the auditors had not received supply of textbook and some had received less than needed. While

the above explanations may take care of this issue, schools that reported not to have received any supply must have been those schools not approved at the time of distribution of Teaching and Learning Materials (TLM) since only government approved schools were targeted.

With regards to the provision of safe storage facilities for the Teaching and Learning Materials supplied, it is the responsibility of those school leaders working with their Board of Governors/ School Management Committees to provide stores for those schools. This is where the proper use of all resources of those schools including the fees subsidy”.

Auditor’s Comment

During the verification, it was observed that storage facilities at these schools still remain a challenge.

Operational Effectiveness

During the verification exercise, we observed that even though new school boards of governors have been constituted, some principals, vice principals, senior teachers and heads of departments continue to be in acting capacities. As a result, salaries and other emoluments did not reflect their current positions as they continue to receive their old salaries and other emoluments. Enquiries from these heads of schools revealed that the Teaching Service Commission is yet to carry out a re-assessment and promotion of teachers who were due or have acquired additional qualifications.

We reviewed staff lists and pupils’ enrolment number of sampled schools and observed that some schools lacked adequate teachers for the smooth running of those schools. For example, some teachers have not yet been absorbed into the government’s payroll. They were either serving as volunteers or part-time teachers. In addition, some teachers who had received appointment letters from Government have not yet started receiving salaries from the government. They were without pin codes and NASSIT identification numbers.

The Free Quality Education Programme aims at reducing the number of pupils in a classroom to a maximum of 50 pupils. Some of the classrooms we physically verified were congested with more than 50 pupils per class.

Auditor’s Comment

Management failed to submit official response or act on the recommendation. Therefore, the issue remains unresolved.

5.13.3. Fixed Assets not available for verification

We reviewed the fixed asset register and carried out physical verification of all fixed assets including vehicles and motorbikes. We observed that one motorbike with registration number AIT 969 was assigned to one of the Teacher-Attached Supervisors of the Inspectorate and Supervision Division in Bo District. This motorbike was not made available for physical verification. Further enquiries from the Deputy Director of Education revealed that the motorbike was stolen at the residence of the Teacher-Attached Supervisor at the Government Reservation on 28th December, 2019. A copy of the letter written on 3rd January, 2020 to the Deputy Director of Education in Bo by the Teacher-Attached Supervisor reporting the theft of the motorbike was submitted to the auditors. There was however no evidence that the matter was reported to the Sierra Leone Police for investigation.

Official Response

The Deputy Director of Education stated that “on the issue of the missing motorbike, the instruction given by the auditor to collect police records on the report made by Mr Gogra for the missing motorbike was passed over to him (Mr Gogra). According to him, the police officer dealing with the issue would only release the police record on the issue on the permission

of the Inspector-General. As I write this response, Mr Gogra has not brought the requested police record on the motorbike issue”.

Auditor’s Comment

The motorbike was not made available for verification and there was no evidence of a police report on the missing motorbike.

5.13.4. Inadequate Controls over Stores Management

The Ministry did not have a trained and qualified storekeeper. We observed that the Storekeeper at the District Education Store in Bo was a volunteer. Interviews revealed that he was a teacher in one of the schools in Bo and he had served the Ministry in this capacity for several years. There was no evidence that he had qualification / training in Stores Management.

It was further observed that the store hand (Assistant) was also a volunteer and he had served in this capacity for about 10 years. The Deputy Director revealed that he had been very helpful in the receipt and distribution of teaching and learning materials and the maintenance of the store facilities. The Deputy Director further stated that he was not on government’s payroll but the local councils were providing him with stipend through the devolved education sector. The councils had stopped this stipend since January 2020. This decision was taken by the leadership of the councils during their 2020 budget preparation. Since the start of the financial year 2020, he had not received any stipend.

Official’s Response

The Deputy Director stated that “Management is aware that the storekeeper is trained as teacher but not as a storekeeper. The fact however is that even though they said storekeeper has not gone through any formal training as storekeeper, he has worked as store aid supporting the now retired storekeeper for over 15 years. When the former storekeeper was retired, headquarters promised to deploy another trained storekeeper but that promised is yet to be kept. Amongst all the workers at the District Education Office Mr Senessie, currently is the most practically experienced person in storekeeping. This explains why management has been using his services while waiting for the deployment of a formally trained storekeeper”.

On the issue of the store hand, the store hand had not received stipend from the Local Councils since January 2020. Management informed him three months prior to the commencement of the financial year 2020 about the Councils’ refusal to pay him. He had however willingly decided to continue serving in that capacity while trying to secure a job as a trained and qualified teacher. Management has recommended him to the Teaching Service Commission (TSC) for employment in a school of his choice. At the time of the audit, he has already been given pin code by the TSC and he is currently awaiting his deployment to a school and subsequent payment of salary.

We carried out physical verification of the store and its facility and observed that there was no gate at the main entrance of the store compound. We further observed that there was no night watchman or security attached to the store to prevent thieves and other intruders into the compound.

Auditor’s Comment

There was no evidence that the issues were addressed by management. Therefore, the issues remain unresolved.

5.14. MINISTRY OF BASIC AND SENIOR SECONDARY EDUCATION, BOMBALI DISTRICT - 2019

5.14.1. Key Departmental Positions Occupied by Volunteers

A review of the Ministry’s organogram revealed that several key positions such as school supervisors, school inspectors, substantive finance officer etc. were vacant, which suggests that the Ministry was

grossly understaffed. Additionally, the Ministry most times used volunteers who were inexperienced (no evidence of training) to undertake the supervision and monitoring of schools. It was recommended that the Deputy Director of Education (DDE) as head of entity should liaise with the Ministry for the staffing matters to be addressed, particularly so when service delivery is the main object for which the Ministry was established.

Official's Response

The DDE said that he had reported the gap in the organogram at the MBSSE and recommend immediate action for recruitment and training.

Auditor's Comment

Management's response has been noted. Evidence of correspondences between MBSSE Bombali and HQ were however not made available for audit verification. This issue remains unresolved.

5.14.2. Regular Monitoring and Supervision of Schools not Carried out

From the examination of records and physical confirmation with schools within the district, we observed that regular monitoring and supervision of schools was not carried out by the Ministry. This was due to inadequate staff and funding to enable the Ministry embark on regular monitoring and supervision to ensure that effective and efficient teaching and learning processes take place in schools within the District. Furthermore, it was noted that there were insufficient supervisors of schools in the Ministry. A review of personnel records revealed that the supervisory team comprised of eight personnel. The examination also revealed that five of the eight supervisors were retired personnel volunteering their services to the Ministry; while two of the three substantive staff were regular full-time teachers removed from their teaching responsibilities and permanently attached to the Ministry. The productivity of over aged staff may not be adequate as they have to cover long distances and rough terrains to reach most of the schools around the District.

Official's Response

The DDE said he is making do with the available resources (retired and volunteer supervisors and the inadequate mobility) to do regular monitoring and supervision.

Auditor's Comment

Management's response has been noted; however, the issue remains unresolved.

5.14.3. Training Needs not Identified Due to Absence of Staff Performance Appraisals

During the course of the audit, we observed that performance appraisals were not carried out. As such, staff capacity was not being enhanced through comprehensive training programmes for several years now; even though the ministry conducts and spends on trainings for School Management Committees within the district. This was clearly evident as some inexperienced staff used to carry out the monitoring and supervision of schools. Similarly, most of the personnel in the Ministry were not computer literate.

Official's Response

The DDE said that HQ has been adequately informed on the recruitment and training of personnel and establishment of a framework for appraisal, particularly the condition of services for civil servants.

Auditor's Comment

Management's response has been noted; however, evidence of correspondence between MBSSE Bombali and HQ were not made available for audit verification. This issue remains unresolved.

5.14.4. Irregularities in the Payment of School Subsidy

Reconciliation of the school rolls submitted by school's heads and school fee subsidy roll for the payment of subsidies for first term 2019/2020 academic year as well as physical confirmation revealed that subsidy payments to schools were not equal to the number of pupils enrolled for some schools. We noted that some of the schools were either overpaid or underpaid, while some schools did not receive payment for certain terms.

Official's Response

The DDE said on a normal routine, the Ministry is conducting school census for proper database couple with head count for proper planning.

Auditor's Comment

Management's response has been noted. however, the response proffered did not address the audit recommendations. The issue therefore remains unresolved.

5.14.5. Inadequate Control over the Processing of School Fees Subsidy

The following were observed:

- Bank details and the locations of the schools as submitted by the school authorities were incorrectly inputted into the list of subsidy payment to schools. The bank details such as account numbers, bank names, BBan numbers and account names were completely mixed-up for some schools which made it impossible for some of the schools to access their payments. We therefore considered this situation a lack of proper coordination between the District Office and Headquarters.
- Some Head Teachers and Principals submitted school rolls without signing and stamping them while at the same time erroneous rolls that had writings on them were mixed up with those that were correct rolls making the piles very huge and difficult to go through when no work was going to be done on them. The record keeping and filing system was therefore considered to be inappropriate.
- Some school rolls submitted by head teachers and principals were not recorded in the electronic excel file prepared by the Ministry.

Official's Response

In his response the query, the DDE said that the Ministry usually compiled list of left out schools and underpaid fee subsidy for the attention of MBSSE HQ. He furthered that the district education office is recommending that fee subsidy be paid into the account of the local councils. He added that district education office has established a situation room for record keeping and management.

Auditor's Comment

Management's response has been noted; the issue however remains unresolved and will be followed up in subsequent audit.

Poor Storage Condition

During the physical inspection of the two stores at the Ministry, the audit team observed that in the absence of shelves in the stores to accommodate the large consignments of books, other teaching and learning materials and other store items supplied to the Ministry for onward distribution to schools, were not properly organized, as books and other stores items were scattered all over the floor. Moreover, the team also noticed that there were not enough pallets in the store; however, the few pallets that were available in the store were not being used. It was recommended that Education should

ensure that the Store Keeper reorganises the store by removing all the teaching and learning materials and other items from the floor and place them on pallets to avoid dampness, damage or deterioration.

Auditor's Comment

There was no management's response. We however observed that one of the two stores had been cleaned but pallets had not been provided in the store as recommended. The issue is therefore not resolved.

5.14.6. Obsolete Store Items not Disposed off

During the physical inspection of the two stores at the Ministry, the audit team observed the presence of huge amount of obsolete and broken items in the stores without being disposed of. This situation has resulted in the stores being very disorderly; thereby inhibiting the storage of new consignments of teaching and learning materials related to the Free Quality Education Programme.

Auditor's Comment

No management response was proffered; therefore, the issue remains unresolved.

5.15. MINISTRY OF BASIC AND SENIOR SECONDARY EDUCATION, KAILAHUN DISTRICT – 2019

5.15.1. Inadequate Control over Expenditure Management

There were inadequate controls over the disbursement of funds. Expenditure undertaken did not go through the appropriate processes such as requisitions, approvals, payment vouchers etc. We also noted that payment vouchers and relevant supporting documents were not presented for expenditure amounting to Le69,895,000.

The Deputy Director should ensure that payment vouchers with all relevant supporting documents are provided for verification or the full amount is repaid.

Auditor's Comment

There was no official's response or evidence that the recommendation was implemented. This issue remained unresolved.

5.16. MINISTRY OF BASIC AND SENIOR SECONDARY EDUCATION, KENEMA DISTRICT-2019

5.16.1. Inspection of School

In contravention with section 47 (1) and (2) of the Education Act 2004, the following were observed:

- There was no inspection manual used for the inspection of schools within the district.
- There were no criteria for the selection or ranking of schools for inspection and there were no fixed times for undertaking such inspections.
- There were no reports on schools inspected neither was there any evidence for communication of inspection findings in schools so as to enhance improvement of operations.

We recommend that the Deputy Director of Education ensure they collaborate with the Ministry to develop an inspection manual and a criterion for selection of schools. Moreover, the report from an inspected school should be submitted to the ASSL for audit inspection.

Official's Response

Management note these findings and steps have been taken to develop a national inspectorate policy.

Auditor's Comment

Our recommendation was not implemented however and the issued has not been resolved.

5.17. MINISTRY OF HEALTH AND SANITATION, HEADQUARTERS - 2018 -2019

5.17.1. Procurement and Supply Chain Management

Procurement initiated without end-users' needs/ requirements

Section 16(2a) of the Public Procurement Regulations, 2006 requires that in conducting its functions, the Procurement Unit shall at all times liaise with the originating officer or end-user who initiated the procurement, to ensure that the procurement meets the requirement. We examined samples of procurement activities for the supply of diets and sundry items to government hospitals and other health facilities during 2019 and noted that there was no evidence of requests being initiated by the end users in the procurement process.

Official's Response

The procurement of diet and sundry items for hospitals are procurement activities established in the Ministry's plan that is budgeted for every year since 2011. Three months towards the end of every year's contract, the Procurement Unit informed the volt controller about the end date of the contract. The volt controller then summons a Procurement Committee meeting involving all stakeholders (Directorate of Food and Nutrition) to discuss the way forward before any procurement activity is undertaken. Your point is very key, going forward, the Unit will ensure that a request is generated by the end-user prior to initiation of the procurement process.

Auditor's Comment

Documentary evidence to confirm that the procurement of diets and sundries for the hospitals and other health facilities were initiated by the end-users for the period under audit were not submitted for verification. Therefore, the issue remains unresolved.

5.17.2. Proceeds from the Sale of Bidding Documents not Accounted

Contrary to the provisions in Section 57(4) of the Public Procurement Regulations of 2006 and Section 45(5) of the Financial Management Regulations of 2018, expenditure returns as evidence relating to printing, copying and distribution of bidding documents were not submitted in respect of a total proceed of Le21,000,000 from the sale of 42 bidding documents. The proceeds may not have been used for its intended purpose leading to the inappropriate use of the Ministry's meagre resources to cover the costs related to printing, copying and distribution of the bidding documents. The Senior Procurement Officer (SPO) should immediately account for the proceeds from the sale of bidding documents and evidence submitted for audit verification.

Official's Response

Evidence in support of the utilisation of the proceeds from the sale of bids are available for audit inspection.

Auditor's Comment

From a total proceed of Le21,000.000, supporting documents were verified for Le10,080,000 leaving a balance of Le10,920,000. The issue is therefore partly resolved.

5.17.3. Implementation of Recommendations of National Public Procurement Authority (NPPA)

Section 14 (6) of the Public Procurement Act of 2016 stipulates that notwithstanding anything to the contrary in any other law, the Authority shall, after conducting an investigation and is reasonably satisfied that there is a breach of this Act or any regulation made under it direct the procuring entity to take such actions as are necessary to rectify the contravention; or terminate the procurement processes.

In March 2019, the NPPA requested that the Ministry re-advertise procurement requirements for the supply of diets and sundry items to three government hospitals because the nature of the bid security and line of credit guarantee submitted by the successful bidders were not satisfactory. We however noted that this recommendation was not fully implemented by the Ministry.

The Procurement Committee should provide documentary evidence indicating why the Ministry failed to implement and comply with the recommendations of the NPPA relating to contracts; otherwise the matter will be reported to the relevant authorities for further investigation.

Official's Response

The Ministry went by the NPPA 's recommendation by re-launching the selected lots on 10th April, 2019. See attached the relevant document (Bidding document, advert, bid submission, evaluation report) for your attention.

Auditor's Comment

We noted Management's response and upon review of documents submitted, we observed that 10 lots as opposed to NPPA's recommended four lots were re-advertised. The timing of the re-advertisement was also at variance with the NPPA recommendations. The issue is therefore partly resolved.

5.17.4. Management of Medical Stores

Section 182 (1) of the Public Financial Management Regulations, 2018 requires that stores shall be accounted for by value as well as by quantity, and it is necessary to keep records so as to determine the unit cost of each stock item and the reconciliation of the total value of the stocks with the financial records. Section 179 (2) of the Public Financial Management Regulations, 2018 stipulates that a vote controller or the head of the budgetary agency shall be accountable for the proper care, control, supervision, custody and use of Government stores from the time of acquisition until they have been used or otherwise disposed of in accordance with these regulations.

We visited the designated stores where drugs and other medical supplies were kept to assess whether adequate controls were in place in managing those stores. We also reviewed samples of store records and physically verified the general storage conditions of those facilities and observed the following:

- At the Free Health Care (FHC) Store and Store No. 4 that contained medical consumables and hardware items, some of the physical stock balances were less than the balances recorded on the stock cards.
- In spite of several efforts, the storekeeper for the FHC failed to make available stock cards for the period between 1st January and 31st December, 2018. As such, we could not ascertain the accuracy of stock usage in 2018 and closing stock balances that were brought forward as opening balances in 2019.
- The FHC Store contained large quantities of drugs and other medical items that were claimed to be expired. These expired items were however not kept separate from those that were not expired. It was therefore impossible for the audit team to verify the quantity and value of items expired and there was no evidence that efforts were made by the storekeeper for the removal and eventual disposal of these expired items.
- The physical condition of Store No. 4 was not favourable. This store was a makeshift structure with tarpaulin, which exposed the items to high risk of theft and volatile to weather condition. We noticed that some of the stocks such as hundreds of bed nets were not in any good physical condition. Discussions with the designated storekeeper confirmed that some of the items were damaged due to the poor condition of the store. There was however no evidence of efforts made to have a much better storage facility for Store No.4.

- At the Central Medical Stores, we observed leaking roofs, inadequate cooling system, lack of fire extinguishers, no smoke detectors and some of the tally cards were not updated.
- It was therefore recorded that the Director of Drugs and Medical Supplies should ensure that the anomalies identified are addressed immediately; failing which, that matter will be reported to the relevant authorities for appropriate actions.

Official's Response

This recommendation is noted and will be implemented in future.

Auditor's Comment

Management's response is noted but the challenges highlighted are yet to be addressed by the Ministry. Therefore, the issue remains unresolved.

5.17.5. Expenditure Management and Control

Expenditure on Overseas Medical Support and Fuel

Section 13 (1) of the Public Financial Management Act, 2018 stipulates that the vote controller of a budgetary agency shall be responsible for prudent, effective, efficient and transparent use of the resources of the budgetary agency. Contrary to this provision, we noted the following:

Overseas Medical Treatments

In spite of several requests, the Ministry failed to submit policy or guidelines that governed overseas medical support. Discussions with key personnel revealed that there was no policy or guidelines that guided the management of overseas medical bills for which government spent a total of Le17,531,458,562 (Le13,622,912,402+Le3,811,528,660) in 2018 and 2019. The Accountant General's Checklist instructed that payments of overseas medical bills must be made directly into the accounts of either the hospital or the Sierra Leone's embassy or high commission in the country which the patient is to receive treatment. This was not the case. Payments for overseas medical bills for a sampled 79 patients (20 patients in 2018 and 59 patients in 2019), which totalled Le1,930,249,260 in 2018 and Le6,403,759,160 in 2019, were directly paid into the personal bank accounts of the patients.

Only 15 of the 79 patients submitted hospital treatment reports to the Ministry. The cost (excluding air tickets and DSAs for the patients and his/her accompanying relative) of medical bills accorded to the remaining 64 patients was Le6,505,909,280. We could therefore not ascertain whether or not the 64 patients in question went for medical treatment overseas.

Records of Fuel Consumption not Submitted

Review of payment vouchers and IFMIS printouts revealed that the Ministry was allocated fuel worth Le699,400,000 and Le302,797,500 during 2018 and 2019 respectively. In spite of repeated requests, records such as fuel chits, fuel ledgers, fuel distribution list, vehicle/generator log books and fuel reconciliation statements were not submitted for our review. We could therefore not ascertain that fuel allocated was utilised for its intended purposes.

Official's Response

Overseas Medical treatment is a scheme established by the Government of Sierra Leone to make available treatment for specialised medical services that are not readily available in country. Thus, requests from Sierra Leoneans with ailments that require specialised medical intervention are forwarded for vetting and approval by the Overseas Medical Board and His Excellency the President. The Overseas Medical Board constitutes consultants and specialists and it was established to investigate/diagnose and make recommendation regarding people eligible for the overseas medical treatment scheme. The Government of Sierra Leone through the Ministry of Finance provides annual allocations for overseas medical

treatment. Over the years we have however observed that the number of eligible cases far outweighs the resources provided. In a bid to enhance accountability in the process and in compliance with the Accountant General's request, the Ministry has commenced direct payment to hospitals providing treatment to the referred patients or the Sierra Leone embassies and high commissions in countries where the patients is to receive treatment, such as Ghana, the United Kingdom, and the United State of America. However, the Ministry is challenged with making direct payment for patients to countries where there is no Sierra Leonean embassy or high commission, as in the case of Indian. The Ministry is in the advanced stage of developing an Overseas Medical Treatment policy that will clearly highlight the eligibility criteria and processes of the said scheme. Beneficiaries are also now being requested to provide a comprehensive report on their return home from treatment abroad. This includes payments for treatment, accommodation and DSA. Furthermore, letters have been sent to the beneficiaries requesting for the submission of their medical report. Attached is a copy of the letter sent. Plans are also advanced with private hospital outlets such as Choithram Foundation Hospital to develop a Public Private Partnership that will facilitate treatment of some of the ailments usually referred for overseas treatment. Attached herewith is the draft policy on overseas medical treatment for ease of reference.

Supporting documents to account for fuel allocated to the Ministry are available for audit inspection.

Auditor's Comment

Overseas Medical Treatments

A draft Overseas Medical Diagnosis and Treatment Policy has been developed and awaiting reviews and finalisation. Copies of letters sent to beneficiaries of overseas medical treatments requesting treatment reports were submitted by the Ministry. We however noted that only nine (9) of 64 beneficiaries submitted treatment reports. Reports were not submitted for the remaining 55 beneficiaries for which a total of Le5,567,914,720 was expended as overseas medical expenditure on their behalf. This issue is partly resolved.

Fuel

In 2018, records to support fuel utilisation were submitted for Le410,000,000 from a total amount of Le699,400,000 leaving a balance of Le289,400,00 without fuel utilisation records.

In 2019, records to support fuel utilisation worth Le302,797,500.00 were not submitted. Therefore, the issue is partly resolved.

5.17.6. Payments without Supporting Documents

We reviewed a sample of transactions from the Ministry's Imprest Bank Account held at the Bank of Sierra Leone bank statements and observed that the sum of Le11,231,320,930 was either transferred or withdrawn from the account during the period under review. Instructions from the Ministry to the bank authorising transfers and/or payment vouchers (PVs) and the relevant supporting documents were however not submitted for audit inspection.

Official's Response

All payment vouchers (PVs) and supporting documents are now available for your review.

Auditor's Comment

From a total of Le11,231,320,930, supporting documents for Le10,722,525,575 were submitted, thereby leaving a balance of Le207,478,355 without relevant supporting documents.

A further analysis of the documents submitted in respect of the Le10,722,525,575 revealed that payments totalling Le581,617,150 were without adequate supporting documents such as pro-forma invoices, receipt, distribution list, etc. In addition, the NRA receipts, as evidence of deductions and

payments of withholding taxes which amounted to Le20,421,795 were not attached to some of the payment vouchers.

The issue is therefore partly resolved.

5.18. REGIONAL GOVERNMENT HOSPITAL, MAKENI: 2018-2019

5.18.1. Blank Counterfoil Receipts

Upon review of the general receipt books (used to collect fees and charges levied by the hospital). It was revealed that several receipts were issued to the general public for various services with blank counterfoil receipts in contravention of Section 61 (10) of the PFMR 2018. Huge amounts of revenue collected might have been diverted into personal use. It was recommended that the hospital management should provide justifications for the deviation and in future should ensure that they comply with Section 61 (10) of the PFMR 2018.

Official's Response

The Medical Superintendent (MS) said that management noted with concern the auditors' findings and the necessary administrative action had been taken including the daily checking of all triplicate copies and carbon papers inspected. This can be verified by the team.

Auditor's Comment

Management's response is noted. The issue however remains unresolved.

5.18.2. Inadequate Control over the General Processing and Recording of Financial Transactions

In the absence of cashbooks detailing expenditure undertaken during the periods under review, the audit team was unable to match or relate withdrawals to supporting documents submitted to the team during the course of the audit. In this regard, total withdrawals of Le297,118,169 and Le100,928,946 from an account operated with the First International Bank (FIB) for 2018 and 2019 respectively were not supported as required by Section 100(1) of the PFMR 2018. Moreover, payments vouchers were not maintained for all expenditure undertaken by the hospital during the 2018 and 2019 fiscal years. The expenditure request forms used for expending monies from the internally generated funds were not serially numbered and filed properly for ease of reference or audit purposes. The hospital totally disregarded Section 100 (1) of the PFMR 2018 in expending public funds. It was recommended that the Medical Superintendent in collaboration with the accountant should ensure that the relevant supporting documents are submitted for verification.

Official's Response

The MS said that payment vouchers have not been in use for quite a long time as hospitals have not been supplied with this important financial tool by the Accountant-General through the Director of Financial Resources, MOHS. The last time the Accountant-General was contacted by the Assistant Accountant for the supply of this document, he was told that the Government Printer has not supplied payment vouchers. The expenditure request forms have been in use over the years and bank statements submitted could be checked with the expenditure as against the withdrawals for a particular month. He also mentioned that the expenditure request forms were not printed in booklet as requests are made by various Heads of Units/ In-charges and these are dated, recommended and approved by the MS. He furthered that management will look into the issue of serially numbering the receipt books and expenditure request forms. He concluded by stating that the cashbook and supporting documents are now ready for verification.

Auditor's Comment

Although the hospital has now printed payment vouchers which were reviewed by the auditors, supporting documents in respect of Le 297,118,169 and Le100,928,946 were however not submitted for verification. The issue is therefore unresolved.

5.18.3. Withholding Taxes not Paid to the National Revenue Authority

A comparison between withholding taxes payable by the Makeni Government Hospital and withholding taxes paid for 2018 and 2019 revealed that a sum of Le 51, 075,369 was not deducted and paid to the NRA for the same period. This was in contravention of Section 130 (1) of the Income Tax Act, 2008.

Auditor's Comment

The schedules with the NRA receipt for Le43,086,408 was submitted and verified there was however, an outstanding amount of Le7,988,961.91 which was not paid. The issue has therefore not been wholly resolved.

5.18.4. Imprest not Retired

A review of the imprest system operated by the hospital revealed that the hospital was operating an imprest system which was not in accordance with Sections 117 and 118 of the PFMR 2018. During the 2019 fiscal year, the hospital received and utilised an imprest totalling Le60,000,000 without specifying the type of expenditure. Moreover, the hospital withdrew all the imprest amount of Le60,000,000 on the same date i.e. 27th November 2019 which was in contravention of Section 120 (4) of the PFMR 2018. Furthermore, retirement details were not submitted for imprest totalling Le39,416,000. It was recommended that the MS in collaboration with the Accountant should ensure that the hospital's imprest is maintained in accordance with Sections 117 and 118 of the PFMR 2018. The MS should also ensure that the required documents to support the queried amount are submitted for verification.

Official's Response

The MS said that imprest management was in accordance with Sections 117 and 118 of the PFMR; therefore, it was a contingency fund that was requested for unforeseen expenditure in the future to avoid undue inconveniences. He however noted the area of its being put in the bank and used as petty cash expenditure. The remaining supporting documents he said were now ready for verification.

Auditor's Comment

Supporting documents in relation to the Le39,416,000 were not provided for verification. The issue therefore has not been resolved.

5.18.5. Payment Made for Fuel not Supplied

A review of the Regional Government Hospital's bank statement and payment records for 2018 fiscal year revealed that Le90,000,000 was transferred from the Makeni Regional Tertiary Hospital Account on 9th January 2018 to the account of a fuel dealer in respect of fuel alleged to have been supplied to the Makeni Government Hospital for July to December 2017. The team of auditors upon visiting the fuel dealer were not able to confirm the above claimed transfer to the fuel dealer. It was recommended that the MS in collaboration with the Hospital's Accountant should provide the required evidence to justify the receipt and utilisation of the Le90,000,000 transferred from the hospital account. The said amount should otherwise be paid back into hospital's account and evidence of payment forwarded to the audit office for verification.

Official's Response

The MS said that the hospital has traced of a record of the transaction that was done by the former accountant and all efforts to convince him to travel to Makeni for proper explanation for the use of this fund has proved futile. He furthered that after the transfer, the onus rests on the accountant to inform the transport officer to enter it into the fuel supply ledger which was not done. He said that they will still continue to contact him even though he is very difficult to get on phone.

Auditor's Comment

Management's comment is noted. We however wish to reiterate that the fuel dealer refutes receiving the amount in question. The issue is therefore unresolved.

5.18.6. Payment Made for Contract not Fully Executed

A review of the request for the reallocation of funds meant for the rehabilitation of the Makeni Government Hospital mortuary to the rehabilitation of the hospital operating theatre, the Request for Quotation (RFQs) and the local purchase order for the renovation of Makeni Government Hospital main operation theatre revealed a number of discrepancies. On the request for the reallocation of funds submitted by the Medical Superintendent, it was stated that repairs were to be done due to damaged roof and ceiling, poor air-conditioning system, broken toilets, no over-head operating lamp, damaged doors and broken tiles. The bill of quantities upon which the contract was awarded and payment made excluded broken toilets and over-head operating lamp. Included were metal work, aluminium partition walls, aluminium swinging door and guard bars. The team of auditors visited the hospital theatre for verification and confirmation of work done by the contractor and the following were observed: the tiling was not done; two of the four air conditioners were not installed; steel doors were not erected; aluminium partition walls, aluminium swinging door and guard bars were not done. Of the two hardwood mahogany panel doors, a plywood door was erected instead. Ironmongery doors were not done and hardwood treated with wood preservative were all not supplied as the existing roofing was corrugated iron. In spite of the above, the hospital recommended to the ministry for the approval and payment of Le200,000,000 to the contractor without certifying that the contractor had complied with specifications as required by Sections 98(1) and 99(3) of the PFMR, 2018. The MS and the Accountant should ensure that the contractor refunds the amount of Le112,634,400 relating to work not done.

Official's Response

The MS said that the contractor has been contacted and he has recently supplied two air conditioners and has also contacted a carpenter to finish the remaining work.

Auditor's Comment

Verification exercise revealed that only two air conditioners were installed in the theatre. All other issues such as the tiling, steel doors, aluminium partition walls, aluminium swinging door, guard bars; the two hardwood mahogany panel doors ironmongery doors and hardwood treated with wood preservative were all not addressed. The team of auditors also noted leakages in the theatre. The issue therefore has not been resolved.

5.18.7. Contract Document for the Mechanized Cleaning Services not Submitted

A review of the contract documents by the auditors in respect of the mechanized cleaning services to be provided by Wake-up Ventures to the Government Hospital Makeni revealed that the schedule of requirements and Technical Specifications were not made available to the team of auditors as required by Section 90(1a) of the PFMA 2016. The team was therefore unable to make comparison between items/services provided by the contractor and items/services indicated in the schedule of requirements and technical specifications. The audit team visited the hospital at around 7am of Wednesday 26th February 2020 to observe the cleaning of the hospital by Wake-up Ventures Cleaning staff. The team

observed that the cleaning was done manually by the contracted cleaners who were supplied with implements such as mopping buckets, Dettol, chlorine, mopping sticks, strong brushes, buckets, soap powder, etc. The observation also revealed clearly that the contracted cleaners were without full protective gears. There is a high risk that the items/services provided may not conform with those specified in the contract.

Official's Response

The MS said the non-compliance with Section 90 (1a) which is also the mandate of the Auditor-General has been very challenging as all efforts to get the remaining schedule documents from the Procurement Unit, has not been fruitful. He however said that a letter has been written to the Permanent Secretary to prevail on the Director of Procurement to release those documents. The letter could be verified.

Auditor's Comment

Management's comment is noted. The required contract documentation was however not made available for auditors' verification.

5.18.8. Poor Management and Control of Hospital Assets

A review of the hospital's asset register by the team of auditors revealed that the hospital's land and buildings and other assets were not recorded in the Hospital Asset Register. It was also observed that the Government Hospital Makeni failed to include the cost/value of all assets owned by the hospital. The team further noted that the hospital did not maintain documents such as survey land documents, vehicle lifecards, etc. showing that the hospital owned the land and vehicles as required by Section 171(1) of the PFM 2018. Furthermore, the verification of assets also revealed that most of the hospital's assets were not marked with identification codes.

Official's Response

The MS said that most of the assets sent to the hospital were supplied from central level without cost attached and are received by the Storekeeper/Pharmacist. The assets register will be established regarding the fixed assets like machines and quarters. Those other items that are bought by the hospital like plastic chairs and photocopier will be coded and costed. He mentioned that the surveyed land document was never handed over to the present management. In 2016, there was however an issue of the payment of this land to the land owners and officials from the Ministry of Land, Makeni together with the then Deputy Secretary Mr Matturie of the Provincial Secretary's office came and intimated the Senior Hospital Secretary that they have been mandated to come and survey the hospital land. The secretary even pleaded with him to give them a copy of the said survey document but he was never given a copy. He however said that management will try to contact the Land Ministry.

Regarding the movable assets like vehicles and motorbikes, the MS said that lifecards of vehicles are always kept by the Transport Manager of the MOHS. Most of the motorbikes donated by NGO'S do not also have lifecards. He affirmed that management will try and inform the Ministry and NGO partners accordingly.

Auditor's Comment

The updated asset register was not submitted during the verification. The issue therefore remained unresolved.

5.18.9. Hospital Assets not Available for Physical Verification

Verification of the hospital assets by the auditors revealed that 86 plastic chairs were missing and a number of the hospital's assets (such as air conditioners, ceiling fans, 17 sterilising drums (small size), 4 x-ray machines, metal cabinets) were damaged/not functioning. One unregistered Toyota Land Cruiser ambulance which was also involved in an accident on 9th August 2018 along the Freetown Highway was still parked at Calaba Town Police Post in Freetown according to the hospital Transport

Officer. The hospital did not make reports in respect of the missing chairs and damaged assets to the National Assets and Government Property Commission as required by Section 170(1) of the PFMR, 2018.

Official's Response

The MS said the missing chairs came about as a result of different internal trainings that were conducted in the conference hall because after those trainings those who request for the key just left the place open and the security could not take responsibility. A system has however been put in place wherein, there is somebody who monitors any training and immediately makes sure that the hall is being locked after every training and that the key is handed over to the security at the gate. He lamented that the security will now be held responsible for any missing item in the conference hall.

Regarding the Toyota Land Cruiser ambulance that was involved in a Road Traffic Accident, the MS said that the matter was still pending in court but management will try to contact the authorities concerned.

In respect of the damaged/not functioning assets, the MS said that the issue has been the responsibility of the Stock verifiers from the Ministry of Finance and one of them was at the hospital and he did not declare those damaged assets unserviceable. He said that the necessary contacts will be made.

Auditor's Comment

The issue still remained unresolved, as the missing chairs and the Toyota Land Cruiser were not seen during the verification exercise.

5.18.10. Stores Inspection not Carried out

An examination of records of deliveries of Free Health Care Drugs submitted to the auditors revealed that a number of drugs supplied to the Government Hospital for the periods under review had less than six months to their expiry dates. There is therefore the tendency for drugs to reach their expiry dates much sooner and be dispensed to the general public thereby exposing the lives of people to lots of health problems. Also, the audit team was not provided with any inspection report relating to inspections of the hospital's drugs stores including expired drugs storage. This contravened section 183(2) of the PFMR 2018.

We recommend that the MS in collaboration with the hospital Pharmacist should ensure that drugs supplied to the hospital are properly monitored and immediate action taken to dispose of all expired drugs. In future, the hospital should comply with the relevant sections of the Act.

Official's Response

The MS said drugs are being monitored by the Pharmacist and are distributed on the 'FIFO' and 'FEFO' bases. In future, he maintained that he will make sure that all expired drugs are removed from the shelves and the necessary authority is informed. He furthered that there has been routine inspection of the hospital drugs store by the Pharmacist and reports have been sent to the Medical stores in Freetown.

Auditor's Comment

Management's comment is noted. The said report was however not made available for verification; the issue therefore remained unresolved.

5.18.11. Staff on Study Leave without Formal Approval

An inspection of the hospital staff list, list of personnel on study leave and personal files of staff by the team of auditors revealed that 30 medical staff of the Makeni Government hospital were currently on study leave without formal approval from the Ministry of Health and Sanitation as required by Rule 6.24 of the Civil Service Code, Regulations and Rules.

Official's Response

The MS said that application for study leave are taken to Freetown by applicants; they only endorse them but because of the delay in approval, and these staff have worked for several years and were qualified to go and capacitate themselves and have already been given acceptance letters by their institutions they had to go but the Ministry is aware. He furthered that most of them have completed their courses and have returned to their normal duties and some have been posted to other duty stations.

Auditor's Comment

Evidence to support the approval from the MOHS was not provided during the verification exercise. The issue therefore still stands.

5.18.12. Unverified Staff

Physical verification of the hospital staff by the team of auditors revealed that 82 personnel did not show up for physical verification. There is a high risk that the said staff might not exist. We recommend that the MS in collaboration with the hospital human resources management avail the 82 staff for verification. Otherwise, the appropriate authorities would be informed for necessary action to be taken.

Official's Response

The MS said that during the physical verification, most of the staff were not aware because they were not given time bound as they are working on shifts. He maintained that they will now be available for verification.

Auditor's Comment

During the verification exercise 10 staff still did not show up to be verified. The issue therefore is partly resolved.

5.19. GOVERNMENT HOSPITAL, KAILAHUN – 2019

5.19.1. Analysis of Infant Mortality Rate at the Hospital

We observed that the infant mortality rate at the hospital was high. Of a total 7,093 admissions, 104 deaths were reported in the hospital, representing 1.47% of inpatients admitted. It was of utmost concern that 50% of deaths occurred within 24 hours of treatment or admission. This could have emanated from insufficient doctors and nurses, coupled with the lack of technical tools and equipment and inadequate supervision.

We recommend that the Medical Superintendent (MS) in collaboration with the Chief Medical Officer (CMO) should ensure that:

- more nurses and doctors are posted to the facility;
- more technical tools and equipment are procured by including them in the budget, and
- supervision and review are regularly carried out.

Official's Response

The MS stated that:

- *'As management, we will continue to advocate that qualified and specialized nurses and doctors are posted to the hospital. The management will include its next year's AWP Procurement of important and live saving equipment and in addition advocate to government and health partners for similar support. Accommodation of staff is also a big challenge limiting the posting of staff to the district. The management will ensure that priority is laid for accommodation of staff in the next year AWP.'*

- *High infant mortality is also highly associated with late referrals of moribund cases from the peripheral health unit. The management will therefore engage with the DMO to see the way forward to enhance early referral to the District Hospital’.*

Auditor’s Comment

Our recommendations were not implemented as management is still on the process.

5.19.2. Lack of Basic Medical Tools and Equipment

Based on physiological guidelines, a canister of supplementary oxygen (O₂) should be administered to one patient at a time. We however observed that several patients who suffered from diverse ailments were concurrently using one oxygen canister at the same time. Our reviews further revealed that the following tools and medical equipment were lacking in the laboratory department of the hospital:

- Microscopes
- Fully automated biochemical analyser
- Gas analyser for respiration diseases
- Automated haemoglobin analyser
- Elisa tests kits and reader used for testing typhoid fever and hepatitis B
- Machine for molecular diagnostic
- Reagent for the determination of protein in urine
- Not enough blood bank for refrigeration

We recommend that the Director of Training, Hospital & Laboratory Services should ensure that the hospital is provided with these essential tools and equipment, via budgets, increased number of supplementary oxygen canisters in order to enhance the sustainability of quality health service delivery to the populace.

Official’s Response

The MS stated that ‘Requests have been made to the Ministry and NGOs to ensure that the hospital is provided with this essential equipment in order to enhance the sustainability of quality health service delivery to the populace’

Auditor’s Comment

Our recommendations were yet to be implemented. Management has however requested to have the necessary equipment.

5.19.3. Revenue Management and Control

In line with Section 44 (1) of the Public Financial Management Regulations, 2018, the vote controller is personally responsible for ensuring that adequate safeguard exists and are applied for the assessment, collection and accounting for such revenue and other public moneys relating to their department or offices. We observed that the controls over the printing and custody of general receipt books were inadequate. There was no evidence to indicate that receipt books used for the various revenue streams within the hospital were printed by the Government Printing Department. Delivery notes for receipt books were not provided for verification. We recommend that the MS and the Finance Officer should ensure that there is proper control over the printing and custody of general receipt books.

Official’s Response

The MS stated that ‘we have ensured that there is a contract for the printing of all receipt books and are accompanied with delivery notes for 2019. These documents will be made available during your verification’.

Auditor’s Comment

Our recommendation was not implemented.

5.19.4. Assets Management and Control

Section 231 (1) of the Financial Management Regulations, 2007 requires that furniture and equipment issued for government quarters or offices shall be brought on charge in the master inventory. We however observed that an inventory register was not maintained and assets owned by the hospital were not labelled or marked with unique identification code. We recommend that the MS should ensure that an inventory register is maintained and all assets owned and controlled are recorded and marked with unique identification code.

Official's Response

The MS stated that 'we will continue to ensure that an inventory register is maintained and all assets owned and controlled are recorded and marked with unique identification code'.

Auditor's Comment

Our recommendation was not implemented.

5.20. DISTRICT HEALTH MANAGEMENT TEAM (DHMT), KAILAHUN – 2019

5.20.1. Payment without Supporting Documents

In contravention of Section 100 (1) of the Financial Management Regulations, 2018, activities undertaken during the period, worth Le87,147,000 were without adequate supporting documents such as requests from sector heads, signatures of recipients, based on the nature of the expenses. It was recommended that the District Medical Officer should ensure that payment vouchers with all relevant supporting documents are provided for verification or the full amount is repaid.

Auditor Comments

There was no official response and no evidence that the recommendation was implemented. This issue remains outstanding.

5.21. GOVERNMENT HOSPITAL, KENEMA: 2018-2019

5.21.1. Lack of Basic Medical Tools and Equipment

The hospital lacked key IC Unit and equipment necessary for the delivery of adequate health care facilities to patients. Medical equipment such as microscopes, oxygen concentrators were inadequate and could not complement the needs of the hospital. The shortage of basic equipment threatens the quality of health care provided to patients, and will in extreme circumstances result in avoidable deaths of patients attending the hospital.

Official's Response

The MS stated that 'requests have been made to the Ministry and NGOs to ensure that the hospital is provided with this essential equipment in order to enhance the sustainability of quality health service delivery to the populace'.

Auditor's Comment

Our recommendation was not implemented as evidence of request made to the Ministry was not seen. This issue therefore remained unresolved.

5.21.2. Receipt and Revenue

We observed that revenue collected from various revenue sources which amounted to Le136,920,000 were not recorded in a cashbook for 2018. We recommend that the Finance Officer (FO) should ensure that the financial records present a true and fair financial information of the hospital. He should also maintain a cashbook in the appropriate form with all necessary columns for ease of reference of the state of revenue and allocation received.

Official's Response

The MS stated that 'the cashbook was not presented as at the time of the audit due to misplacement. The cashbook has now been retrieved and updated with all the relevant information during the period under review. It would be made available for verification'.

Auditor's Comment

Our recommendation was not implemented as the cashbook for 2018 was not presented during verification. A proper cashbook was however maintained in 2019.

5.21.3. Stores Management and Control

There was no monitoring by the pharmacist on the cost-recovery drugs, medical and laboratory consumables, reagents etc. supplied to the pharmacy and the day-to-day sales made by the cashier to determine the profit to be shared between the provider and the hospital.

An officer was not appointed by the Medical Superintendent to regularly inspect all stores. In addition, no evidence was provided to show that the stores were inspected on regular intervals during the period under review. It was also observed that essential drugs and medical consumables ran out of stock for an unreasonable period of time before another requisition was made.

Official's Response

The MS stated that:

The hospital pharmacist is the officer-in-charge of the store to make regular inspection of all stores records and to test comparison made between physical stocks at hand and the ledger balance. This staff will be shown to you during your verification.

There is a push system for the delivery of drugs form the central medical store. Request for drugs and consumables are not made. I will however continue to ensure that the hospital is provided with the essential drugs and medical consumables on time in order to enhance the sustainability of quality health service delivery to the populace.

Auditor's Comment

The recommendations were not implemented. The issues therefore remain unresolved.

5.21.4. Payments without Supporting Documents

A review of payment vouchers and other documentation with regards total payments of Le29,392,000 and Le97,146,000, for 2018 and 2019 respectively; revealed that they were not supported by the relevant documentary evidence such as receipts. This was contrary to Section 100(1) of the Public Financial Management Regulations, 2018. The MS should ensure that the documentary evidence in support of the expended amounts are submitted to the ASSL for verification; or the whole amount refunded.

Official's Response

The MS stated that 'these supporting documents were not filed appropriately and was difficult to find as at the time of the audit. Proper search has been conducted to retrieve these documents and file them accordingly. They will be made available for your verification'.

Auditor's Comment

Adequate supporting documents for 2019 were provided and verified. There was however a remaining balance of Le5,300,000 for 2018 that was not provided during verification. This issue remained unresolved.

5.21.5. Payroll Management

During the audit inspection, we observed that there were nine qualified healthcare nurses with experience, but some were not given pin code after working for more than five years. We recommend that the MS should ensure that staff with qualification and experience be recommended for pin codes.

Official's Response

The MS stated that:

- *'As management we will continue to ensure that qualified staff are selected for recruitment but pin codes are only given by the Ministry and not the Hospital'.*
- *'Some of the names listed have been given pin code by the Ministry and will be made available for your verification'.*

Auditor's Comment

Our recommendation was partly resolved as there were six qualified staff with working experience for more than five years that were still without pin codes.

5.22. DISTRICT HEALTH MANAGEMENT TEAM (DHMT), KENEMA: 2018-2019

5.22.1. Stores Management and Control

There was no officer-in-charge who regularly inspected the stores and conducted on-the-spot physical count of store items. During the audit, it was observed that essential drugs and medical consumables ran out of stock for an unreasonable time before another acquisition was made.

We recommend that the District Medical Officer should ensure that an officer is appointed to adequately perform monitoring and inspection of the store on regular basis. The DMO should also ensure that the hospital is provided with the essential drugs and medical consumables on time in order to enhance the sustainability of quality health service delivery to the populace.

Official's Response

The DMO stated that:

- *'We are sorry at the time of the audit; the responsible individual was not available. The designated personnel are however available and has been doing his inspection.'*
- *'It is true that at the time of audit, there were no sufficient supplies of drugs and medical supplies'.*

Auditor's Comment

There was no evidence that an officer was appointed to make regular inspection of all stores and to compare physical stocks at hand with that of the ledger balance. This issue therefore remained unresolved. Essential drugs and medical consumables run out of stock for an unreasonable period of time before another acquisition was made. This issue remained unresolved.

5.23. GOVERNMENT HOSPITAL, KONO - 2019

5.23.1. Analysis of Infant Mortality Rate in the Hospital

We observed that the infant mortality rate in the hospital was high. Of a total 7,093 admissions, 104 deaths were reported in the hospital, representing 1.47% of inpatients admitted. It was of utmost concern that 50% of deaths occurred within 24 hours of treatment or admission as recorded.

Official's Response

The Medical Superintendent has made a formal request for trained nurses to the Director of Medical services. The need for technical tools and equipment has been noted in the budgets for the 2021 financial year. Moreover, the Hospital Secretary and Medical Superintendent intend to do more supervision per day'.

Auditor's Comment

There was no formal request and the budgets were not sufficient to accommodate medical equipment and tools as allocations are far less than budgets.

5.23.2. Lack of Basic Medical Tools and Equipment

Based on physiological guidelines, a canister of supplementary oxygen (O₂) should be administered to one patient at a time. We however observed that several patients suffering from diverse ailments were concurrently using one oxygen canister at the same time. Our reviews further revealed that the following tools and medical equipment were lacking in the laboratory department of the hospital:

- Microscopes
- Fully automated biochemical analyser
- Gas analyser for respiration diseases
- Automated haemoglobin analyser
- Elisa tests kits and reader machines for testing Typhoid Fever and Hepatitis B
- Machine for molecular diagnostic
- Reagent for the determination of protein in urine
- Not enough blood bank for refrigeration

We recommend that the Director of Training, Hospital & Laboratory Services should ensure that the hospital is provided with these essential tools and equipment within the budget. This is to increase the number of supplementary oxygen canisters in order to enhance the sustainability of quality health service delivery to the populace.

Official's Responses

The MS stated that:

- *'This equipment has been considered in the budgets for 2020 financial year'*
- *'This need for oxygen is one of the things considered in our meetings with the Partners in Health (PIH)'*

Auditor's Comment

The annual budgets take medical equipment and tools into consideration, but the budgets are limited, as allocations are far less than budgets. The minutes of the said meetings were not made available for verification. The issues are therefore outstanding.

5.23.3. Management of Hospital Wards

We observed that as a result of the Free Health Care Program, the paediatric wards were overcrowded with admission cases. It was however strange to note that there were instances of two patients with different ailments were using a single bed. The Medical Superintendent should enhance the infrastructure of the hospital wards.

Official's Response

The MS stated that 'the need for more space and beds were eased by the Partners in Health (PIH). More interactions are on-going with the PIH to further minimize this problem'.

Auditor's Comment

There is a partnership with Partners in Health. There is however no document confirming immediate response from Partners in Health to help minimize the problem.

5.24. DISTRICT HEALTH MANAGEMENT TEAM, KONO - 2019

5.24.1. Withholding Taxes not Deducted and Paid to NRA

It was observed that 5.5% withholding taxes which amounted to Le4,160,970 were deducted at source from the payment for goods and services, but not paid to the NRA in line with Section 117(4) of the Income Tax Act of 2000. The much-needed revenue by the central government could be hugely depleted.

We recommend that the total withholding tax is paid to the NRA and the receipt provided to the ASSL for verification.

Official's Response

The DMO stated that 'the missing documents have been found and are now available for your verification. The withholding taxes will be paid by the time you come for verification'.

Auditor's Comment

The withholding tax receipts have not been made available for verification.

5.25. MINISTRY OF FISHERIES AND MARINES RESOURCES - 2019

5.25.1. Bank Withdrawals without Supporting Documents

Contrary to Section 100(1) of the Public Financial Management Regulations 2018, bank withdrawals totalling Le667,210,000 were without payment vouchers and other relevant supporting documents. There is a risk that these payments were made for goods or services that were not actually delivered to the Ministry. In addition, it was difficult to conclude whether these payments had followed the proper procedures as laid down in law. The Permanent Secretary and Senior Accountant should henceforth ensure that all transactions from inception to completion should be supported by the relevant documentary evidence which must be presented to the audit team for inspection. The Permanent Secretary in collaboration with the Accountant must ensure that all bank withdrawals are fully supported by PVs, the relevant documents and evidence submitted to the audit team for verification; otherwise, the full amount should be refunded to the CF.

Official's Response

The PS Stated: "These were transaction undertaken by staff who were in the outstation offices and for which retirement details were awaited to be submitted to the audit team. These documents are however now available for inspection."

Auditor's Comment

Of a total Le667,210,000, relevant supporting documents were submitted for a total of Le651,460,000, leaving an outstanding of Le15,750,000 without supporting documents. Therefore, the issue is partly resolved.

5.26. MINISTRY OF LOCAL GOVERNMENT AND RURAL DEVELOPMENT - 2019

5.26.1. Stores Items not Taken on Ledger Charge

In spite of recommendations in our previous audit reports and contrary to Section 179(2) of the Public Financial Management Regulations of 2018, there was no proper care, control and supervision over store items. We also observed the following:

- The Ministry did not maintain store records such as: store received vouchers, stores issued vouchers, bincards and approved store requisitions to support the issue of store items.
- In spite of recommendations in our previous audit reports, office furniture and equipment valued at Le238,570,000, and procured during 2019 were not taken on stores ledger charge. It was therefore not possible to ascertain the existence and use of these items.

Official's Response

The PS Stated that:

"The Account Unit wishes to state that, the relevant stores records such as stores received vouchers, stores issue vouchers, bincards and approved request (requisition) to properly account for all stores items to be maintained by the Account Section are now in place and are ready for external audit verification as required. In relation to the office equipment amounting to Le 238,570,000 which was also not recorded on the stores ledger, we wish to state that this was as a result of an oversight display on the part of the storekeeper. Going forward, the said office equipment has now been identified and recorded on the stores ledger and are now ready for audit verification".

Auditor's Comment

Store records such as stores receipt vouchers (SRVs), stores issue vouchers, and requisition forms for stores items purchased in 2020 were submitted and verified. There was however no evidence that office furniture and equipment worth Le238,570,000, procured during 2019, were taken on stores ledger charge. There was also no evidence of records for their utilisation. The issue is therefore partly resolved.

5.26.2. Expenditure Management and Control

Standing and Special Imprests not Fully Retired

Section 124(1) of the Public Financial Management Regulations of 2018 requires that all standing and special imprest funds shall be fully retired at the end of a financial year, and any remaining balance shall be refunded to the Consolidated Fund by January 31 of the following financial year. Section 124(2) of the Public Financial Management Regulations 2018 also indicated that when failing to retire and refund an imprest fund under sub-regulation (1), the amount failed to be retired and refunded shall be deducted from salaries of the imprest-holder. We observed that out of a total standing imprest of Le200,000,000, only the sum of Le15,000,000 was fully retired, thereby leaving a remaining balance of Le185,000,000 without retirement details. The monies withdrawn from the account may not have been utilised for the intended purposes. In addition, it was difficult to conclude whether these payments had followed the proper procedures as laid down in law.

The Senior Accountant should ensure that retirement details for the outstanding imprest must be submitted or the full amount refunded into the Consolidated Fund.

Official's Response

The PS stated that "support documentation in respect of the retirement details of the unresolved standing are available".

Auditor's Comment

Of the outstanding standing imprest of Le185,000,000, retirements were submitted and verified for Le85,471,000 leaving a balance of Le99,529,000 without retirement details. The issue is partly resolved.

5.26.3. Payment without Adequate Supporting Documents

We reviewed a sample of withdrawals from bank statements and observed that during 2019, payment vouchers in respect of bank withdrawals from the Ministry's imprest bank account, totalling

Le834,110,000 were without adequate supporting documents such as delivery notes, invoices, receipts, back-to-office report, beneficiaries' list, etc. to substantiate the utilisation of funds

Official's Response

The PS stated that "these were payments to the Government Printer for the printing of tax and general receipt books made on behalf of various districts. These cheques were lodged into the Ministry's account after which the Ministry made the payments to the Government Printer and then the district officers collected the books from the later. The documents are hereby submitted for your verification".

Auditor's Comment

Of the total bank withdrawals of Le834,110,000, adequate supporting documents such as delivery notes, invoices, receipts, back-to-office report, beneficiaries' list, etc. to substantiate the utilisation of funds were submitted for Le461,790,000 leaving a balance of Le372,320,000, without adequate supporting documents. The issue is therefore partially resolved.

5.26.4. Duplication of Payments to Suppliers

Section 13 (1) of the Public Financial Management Act, 2018 stipulates that the vote controller of a budgetary agency shall be responsible for prudent, effective, efficient and transparent use of the resources of the budgetary agency. The Ministry withdrew Le75.6 million from its bank account and at the same time submitted payment requests to the Accountant General's Department for direct payments to two suppliers (Le37.8 million each) for the supply of calendars/diaries and sundries. There was no justification for the double processing of payments and no evidence regarding how the alleged deliveries were utilised by the Ministry. In the absence of an approved justification for the processing of these payments, (deliveries and distribution records) the Senior Accountant should account for the total amount of Le75.6 million and immediately paid back into the Consolidated Fund. The Senior Accountant should ensure that justifications, delivery and distribution records for the alleged transactions are submitted for audit reviews; failing which, the amount involved must be recovered and paid back into the Consolidated Fund.

Official's Response

The PS stated that "the Account Section had contacted the former Senior Accountant who was in post to provide a reasonable explanation in view of substantiating same. Her response together with supporting documentation relative to the above are hereby submitted for your verification as requested. This is not a duplication of payments as stated but however, during the audit exercise two original copies of vouchers were submitted for the same payment which was assumed in the opinion of the auditors as duplicating payments for the same activity. What actually transpired was that during the audit exercise the first document was submitted when requested by audit team not knowing that one of my staff had already submitted the same document for the same activity under reference".

Auditor's Comment

There was no evidence that the audit recommendations were implemented. The issue is therefore unresolved.

5.26.5. Inadequate Control in the Management of Payroll Records

Section 112(2) of the Public Financial Management Regulations of 2018 requires that after the payroll date, the head of a budgetary agency shall certify that all employees listed on the payroll are entitled to the payments. This requirement was not met by the Ministry during 2019 as staff list was not reconciled with the names of staff on the salary voucher. The names of 309 staff on the salary voucher for 2019 were not on the Ministry's staff list. In addition, 308 staff failed to avail themselves for physical verification. A total salary of Le5,718,197,664 was paid to these staff during 2019.

We recommend that the Senior Human Resource Officer should ensure the Ministry's staff list is reconciled with the payroll records and the unverified staff must immediately avail themselves for physical verification; failing which, their names will be communicated to the Director General, Human Resource Management Office (HRMO) to be deleted from the Ministry's payroll.

Official's Response

The PS stated that "the Human Resource Unit of the Ministry may wish to state that, the existing staff list of personnel on the Ministry's payroll records have been reconciled and are now ready for verification". "The staff who were not available for physical verification during the audit exercise have been contacted to make themselves available as required and are now ready for physical verification".

Auditor's Comment

There was no evidence that the Senior Human Resource Officer (SHRO) reconciled the Ministry's staff list with the payroll records, and that unverified staff failed to avail themselves for physical verification.

By copy of the Report, the Director General, HRMO should ensure that the names of the 309 staff are immediately deleted from the Ministry's payroll. The issue therefore remains unresolved.

5.26.6. Inadequate Controls over the Management of Fixed Assets

A fixed assets register was not maintained to record assets owned and controlled by the Ministry. Assets purchased during 2019 were also not coded or marked by a unique identification code. We therefore noted that furniture and office equipment purchased during 2019, worth Le61,800,000, were not available for physical verification.

Official's Response

The PS stated that "efforts are being made to code the existing assets on the inventory register and this process will be completed by the end of the current fiscal year".

Auditor's Comment

There was no evidence that the audit recommendations were acted upon. This issue therefore remains unresolved.

Office furniture and equipment worth Le61,800,000 were not made available for physical verification. The total cost should be recovered and paid back into the Consolidated Fund. The issue is therefore unresolved.

5.27. LOCAL GOVERNMENT SERVICE COMMISSION - 2019

5.27.1. Poor Management of Human Resources Management in Local Councils

The LGSC was in material breach of the provisions in the Revised Human Resources Guidelines on Local Government. Our review of the human resource management by the LGSC in selected local councils revealed the following:

- Five staff were acting in positions two grades higher than their substantive positions for more than six months, and there was no evidence of approval by the Council.
- Eight staff were promoted to higher positions that were more than one step higher than their substantive positions, and there was no evidence to substantiate their merits and seniority were considered in the entire process.
- Sixteen staff were acting in higher positions for more than one year and there was no evidence to justify that an extension in writing was approved by the Council.

- Four staff joined the Council in acting positions for which there was no evidence of their positions being fully advertised by the LGSC. Other two staff joined the Council, who, at the time of a verification exercise conducted by the LGSC in 2020, were not listed, showing how they were recruited.
- We also noted that three staff were sent on leave on 7th June, 2018 on the grounds of being actively involved in party politics. As at 31st December 2019, there was no evidence that these staff were queried, or called upon to submit written responses to the allegations made against them. There was also no evidence to substantiate that any investigation had been conducted. Of grave concern was the fact that full salaries were paid to them, as well as to those who currently occupy these positions.
- Most decisions of the Commission, especially on matters dealing with local council staff are either overturned or questioned by the Ministry of Local Government and Rural Development (MLGRD). This level of interference and the non-involvement of the Human Resource (HR) Technical Unit of the Commission on staff issues within the councils may not be unconnected with the poor performance of some of the core staff posted to these councils and the overall development of the localities.
- Our investigations further revealed that the major cause for the anomalies highlighted is as a result of lack of effective collaboration, and failure to adhere to/comply with guidelines and statutory provisions.

Official's Response

The PS stated that:

- *“The LGSC noted your findings and recommendations made to address the anomalies which the LGSC is poised to correct and ensure there is strict adherence to the provisions of the Revised Human Resource Guidelines going forward. The Commission noted that there had been violation of the provisions in the Guidelines with evident negative impact on the performance of the Councils in their service delivery. We noted that there had been undue interference in the daily administration of the Commission and outright exclusion of the HR Technical Unit of the Commission. The Commission in its determination to rebrand its outlook, it has positioned itself that every step should be geared towards addressing those anomalies.*
- *The Postings of 20th May 2020 was evidently a step in that direction where we see a number of staff reversed to their substantive positions, people who have acted in positions now promoted. Confirmation letters and promotion letters have been issued.*
- *The ongoing recruitment of the remaining core staff is another step. The Commission avouch to strictly follow all processes and procedures in the recruitment. These can be verified.*
- *The Commission is also planning to review the Revised Human Resource Guidelines with the view to correcting the many pitfalls and making it much relevant to the changing trends and demands of the Commission.*

On the other issues raised in Appendices I, LA, IB, and IC, the understated can serve as clarifications and steps so far taken by the Commission in handling that:

- *Schedule of Staff Two Grades Lower Than Their Current Acting Position (Appendix I) -*
- *After the suspension of the substantive Chief Administrators for ineligible expenditure during the implementation of the EU Projects in Kailahun and Bombali District Councils, the Commission was compelled by necessity to identify experienced and competent officers within the local councils, preferably finance officers (FOs) to be appointed to act in those positions pending investigations. Rahman Tom Farma, Festus Kallay and Edward Alpha were elevated to act as Chief Administrators. Mohamed Osman Turay was appointed in a similar way but by the Permanent Secretary of the Ministry of Local Government and Rural Development*

following the creation of the three new Councils. Daniel Kpukumu, was also transferred to act as Chief Administrator on the instructions of the then Minister of Local Government and Rural Development

- *Festus Gando does not belong to this category; he was reversed during the last postings and currently an Accountant.*
- *Schedule Showing Staff Promoted Without Adhering to Seniority (Appendix IA)*
- *The staff in this category were promoted in 2015 with the exception of Edward Alpha who was promoted as Chief Administrator in 2018. We cannot explain the parameters used for their promotion. That points to how the Human Resource Management Guidelines states that staff should not be promoted two steps above his current position were flouted. I should state that the recent postings of the core staff were deliberate to start correcting that. Some of those staff that benefitted from that undue preference has been demoted to their substantive positions. The situation has been this way because the Local Government Service Commission has over the years not been able to conduct staff Appraisal to inform decision making on transfers and promotion. The Commission is thinking of reviewing the Human Resource Management Guidelines of 2014 after four years of practical implementation and also introduce effective performance appraisal system to correct this anomaly.*
- *Schedule Showing Staff That Have Acted for More Than One Year (Appendix IB)*
- *All staff in this category has now been issued with confirmation letters for their respective positions.*
- *Schedule Showing Staff Didn't Go Through Proper Recruitment Process (Appendix IC)*
- *The Human Resource Guideline of 2014 chapter 2.12 states that Preference will be given to candidates already employed in the Local Councils when making appointment to a vacant position if there is no need for fresh talent to support Local Council, so therefore some of these staff were employed as core staff since they have been working with the local councils as support staff. That's why, when vacancies do exist, preference is normally given to the support staff since they already have experience in council operations.*
- *Staff Undergoing Administrative Investigation*
- *The Commission received letters from the Minister of Local Government and Rural Development requesting for the undermentioned Council Core staff to face administrative inquiry for alleged involvement in political activities during the 2018 General Elections and submit a report to the Minister for necessary action. On that same instruction we could not include them in the last posting pending the investigations. The following were the names of the affected core staff:*
 - *William Alpha- Chief Administrator Makeni City Council*
 - *Aminata P. Kargbo- Chief Administrator WARDC*
 - *Mohamed Gendemeh –Finance Officer WARDC (currently on extended leave)*
 - *Daniel Saa Momoh – Chief Administrator KNSCC (currently on extended leave)*
 - *Mohamed Osman Turay –Ag. Chief Administrator, Karene District Council*
- *A Committee was constituted comprising two Commissioners, a representative from the HRMO, a representative from the Public Service Commission (PSC,) a representative from Local Council Association of Sierra Leone (LoCASL) and a representative from the Ministry of Local Government (MLG&RD). The Committee is near its conclusion of the investigation and awaiting the report. The report once received will be shared with the Audit Service as evidence of actions taken so far”.*

Auditor's Comment

We noted the Commission's response on strides being made in rectifying the human resource management issues within the councils. We however continue to emphasise undue and entrenched political influence and interference into the human resource management within the Local Councils. This may have a risk that the Executive Secretary, the administrative head of the Commission, may be hugely challenged or constrained in the discharge of his functions in ensuring effective and efficient

human resource management systems in the councils. Therefore, the issues are still unresolved and the Commission must fully comply with the audit recommendations.

5.28. MINISTRY OF TOURISM AND CULTURAL AFFAIRS, 2016 – 2018

5.28.1. Expenditure without Supporting Documents

Bank withdrawals from the Ministry's imprest account held at the Bank of Sierra Leone which amounted to Le2,756,076,478 (Le2,053,491,500, Le324,870,000 and Le377,714,978, for 2016, 2017 and 2018 respectively) were not supported by payment vouchers and relevant supporting documents.

Payments vouchers from the Accountant General's Department totalling Le1,470,378,846 (Le149,574,430, Le432,282,573 and Le888,521,843 for 2016, 2017 and 2018 respectively) were made in respect of overseas travels without relevant supporting documents such as executive clearance, evidence of travels, i.e., copies of air tickets and boarding passes, back-to-office reports etc.

Official's response

The Senior PS stated that 'the requested documents are now available for inspection.'

Auditor's Comment

From a total of Le2,756,076,478, supporting documents (such as payment vouchers, requests, invoices, delivery notes, receipts etc.) were submitted for bank withdrawals amounting to Le1,496,635,478 (Le 1,494,610,500, Le 261,870,000 and Le238,664,978 for 2016, 2017 and 2018 respectively) leaving an outstanding amount of Le760,931,000 (Le558,881,000, Le63,000,000 and Le139,050,000 for 2016, 2017 and 2018 respectively) without supporting documents.

For expenditure on overseas travels, we noted that relevant supporting documents such as executive clearance, boarding passes and back-to-office reports were submitted for payments totalling Le297,489,105 (Le27,404,323, Le53,308,782 and Le216,776,000 in 2016, 2017 and 2018) out of the total of Le1,470,378,846 leaving an outstanding amount of Le1,172,889,741 (Le122,170,107, Le378,973,791 and Le671,745,843 for 2016, 2017 and 2018 respectively) without supporting documents. The issues are therefore partly resolved.

5.28.2. Service Delivery: National Dance Troupe not Relocated to Cultural Village

In the Ministry's Strategic Plan, it was stated that effective service delivery by the National Dance Troupe requires the Tourism Ministry to have a home or village that can host all the dancers and their chaperons. A cultural village was constructed for the relocation of the National Dance Troupe from Aberdeen. In 2017, various materials valued at Le1,657,950,000 were procured to furnish the village. These items were received by the Procurement Officer and receipt witnessed by the Director of Culture. We visited the constructed cultural village and observed that the village was not refurbished as planned and that the National Dance Troupe had still not been relocated. In an interview with the Director of Culture, we noted that the dancers refused to relocate to the village because of the lack of adequate security. We further requested to physically verify the items that were procured for the furnishing of the village and observed the following:

- Lot 1: Supply of locally made furniture- Le548,140,000. Frames of locally made chairs and beds were only seen instead of completed accommodation settings.
- Lot 2: Supply of electrical and electronics appliances- Le113,900,000. None of these items were installed or available for verification.
- Lot 3: Supply of solar light panels- Le851,750,000- None of these items were installed or available for verification.
- Lot 4: Supply of household utensils.

We recommend that the Ministry should immediately refurbish the Cultural Village, provide adequate security and ensure that the National Dance Troupe is relocated to the Cultural Village as soon as possible for effective service delivery. In addition, all items procured for the refurbishment of the village should be immediately installed or the items produced for physical verification; failing which, the amount involved should be recovered and paid into the CF.

Official's Response

The Senior PS Stated that:

- *'Implementation of the audit recommendations for the relocation of the National Dance Troupe to the cultural village has already commenced.*
- *All procured items with the support and protection of the Sierra Leone Police are in the process of being installed.'*

Auditor's Comment

Management's response was noted. There was however no evidence that the audit recommendations were being implemented. Therefore, the issue remains unresolved.

5.29. MINISTRY OF SOCIAL WELFARE, GENDER AND CHILDREN'S AFFAIRS, H/Q: 2017-2018

5.29.1. Procurement Procedures not Followed

Artificial Splitting of Procurement Activities and Items Procured not Brought to Account

Procurement documents, payment vouchers and their supporting documents were examined to confirm whether the procurement yielded value-for-money. The sampled procurement documents examined revealed that three procurement activities exceeded the threshold of Le60,000,000, which is contrary to Section 37(2) of the Public Procurement Act of 2016. The Ministry artificially split these procurement activities into smaller amounts, used RFQ rather than the National Competitive Bidding procurement method and awarded the contracts to various contractors. We also noted that delivery notes and/or items procured or records of use were not made available for verification. The table below gives a summary of the procurement activities.

No.	Details	Amount (Le)
1	Procurement of ICT equipment	212,335,250
2	Procurement of office equipment	126,117,250
3	Procurement of office stationery	149,459,250
	Total	487,911,750

We recommend that in future, and for the efficient use of resources, the Procurement Committee should establish a framework contract for those frequently used goods, works or services. We further recommend that the Senior Procurement Officer submit the delivery notes and that the items procured should be made available for verification.

Official's Response

The PS stated that 'your recommendation is noted. Action will be taken as recommended. All efforts to get delivery notes for items procured or make available procured items for physical verification did not yield the desired result.'

Auditor's Comment

Management's response is noted. Delivery notes were not submitted and the items procured or records of use were not made available for physical verification. This issue therefore remains unresolved.

5.29.2. Procurement Documents not Submitted for Inspection

A review of payment vouchers and IFMIS printout from the Accountant General's Department revealed that payments were made to a number of suppliers/contractors for the supply of goods to the Ministry. We requested for procurement documents to ascertain whether procurement procedures were followed for three contracts, amounting to Le1,161,696,400. We however noted that contrary to Section 32(6) of the Public Procurement Act of 2016 and Section 36 (1) of the Audit Service Act of 2014, the relevant procurement documents were not submitted for audit.

Official's Response

The PS stated that: 'procurement documents relating to payments made to various suppliers and contractors amounting to Le1,161,696,400 have been assembled for audit verification.'

Auditor's Comment

Management submitted procurement documents amounting to Le995,606,400 leaving an amount of Le166,090,000. We therefore concluded that the Ministry has not fully complied with Section 32 of the Public Procurement Act of 2016, Section 36(1) of the Audit Service Act of 2014 and that the issue is partly resolved. The details of the contracts are given below:

No	Details	Contract Amount (Le)	Amount Verified (Le)	Amount Outstanding (Le)
1	Office and general	76,200,000	18,700,000	57,500,000
2	Diets and sundries	976,906,400	976,906,400	0
3	Computer consumables	20,000,000	0	20,000,000
4	Procurement of office stationery	30,000,000	0	30,000,000
5	Procurement of office equipment and furniture	58,590,000	0	58,590,000
	Total	1,161,696,400	995,606,400	166,090,000

5.29.3. Expenditure Management and Control

Unapproved Overseas Travelling Expenses

We requested for payment vouchers (PVs) and supporting records in respect of all overseas travels to ascertain whether travelling costs were within the approved budget of the Ministry and whether they were approved by the Ministry of Finance. The PVs and supporting records were submitted and during our review of selected transactions, we observed that a total of US\$43,918 (Le381,026,900) was expended as daily subsistence allowance (DSA) and air ticket costs for overseas travels for which there was no evidence to indicate that the travels were cleared with the Ministry of Finance. This was contrary to the provision in the Executive Order No. 2, issued on 25th April, 2018 which requires that all commitments by MDAs relating to overseas travelling including cost of tickets should be within their approved budgets and must be cleared with the Ministry of Finance to ensure they are cost-effective and within budgetary limits.

Official's Response

The PS stated that:

- *'Your recommendation is noted. Action will be taken as recommended.'*
- *No evidence as at the time of writing this response is made available to confirm that the travels in question were cleared by the Ministry of Finance.'*

Auditor's Comment

We received additional documents and our reviews indicated that overseas travelling which cost US\$38,818 (Le309,536,900) of a total of US\$43,918 (Le381,026,900) were still without evidence to indicate that the travels were cleared with the Ministry of Finance. Therefore, the issue is partly resolved.

5.29.4. Payments without Supporting Documents

During our review of selected bank withdrawals, we observed that a total of Le10,772,307,400 was not supported by payment vouchers and the relevant supporting documents. It was therefore impossible to conclude whether the payments had followed the proper procedures as laid down in law. We recommend that the Permanent Secretary (PS) should ensure that the Account Unit is regularly monitored and supervised. In future, all transactions from inception to completion should be supported by the relevant documentary evidence which must be retained for audit and reference purposes.

We further recommend that the PS, in collaboration with the Senior Accountant, should also ensure that the documentary evidence in support of the expended amount are submitted for verification; failing which, the total amount must be recovered and paid back into the CF.

Official's Response

The PS stated that:

- *'Your recommendation is noted. Action will be taken as recommended.'*
- *'Documents in respect of expenditure relating to 2018 Hajji have been assembled for verification.'*

Auditor's Comment

Out of the total Le10,772,307,400, payment vouchers and supporting documents amounting to Le2,653,315,500 were verified, leaving a balance of Le8,118,991,900 without supporting documents. This issue is therefore partly resolved.

A summary of the outstanding issues is in the table below:

No.	Account Details	Amount Queried (Le)	Amount Verified (Le)	Amount Outstanding (Le)
1	Children in Especially Difficult Circumstance	4,239,858,350	1,662,420,350	2,577,438,000
2	CEDAW Account	1,990,000,000	100,000,000	1,890,000,000
3	Imprest Account	3,076,761,650	641,397,750	2,435,363,900
4	Ministry of Social Welfare Post Ebola Activities	1,465,687,400	249,497,400	1,216,190,000
	Total	10,772,307,400	2,653,315,500	8,118,991,900

5.29.5. Special Imprest not Retired

We requested for payment vouchers (PVs) from the IFMIS printout from the Accountant General and evidence of retirements for imprests received by the Ministry during the period under review. A review of selected PVs revealed that the Ministry received special imprests totalling Le1,153,500,000 to undertake a number of activities. The allocations were made as a result of concept notes submitted by various directorates. We communicated this finding to each directorate and requested for retirement details in support of the utilisation of the imprest. Only one directorate out of the three confirmed the receipt and submitted retirement for Le135,700,000. The balance of Le1,017,800,000 (Le1,153,500,000 - Le135,700,000) was not accounted for and there was no evidence of refund into the CF or amounts being deducted from the imprest holders.

We recommend that the Permanent Secretary in collaboration with the Senior Accountant should ensure that the remaining amount is fully accounted for by the imprest holders.

Official's Response

The PS stated that 'the respective imprest holders have indicated that amounts for the implementation of their programmes were not made available to them.'

Auditor's Comment

There was no evidence of retirements or refunds into the CF of special imprest amounting to Le1,017,800,000. This issue remains unresolved.

5.30. MINISTRY OF SOCIAL WELFARE, GENDER AND CHILDRENS AFFAIRS, KENEMA DISTRICT – 2019

5.30.1. Payment without Supporting Documents

Section 100(1) of the Financial Management Regulations (FMR) 2018 requires that all disbursements of public money should be supported by an appropriate payment voucher and other relevant documents. A review of the payment vouchers revealed that an amount of Le 41,632,000 which was received from the Government of Sierra Leone, through the Kenema City Council, was not supported by the relevant documentary evidence such as receipts, signatures of participants, delivery notes etc. We recommend that the Regional Finance Officer should, make the relevant supporting documents available for verification or the amount paid back into the Ministry's Accounts-Kenema District.

Official's Response

The Deputy Director stated that 'we have gone through the necessary recommendation from the audit queries from the payments for goods, and services directly from the councils and all documents are now in place. The receipts and other documents will be made available during your verification'.

Auditor Comments

The recommendation was partly implemented as some documents were provided for payments amounting to Le38,132,000. These documents were reviewed and found adequate. However, no documents were provided for some payments totalling Le3,500,000.

5.31. MINISTRY OF LABOUR AND SOCIAL SECURITY (MLSS): 2017-2018

5.31.1. Procurement Procedures not Followed

Procurement Activities without Procurement Plan

Contrary to Section (27) (1) of the Public Procurement Regulations of 2006, we observed that the Ministry undertook procurement of ICT equipment, office equipment, office furniture and stationery without the preparation of an approved procurement plan. As such, we could not ascertain whether procurement activities in 2017 and 2018, which amounted to Le823,035,165 and Le587,550,325 respectively, were planned and executed in line with the plans.

Official's Response

The PS stated that 'procurement plans for the total amount of Le587,550,325 expended on building maintenance, acquisition of ICT equipment and office furniture during the FY 2018 are available for inspection.'

Auditor's Comment

An unsigned and approved procurement plan for 2017 was submitted for verification. Procurement plan for 2018 was still not submitted. This issue is therefore partly resolved.

5.31.2. Artificial Splitting of Procurement Activities

Procurement documents, payment vouchers and their supporting documents were examined to confirm whether the procurement yielded value-for-money. The sampled procurement documents examined revealed that three procurement activities exceeded the Request for Quotation (RFQ) threshold of Le60,000,000, which is contrary to Section 37(2) of the Public Procurement Act of 2016. The Ministry artificially split these procurement activities into smaller amounts, used RFQ rather than the National Competitive Bidding procurement method and awarded the contracts to various contractors.

We also noted that delivery notes and/or items procured or records of use were not made available for our verification. The table below gives a summary of the procurement activities.

No.	Details	Amount (Le)
1	Procurement for computer running and accessories	505,213,250
2	Procurement for building maintenance	209,747,500
3	Procurement for stationery and computer accessories	60,374,415
5	Procurement for office furniture	164,430,000
	Total	939,765,165

We recommend that in future and for the efficient use of resources, the Procurement Committee should establish a framework contract for those frequently used goods, works or services.

Official's Response

The PS stated that 'management regrets the lapses in the procurement process during the period under review. I would like to state that, those lapses occurred because there was no Procurement Officer assigned to the Ministry in the 2017 Financial Year and a substantial period of 2018.'

Auditor's Comment

Management's response is noted; but the response was not adequate to address the issue raised. The ASSL will however continue to follow-up on any evidence of procurement splitting in the Ministry during subsequent audits.

5.31.3. Special Imprest not used for Its Intended Purposes

A review of payment vouchers and the IFMIS printout from the Accountant General's Department revealed that in 2017, a total of Le72,080,000 was allocated to the Ministry as special imprest for the implementation of Operational Safety Health Policy formation (Le47,080,000) and National Action Plan on Child Labour (Le25,000,000). We however noted that the funds were not utilised for their intended purposes; instead they were utilised for the implementation of other administrative activities without any evidence of the expressed approval from the Ministry of Finance (MoF).

The Permanent Secretary should provide application for virement and evidence of approval from the MoF, failing which the total amount should be recovered and paid back into the CF.

Auditor's Comment

There was no management's response to this issue and an application for virement and evidence of approval from the MoF was also not submitted for verification. The issue is therefore unresolved.

5.31.4. Payments without Supporting/Adequate Supporting Documents

A review of the Ministry's payment vouchers and the IFMIS printout revealed that disbursements totalling Le861,882,297 were without adequate supporting documents such as boarding pass, back-to-office report, receipts, etc. We also noted that in 2017 and 2018, two payment vouchers totalling Le193,500,000 and Le36,000,000 respectively, were without supporting documents.

A review of the Safety Net Bank statements revealed that for the period under review, bank withdrawals of Le247,100,000 were without supporting documents to ascertain purpose of the withdrawals.

Official's Response

The PS stated that:

- *'Please note that the payments to individuals totalling Le861,882,297 are not funds withdrawn from the Ministry's Imprest Account No. 0112005504, held at the Bank of Sierra Leone but payments that were processed by the Accountant General's Department. This can be verified from the Ministry's Expense Analysis Report for FY 2017 to 2018 obtained from the Accountant General's Department.*
- *Some of the documents requested for are available for inspection as shown on the matrix below. Management is endeavouring to contact the other personnel, who are no longer in the Ministry that also have responsibility for the submission of the documents in question.*
- *The Ministry appreciates the observation and has now compiled the required documents in respect of the said withdrawals for audit inspection.'*

Auditor's Comment

Disbursements totalling Le861,882,297 were still without adequate supporting documents such as boarding pass, back-to-office report, receipts, etc. Supporting documents for Le193,500,000 and Le36,000,000 were still not submitted for verification. Out of a total bank withdrawal of Le247,100,000 supporting documents, were submitted for Le213,000,000, leaving a balance of Le34,100,000 without supporting documents. The issues are therefore partly resolved.

5.31.5. Service Delivery: Lack of Equipment to Carry out Factory Inspection

The Ministry is responsible for safeguarding the employees and employers' occupational health and safety. In order to achieve this, the Ministry conducts factory inspections and issue certificate of fitness for their operations. We observed that relevant factory testing tools such as digital multi-meter tester, carbon monoxide analyser, moisture meter, bench pressure gauge calibrator, combustible gas detector, heat treatment furnace, set of drilling pits, arc fault and ground fault circuit interrupter device tester, were not available. Staff that were sent on inspection relied mainly on visual than technical testing. This resulted in critical tests like; test rope and chain testing, liquid petroleum gas (LPG) testing and annealing of chains not being carried out.

Official's Response

The PS stated that: 'Management underscores your observation that factory staff undertake inspections of factories without the proper tools resulting in critical tests not being undertaken. Indeed, this perennial problem limits the scope of the inspections leading to the decrease in revenue generation. Over the years, budget lines have always been created for the procurement of Liquid Petrol Gas Testing equipment and relevant tools but the meagre budgetary allocation to the Ministry have not been able to meet with the procurement cost.

However, management is working assiduously to acquire the appropriate tools for the execution of this significant task by engaging the Ministry of Finance and development partners to secure more funds for the Ministry'.

Auditor's Comment

The Ministry still lacks the necessary tools and equipment to effectively carry out its functions. The issue is therefore unresolved.

5.32. MINISTRY OF ENERGY (MOE): 2017 - 2018

5.32.1. Procurement Documents not Submitted for Inspection

In reviewing the documents for the ECOWAS Emergency Electricity Supply Programme Grant to Sierra Leone, we observed that the Ministry signed five contracts with different suppliers for a total contract value of US\$20,608,215. Contrary to Section 32 (6) of the Public Procurement Act of 2016 and Section 36 (1) of the Audit Service Act of 2014. Apart from the agreement, the relevant procurement documents were not submitted for audit. A list of the contracts and contract cost are shown in the table below:

No.	Contracts	Value (US\$)
1	Supply and installation of transmission and distribution equipment	6,008,215.93
2	Maintenance of two units of Wartsilla engines and two units of Niigata engines	3,500,000.00
3	Procurement and installation of prepaid meters	2,350,000.00
4	Procurement of fuel	8,750,000.00
	Total	20,608,215.93

The Senior Procurement Officer should provide all procurement documents; failing which the matter will be reported to the relevant authorities for appropriate action.

Official's Response

'According to pages 9 & 10 of the Grant Agreement (see copy attached), a procurement committee was formed to oversee the procurement process with one representative from the Ministry of Energy. Minutes of meetings of the said committee and other relevant documents relating to the procurement process are currently not available in the Ministry as the then National Power Authority provided the Secretariat. Requests have however been sent to the Electricity Distribution and Supply Authority (EDSA) and the Electricity Generation and Transmission Company (EGTC) for the necessary documents.'

Auditor's Comment

The procurement documents were not submitted for verification. Therefore, the issue remains unresolved.

5.32.2. Expenditure Management and Control

Bank Withdrawals without Supporting Documents

Section 100 of the PFMR of 2018 requires all disbursements of public money to be supported by an appropriate payment voucher and other relevant documents. We noted that payments totalling Le332,103,235 during 1st January to 31st December, 2017 were without payment vouchers and the relevant supporting documents. Since these documents were not made available, there is a risk that these payments were made for goods and / or services that were not actually delivered to the Ministry. In addition, it was impossible to conclude whether these payments had followed the proper procedures as laid down in law.

The documentary retirement details in support of the Le7,007,000,000 disbursed to the EGTC must also be submitted to ASSL for verification. Additionally, the Senior Accountant should ensure that the

documentary evidence in support of how Le332,103,235 was utilised are submitted to the audit team for inspection; otherwise the matter will be reported to the relevant authorities for appropriate action.

Official's Response

The PS stated that:

- *Your recommendation has been noted, and going forward, management will ensure that all payments authorised by the Ministry be retired and copies maintained within the relevant office.*
- *Payment for fuel made to NP are for arrears accrued over the years (2016/2017) for which a payment plan was made by the Ministry of Energy, EDSA and EGTC.*
- *Also, in a situation where the supply has been made to EGTC and invoices forwarded to the Ministry of Energy, payment will be made directly to NP. Whilst payments for fuel subsidies from allocation by the Ministry of Finance are paid directly to EGTC.*
- *EGTC has submitted the retirement for the amount of Le7.007 billion paid to them. These documents are available for your verification.*
- *Your recommendation has been noted and implemented. Going forward, all payment will be fully supported by all the necessary documentation as prescribed by law.*
- *All necessary documentations are available for your verification. The supporting documents relating to the Le332,103,235 made from the Ministry's Account were submitted to the audit team during the audit exercise. However, these documents are available for your inspection.'*

Auditor's Comment

The explanations from management for payments for fuel directly to EGTC could not be substantiated because at the time of the audit, there was an existing contract between EGTC/EDSA (formally NPA) and NP Sierra Leone for the supply of fuel to the former, and there was no evidence that the existing contract had been nullified. Furthermore, there was a clause in the existing contract which stated that *"the contract shall remain in force throughout the implementation period of the grant agreement and as long as the Escrow Account was in force"*. This issue therefore remains unresolved.

Supporting documents such as delivery notes, invoices, receipts were submitted for Le3,506,000,000 only, out of the Le7,007,000,000 disbursed to EGTC, leaving a balance of Le3,501,000,000 unaccounted for. The issue is therefore partly resolved.

There was no evidence of submission of special imprest retirement documents amounting to Le332,103,235 during our audit exercise, as indicated by management. We however received documents amounting to Le279,460,000 out of the total bank withdrawals of Le332,103,235 during the verification exercise in respect of retirements for special imprest. The balance of Le52,643,235 was without supporting documents. The issue is partly resolved.

5.32.3. Bank Withdrawals without Adequate Supporting Documents

A review of payment vouchers and other documents revealed that payments were made to the tune of Le158,009,000 from the Ministry's Imprest Account and Le435,154,750 from the Bumbuna Watershed Account that were without adequate supporting documents such as list of beneficiaries, minutes of meetings held etc.

The Senior Accountant should ensure that the documentary evidence in support of the expended amounts must be submitted to the ASSL; otherwise, the matter will be reported to the relevant authorities for appropriate action.

Official's Response

The PS stated that:

- *Your recommendation has been noted and implemented.*
- *The necessary supporting documents in respect of the expended amounts made from the various accounts are available for your perusal.*

Auditor's Comment

Out of the total of Le158,009,000, adequate supporting documents such as receipts, invoices, delivery notes etc. were submitted for Le143,814,000, leaving a balance of Le14,195,000 without adequate supporting documents. Therefore, the issue is partly resolved.

5.32.4. Bumbuna Watershed Account

Out of the total of Le435,154,750, adequate supporting documents such as receipts, invoices, delivery notes etc. were submitted for Le287,512,750, leaving a balance of Le147,642,000 without adequate supporting documents. Therefore, the issue is partly resolved.

5.32.5. Review of Selected Project Activities

Failing to Comply with Grant Agreement

On 16th December 2013, the Ministry of Energy signed a US\$21.8 million grant agreement with ECOWAS, under a project named "ECOWAS Emergency Electricity Supply Programme Grant to Sierra Leone". The grant was meant to improve the electricity generation and distribution in Freetown. Our audit reviews revealed the following:

In March 2018, an amount of US\$1.2 million was withdrawn from the grant account as a loan to the Ministry of Finance (MoF) for the procurement of 15,000 prepaid metres. This loan was not part of the grant arrangement and was also contrary to Article 8 (2) of the Grant Agreement which stipulates that grant funds should not be used for any other purpose other than those agreed upon under the grant agreement. As at the date of this report, there was no evidence that the amount had been repaid into the grant account and that the 15,000 prepaid metres were actually procured and delivered to the Ministry.

The Director of Finance at the Bank of Sierra Leone, in two memoranda dated 13th December, 2016 informed the Financial Secretary at the Ministry of Finance that the bank was in receipt of US\$7.852 million (equivalent to Le56.266 billion) from ECOWAS. However, this amount was not credited to the grant account held at the Bank of Sierra Leone until 16th June, 2017. There was no justification given for the six-month delay in crediting this amount to the grant account. We further noted that outstanding bills amounting to US\$721,894 and Le80,808,600 owed to suppliers between December 2016 and June, 2017 were not paid until July, 2017.

The grant agreement required the GoSL through the Ministry of Finance to open a US\$ account at the Bank of Sierra Leone in which the grant will be deposited. However, we observed that the account (Ministry of Energy Emergency Account No. 0112007120) opened was designated in Leones, and all the grant proceeds were converted to Leones before deposited into the account, using prevailing selling exchange rate at the time of receiving the grant. We further observed that when payments were made to foreign suppliers, the Bank used the prevailing selling rate at the time of making the payments to the suppliers. The fall in the value of the Leones in relation to the US\$ resulted to exchange rate appreciations running into billions of Leones that were credited into the account between 29th May 2014, when the account was created on 31st December, 2018. Though the exchange rate appreciations

were credited to the account, we were unable to verify the correctness of the exchange rate appreciations due to non-availability of the exchange rates used by the Bank.

Official's Response

'Several requests have been made to the Financial Secretary and the Development Secretary for the refund of the US\$1.2 Million loan from the project account, but up to the time of signing the response, we have not received any indication from the Ministry of Finance to refund the said amount. These memoranda are available for your information.

On 21st November 2016, the Accountant General sent a letter to the Commissioner of Finance, ECOWAS Commission, submitting bank details to which funds for the balance disbursement of the ECOWAS Emergency Electric Supply Programme should be deposited. The said funds were deposited into the Treasury Main Account Number 111011255 held at the Bank of Sierra Leone.

A request was sent to the Accountant General for the reason why the project account was denominated in Leones but up to the time of signing this response, no reply has been received on this matter.

Request for progress report on this project have been sent to the Electricity Distribution and Supply Authority (EDSA) and the Electricity Generation and Transmission Company (EGTC).

Auditor's Comment

Copies of requests sent to the Financial Secretary and the Development Secretary for the repayment of the US\$1.2 million loan were submitted for verification; but there was no evidence to substantiate that the amount had been refunded. In addition, there was no evidence that the alleged 15,000 metres were actually procured and delivered to the Ministry. Therefore, the issue remains unresolved.

The six-month delay in crediting the US\$7.852 million into the grant account and the actions taken by the Ministry during that period was not made clear. This is because the letter purported to have been sent by the Accountant General on the 26th November, 2016 to the Commissioner of Finance, ECOWAS Commission for the US\$7.852 million to be deposited into the Treasury Main Account held at the Bank of Sierra Leone and not the designated US\$ grant account held at the Bank of Sierra Leone was not made available for audit inspection. The issue therefore remains unresolved.

5.33. MINISTRY OF WATER RESOURCES: 2017 - 2018

5.33.1. Expenditure Management and Control

Withholding tax not deducted and paid to the National Revenue Authority (NRA)

Contrary to the provision in section 117 (4) (5) of the Income Tax Act of 2008, withholding taxes to the tune of Le353,200,973 were not deducted and paid to NRA. The non-deduction and payment of withholding taxes may lead to the loss of government's much needed revenue. The Senior Accountant must ensure that the amount identified is immediately recovered from the contractor and paid over to the NRA and evidence of payment forwarded to us for immediate verification.

Official's Response

The PS stated that:

- *'This Ministry requested and processed PET FORM only for the sum of Le7,000,000,000.00 and a cheque with no. 277248 was prepared by the Accountant General's Department and forwarded to the Bank of Sierra Leone for onward payment on demand into the Ministry of Water Resources' Rokel Commercial Bank Account no. 02-011325120-01. Due to circumstances beyond the Ministry's control, disbursement was done in piece meal and the sum of Le3,395,407,289.90 was received. To date, the balance amounting of Le 3,604,592,710.10 is still with the Bank of Sierra Leone.*

- *Though the books indicated that the taxes were deducted, the funds were utilised for other purposes due to the emergency nature of the project with the understanding that the outstanding taxes will be paid to the NRA upon receipt of the balance from the Bank of Sierra Leone.*
- *To show that the Ministry is committed to paying taxes, it can be evidenced that the sum of Le83,687,861.00 was deducted from all contractors in the Adaptive Capacity of Water and Climate Change Project and was paid directly into the NRA account.'*

Auditor's Comment

There was no evidence that withholding taxes of Le353,200,973 in respect of the Ministry's account held at the Rokel Commercial Bank was deducted and paid over to the NRA. The issue is therefore unresolved.

5.33.2. Special Imprests not Fully Retired at End of Activity

During our review of payment vouchers and the IFMIS printouts from the Accountant General's Department, we observed that the sum of Le1,103,404,963 (Le665,608,000 in 2017 and Le437,796,963 in 2018) was received by the Ministry as special imprest. Contrary to the provisions in the FMR 2007 and the PFMR 2018, the amount was not retired and refunded into the CF by 31st January, 2019 or evidence of amount being deducted from the salaries of the imprest holder. The Permanent Secretary must ensure that the retirement details for the imprests are submitted, otherwise, the whole amount should be deducted from the personal emoluments of the imprest holder(s) for the period under review.

Official's Response

'We must admit that proper records management was a challenge as revealed by this audit. However, the current management has put systems in place to address the anomaly. The documents requested are available for your inspection and review.'

Auditor's Comment

Out of a total of Le1,103,404,963, retirement details were submitted for the sum of Le698,084,963 leaving a balance of Le405,320,000 without retirement details. This issue is therefore partly resolved.

5.33.3. Bank Withdrawals without Supporting Documents

Contrary to the provisions in the Financial Management Regulations of 2007 and the Public Financial Management Regulations of 2018, bank withdrawals totalling Le4,359,647,088.30 (Le2,320,767,500.00 in 2017 and Le2,038,879,588.30 in 2018) were without supporting documents such as payment vouchers, receipts, invoices, delivery notes etc. Since these documents were not made available, there is a risk that these payments were made for goods and /or services that were not actually delivered to the Ministry. In addition, it was impossible to conclude whether these payments had followed the proper procedures as laid down in law. The Permanent Secretary and Senior Accountant should ensure that PVs and the relevant supporting documents are immediately submitted for audit review, failing which, the amount involved should be recovered and paid back into the CF.

Official's Response

'We must admit that proper records management was a challenge as revealed by this audit. However, the current management has put systems in place to address the anomaly. The documents requested are available for your inspection and review.'

Auditor's Comment

From a total bank withdrawal of Le4,359,647,088, supporting documents for only Le2,663,887,054 were submitted for verification, leaving a balance of Le1,695,760,034 without supporting documents.

Additionally, our review of the submitted expenditure documents revealed that out of the Le2,663,887,054, adequate supporting documents such as concept note, signed attendance and beneficiaries list, reports, training, back-to-office and monitoring reports, etc., were not attached to payment vouchers totalling Le2,244,271,054 (Le1,096,854,500 in 2017 and Le1,147,416,554 in 2018). This issue is therefore partly resolved.

5.33.4. Fuel Expenses

Section 13 (1) of the Public Financial Management Act of 2016 stipulated that the vote controller of a budgetary agency shall be responsible for prudent, effective, efficient and transparent use of the resources of the budgetary agency. This requirement was not met by the Ministry as there was inadequate controls over the management of fuel allocated to the Ministry. During the period under review, fuel chits were not submitted to account for fuel amounting to Le439,712,000. We also noted that the Ministry issued 2,472 litres of fuel amounting to Le15,552,000 to vehicles that were faulty and not roadworthy and 5,475 litres of fuel amounting to Le12,480,000 issued to generator without a logbook.

Official's Response

'At the time the audit exercise was conducted, most of the officers responsible for fuel management were not on post. However, management has made frantic efforts to contact them and retrieve all the documents requested which are now available for review.'

Auditor's Comment

- Fuel chits or utilisation records were not submitted to account for fuel amounting to Le439,712,000.
- There were no satisfactory explanations or supporting evidence to account for fuel alleged to have been issued to faulty vehicles.
- A logbook for the generator was not provided to ascertain the utilisation of fuel.

Therefore, the issues are unresolved.

5.33.5. Unsupported Overseas Travelling Expenses

We requested for payment vouchers (PVs) and supporting records in respect of all overseas travel expenses to ascertain whether travel costs were within the approved budget of the Ministry and whether they were approved by the Ministry of Finance. The PVs and supporting records were submitted and during our review of selected transactions, we observed that overseas travelling expenses totalling Le141,711,956 were without relevant supporting documents such as, travelling request or invitation letters explaining purpose of travel, Executive Clearance from the Office of the President, invoice for the purchase of air ticket, back-to-office reports, etc. to justify the payments

In future, the Accountant should ensure that all payments from initiation to completion should be supported by the relevant documents; and these should be properly recorded and filed for reference or audit purpose.

The Accountant should submit the relevant supporting documents for audit review; otherwise, the entire amounts would be disallowed and surcharged.

Official's Response

'The supporting documents requested for overseas travelling in respect of selected staff of the Ministry are now available for review.'

Auditor's Comment

Out of Le141,711,956, supporting documents for overseas travelling payment totalling Le102,382,593 were submitted for verification leaving a balance of Le39,329,363 (PV No. AGD0020270 of 11/12/2018) without the required supporting documents such as back-to-office report to justify the payments. Therefore, the issue is partly resolved.

5.33.6. Poor Assets Management

A fixed assets register was not submitted. Out of a total of seven vehicles and 15 motor bikes assigned to staff of the Ministry, only four vehicles and eight bikes were available for physical verification leaving three vehicles and seven bikes not presented for physical verification.

The list of vehicles and motor bikes submitted to the auditors proved that four of the vehicles have been faulty since 2017. Similarly, two of the motor bikes were assigned to Mohamed Bah who is the M&E Officer and the other five motor bikes were assigned to other staff.

Official's Response

The PS stated that: 'All the motor vehicles and bikes in question have been traced and are now available for physical verification. The Ministry is ready to support a joint physical verification exercise by the audit team and our Transport Officer.'

Also, the Ministry has developed an Asset management policy and is available for review.'

Auditor's Comment

- The outstanding three vehicles and seven bikes were not made available for verification.
- A draft fixed assets register was submitted for our reviews. The issue is partly resolved.

5.33.7. Review of Management of Projects

Freetown Dry Season Water Supply Project

The following were observed.

- The project did not maintain staff attendance register. Payments of stipends to the tune of Le246,100,000 were without approval from the Permanent Secretary and Project Manager.
- We noted element of possible double dipping in respect to payment of salaries, stipends or other allowances to project staff. We observed that some of the project staff were either staff of the Ministry, Guma Valley Water Company or SALWACO and thereby receiving stipends from the project and salaries from their employment as civil/public servants from the Consolidated Fund. A total of Le110,400,000 was paid to them for the periods 1st February, 2017 to 30th June, 2018 (five months) and 15th February, 2018 to 31st August, 2018 (seven months).
- There were inadequate controls over the use fuel. There was no fuel policy for the usage of fuel and the Accountant was the only one preparing and approving fuel chits. Similarly, fuel worth Le141,595,480.00 was unaccounted for.

Details are given below:

Description	Amount (Le)
Fuel as per cashbook for the period (Fuel received)	1,236,633,480
Less: Fuel as per recalculated chits	1,095,038,000
Fuel to be accounted for	141,595,480

Official's Response

The PS stated that:

'The FDSWSP was approved by cabinet to serve as a short-term measure for the supply of water in Freetown. Due to the emergency nature of the project, there was initially no register signed by the drivers, monitors and hydrant operators working in the field. However, the register was later introduced which they later signed. This could be an oversight on the part of the project team that was responsible for the implementation of the FDSWSP, due to the emergency situation they found themselves in, especially with their commitment to measure up to the cabinet decision.

Except otherwise in instances where senior officers are sometimes seriously busy as it happened in this case revealed by the audit, payment vouchers for every transaction are prepared by the Account Unit and always approved by the Permanent Secretary before any payments are honoured. It was an oversight for one or two voucher(s) due to the bulkiness and sometimes job pressure on the PS for not signing. This issue has already been corrected.

The fuel administration was endorsed by the Project Steering Committee recommended by the Project Team so fuel policy was not too necessary considering the nature of the project. However, the permanent Secretary was the one approving since inception and later on, the Senior Accountant and by extension Accountant.

We are all aware that the element of double dipping is a serious concern to the Government. The Ministry will not in any way participate in an activity that will undermine the operations and aspiration of the Government. The Ministry's concerted efforts together with agencies to implement the FDSWSP, was a time bound and therefore requested staff and those in the subsidiary agencies to work beyond their working hours. As such, management thought it fit to give stipend reasonably to deserving staff that were ready to render sacrifice for the people of this country. These staff were trucking water throughout the city on a day and night basis. The stipend was a sort of motivation package for them to use their experience and additional hours for the Ministry to accomplish the said project. Management henceforth want the audit team to see this as a motivation and regard it as necessary.'

Auditor's Comment

Management response is noted and our review of additional documents revealed the following:

- Staff attendance list was submitted. However, the list was not properly done as there was no provision for staff to record the time to come for work and when they leave.
- Approval for the payment of stipends was not submitted for our review.
- Out of a total of Le141,595,480, fuel chits to the tune of Le33,840,000 were presented for verification leaving a balance of Le107,755,480 without records to support the utilisation of fuel.

The issue is therefore partly resolved.

5.33.8. Verification of Project Sites

On 15th January 2017, the Ministry awarded a contract for the construction of four solar powered industrial boreholes: two at Regent Village, one at Brookfields (back of the Special Court complex) and one at Kissy Dock Yard for a contract price of Le5,063,217,766. On 13th December, 2019 we undertook a verification exercise to ascertain the status of the facilities at Regent Village and Brookfields (back of Special Court complex) and the following were observed:

- at Regent Village, a solar panel connection costing Le842,520,000 and a battery for the 100KVA generator which costs Le386,155,000 were not available for verification. They were reported to have been stolen but a police report was not submitted for verification. There was no certificate of completion of the project and no evidence that the contractor has been handed over the facility to the Guma Valley Water Company;

- in an interview with key personnel managing the facility located at Brookfields (back of Special Court complex), we noted that this facility had been faulty since November 2018 and there had been no efforts to rehabilitate or make it functional; and
- the non-functionality of the facility has resulted in shortage of safe drinking water for the inhabitants in the different communities.

Official's Response

The PS stated that 'both contracts were successfully completed and a request was submitted to this effect by the Project Supervisor. These projects were successfully handed over to the respective communities through Guma Valley Water Company.'

Auditor's Comment

The solar panel connections costing Le842,520,000 and a battery for the 100KVA generator which cost Le386,155,000 were not made available for verification nor was the cost recovered and paid back into the Consolidated Fund.

Certification of completion of the facility at Regent Village and evidence of handing over to Guma Valley Water Company were not submitted for our review.

There was no evidence that the facility at Brookfields (back of Special Court complex) was rehabilitated and fully functional to service the people by ensuring access to good drinking water.

The issue is therefore unresolved.

5.33.9. Adaptive Capacity of Climate and Water Project

In 2018, the Ministry in collaboration with the United Nations Development Programme (UNDP) implemented water generation projects to increase the supply of water in the country. Our review of selected projects revealed the following.

- On 30th September 2018, the Ministry signed a contract with the Eastern Rock for the construction and procurement of one spring box and community training facility at the back of American Embassy, Leicester Square, for a contract price of Le317,721,777.
- On 13th December 2019, we undertook a physical verification of this facility and it was observed that the facility was not working. Interview conducted with the caretaker of the facility revealed that the facility was completed in August 2019 but stopped working in October 2019. A certificate of completion of work was not submitted for our review.
- On 4th October 2018, the Ministry signed a contract with Matu & Dondo Enterprises for the construction and procurement of one rooftop rain water collection system at the Freetown Teachers College (FTC) for a contract price of Le372,500,000.
- On 13th December 2019, we undertook a verification exercise. During an interview with the Estate Officer at the FTC, we noted that the facility was only completed in November 2019 and it is yet to be handed over to the beneficiaries by the contractor. A certificate of completion of work was not submitted for our review.
- There is a risk that these facilities might not serve the purposes for which they were procured and constructed. Value-for-money may not have been achieved.
- We visited two water providing facilities - back of the American Embassy, at Leicester Square and the Freetown Teachers College (FTC). At Leicester Square, the facility was not working. Interview conducted with the caretaker revealed that the facility was completed in August 2019 but stopped working in October 2019. A certificate of completion of work was not submitted

for our review. During an interview with the Estate Officer at the FTC, we noted that the facility was only completed in November 2019 and it is yet to be handed over to the beneficiaries by the contractor. A certificate of completion of work was not submitted for our review.

Official's Response

The PS stated that:

- *'The contract was successfully completed and a certificate of completion was submitted by the Project Supervisor. The facility will be handed over to the community by the Ministry in collaboration with the Guma Valley Water Company and UNDP. The certificate of completion is available for review.'*
- *'The contract was successfully completed and a certificate of completion submitted by the Project Supervisor. The facility will be handed over to the community by the Ministry in collaboration with the Guma Valley Water Company. The certificate of completion is available for review.'*

Auditor's Comment

The certificate of completion was not presented for verification and the facilities were still not operational. Therefore, the issue is unresolved.

5.33.10. Service Delivery

Guma Valley Water Company Catchment Area (Reservoir) Being Encroached Upon

The audit team visited the Regent Village reservoir site. We observed serious encroachment on the property of Guma Valley. Interview conducted with the Engineer-in-Charge and our further inspection of the site environs revealed the following:

- The reservoir has two water sources at Congo and Mount Sugar Loaf that feed directly into the dam, but there is lack of storage backup especially in the raining season when the dam overflows.
- There were blocked drainages as a result of encroachment and this has resulted in the breakdown of most of their major machines.
- Of the two chlorine mixing machines, only one was functional. The other has been faulty since 2016 and thus any breakdown will pose a challenge for the people of Regent and its environs to get supply of safe and quality drinking water.

Official's Response

'The problem of encroachment is a perennial problem. The Government has however set in motion an inter-agency taskforce comprising of seven MDAs to proffer recommendations to address the issue of encroachment and catchment areas in the Western Area.'

The other issues are presently being addressed by the Guma valley Water Company.'

Auditor's Comment

There was no evidence that the issues raised were addressed by the Ministry. In addition, we noted management's response and there was no evidence of the formation of an inter-agency taskforce comprising of seven MDAs to proffer recommendations to address the issue of encroachment in the Western Area. Therefore, the issue is unresolved.

5.34. MINISTRY OF YOUTH AFFAIRS: 2016 - 2018

5.34.1. Procurement and Supply Chain Management

Ministry of Finance (MOF) Approved Procurement Plans not Submitted

Contrary to the provisions in Section 29(4) of the Public Procurement Act, 2004, Section 29(5) of the Public Procurement Act, 2016 and Section 32 (6) of the Public Procurement Act of 2016, the MOF Approved Annual Procurement Plans for the 2016, 2017 and 2018 financial years were not presented for audit inspection.

Official's Response

The procurement plan was submitted together with the annual budget to the Ministry of Finance for approval. A blanket approval is being given for the Annual Budget and Procurement Plan.

Auditor's Comment

Management's response is noted, but evidence of approvals from the Ministry of Finance for the 2016, 2017 and 2018 procurement plans were not presented for audit verification. Therefore, this issue is unresolved.

5.34.2. Non - submission of Procurement Documents

In spite of repeated requests, procurement documents such as purchase requisition, three Requests for Quotations, minutes of Procurement Evaluation Committee meeting and signed attendance register, local purchase orders, invoices, etc. were not maintained and submitted for procurement activities worth Le267,199,387.35. The non-availability of procurement documents prevented the auditors from ascertaining whether the procurement undertaken were competitive and in the interest of the public to achieve value-for-money.

Official's Response

The PS stated that: 'During investigations by the ACC on these same projects for the period 2016 and 2017, most of the payment vouchers and supported documents were taken as source of investigation by the ACC. However, some of these documents are available for verification'.

Auditor's Comment

Management's comment is noted. We however noted the following:

- List of documents submitted to the ACC were not made available for our confirmation and verification.
- The alleged available documents as indicated by management were not presented for verification. This issue therefore remains unresolved.

5.34.3. Contract Terms not Met and no Evidence of Work Done

During 2016, a total of Le2,700,000,000 was remitted to the Ministry for the implementation of the National Youth Village Project. Of this amount, Le1,446,000,000 was allocated for the following activities: survey of land at Tonkolili -Le50,000,000; land clearing/Agric at Tonkolili - Le 75,000,000; setting up of site office at Koinadugu - Le328,300,000; setting up of site office at Tonkolili - Le346,700,000; outstanding payment for four (4) project vehicles - Le472,330,500; Office Set-up at Kabala - Le17,500,000; office running cost at Kabala - Le10,000,000; office running cost at Freetown -Le6,000,000; vehicle maintenance/fuel - Le40,169,500 and agricultural component start-up - Le100,000,000.

The Ministry then entered into contracts with two (2) contractors: Lawrencebia (SL) Ltd. and Bullom Construction and General Services for the construction of site offices at Mile 91 and Kabala (Kompola

Village) for contract sums of Le241,296,300 and Le243,000,000 respectively. We observed that the contract terms for the payment of 30% was not met by the Ministry, as only 20%, instead of the stipulated 30% advanced payment was made to the contractors, even though there was available funding for these activities.

Additionally, we noted that the outstanding amount (differences between funds allocated and paid into the Ministry's account and advance payment made) of Le578,140,740 was not accounted for by responsible officers.

Furthermore, we cannot ascertain whether these constructions were done, as there were no progress reports on the stages of the works completed and no evidence of payment after the 20% advanced payment was made to the two (2) contractors.

Official's Response

No official handing over was done from the previous management of the project to the present management. A status report of the project was however done as at the time of taking over. This report is available for verification.

Auditor's Comment

Evidence as to why 20% instead of the 30% advance payment as stipulated in the contract; and why subsequent payments had not been made for the continuation of these construction works were not presented during the verification exercise. Additionally, documentary evidence for the use of funds for other purposes other than the completion of the construction works were also not provided for verification. Therefore, this issue remains unresolved.

5.34.4. Expenditure Management and Control

Payments without Adequate Supporting Documents

Documents for payments made were not properly kept. Documents were either not attached to payment vouchers or referenced for ease of identification. In addition, we noted that monies paid to Programme Managers or Directors were not retired in a timely manner. We observed that Le1,645,265,413 was spent on various activities during the period under review. The Ministry however failed to submit all of the relevant supporting documents such as, receipts, invoices, delivery notes, signed distribution and acknowledgement list of beneficiaries etc.

Official's Response

The PS stated that:

- *During investigations by the ACC on these same projects for 2016 and 2017, most of the payment vouchers and supporting documents were taken as source of investigation by the ACC. For 2018, all back-to-office reports and invitation letters are available for inspection. For the National Youth Farm, Le40,000,000 was transferred from the GoSL as project support. Le250,626,465 was expended in 2018 for which supporting documents were submitted for audit inspection. As at 31st December 2018, the project had a bank balance of Le148,948,248.33 (bank statement available for verification) and these activities were implemented in FY 2019. For the Youth in Fisheries Project, Le 40,000,000 was transferred from the GoSL as project support. Le29,324,500 was expended in 2018 for which supporting documents were submitted for audit inspection'.*
- *'As at 31st December 2018, the project had a bank balance of Le20,390,832.63 (bank statement available for verification) and these activities were implemented in FY 2019. For the Livelihood skills centre, Le40,000,000 was transferred from the GoSL as project support. Le9,600,000 was expended in 2018 for which supporting documents were submitted for audit inspection. As at 31st December 2018, the project had a bank balance of Le36,490,764.60 (bank statement available for verification) and these activities were implemented in FY 2019. Some of these documents are available for verification'.*

Auditor's Comment:

Management's comment is noted. We however noted the following:

- List of documents submitted to the ACC were not made available for our confirmation and verification.
- Of the Le1,645,265,413 adequate supporting documents were only submitted for Le426,099,438, leaving a balance of Le1,219,165,975 for which relevant supporting documents in the form of letters of invitation, back-to-office reports, itinerary, requests, delivery notes, receipts, invoices, distribution lists, signature of beneficiaries, demarcation document etc. were not presented for audit verification.

Therefore, this issue is partly resolved.

5.34.5. Bank Withdrawals without Supporting Documents

Contrary to the provisions in the Financial Management Regulations 2007 and the Public Financial Management Regulations 2018, bank withdrawals totalling Le29,595,760,784.35 were without supporting documents such as payment vouchers, receipts, invoices, delivery notes etc. Since these documents were not made available, there is a risk that these payments were made for goods and / or services that were not actually delivered to the Ministry. In addition, it was impossible to conclude whether these payments had followed the proper procedures as laid down in law.

The Permanent Secretary in collaboration with the Acting Project Manager, Senior Accountant and Project Administrative & Finance Officers should submit the relevant supporting documents for verification; otherwise, the whole amount should be refunded and evidence of payment into the project account forwarded to the Audit Service for verification.

Official's Response

The PS stated that 'during investigations by the ACC on these same projects for 2016 and 2017, most of the payment vouchers and supporting documents were taken as source of investigation by the ACC. Some of these documents are however available for verification'.

Auditor's Comment

Payment vouchers and other relevant supporting documents to account for the withdrawals from the Ministry's bank accounts were not presented for audit verification. This issue therefore remains unresolved.

5.34.6. Withholding Taxes not Paid to the National Revenue Authority (NRA)

Contrary to the provision in Section 117 (4&5) of the Income Tax Act, 2008, there was no evidence that withholding taxes to the tune of Le42,419,279.65 were paid to the NRA. There is a risk that this may lead to the loss of government's much needed revenue.

The Senior Accountant should ensure that this amount is recovered from the suppliers and paid to the NRA, and evidence of payment forwarded to the Audit Service for verification.

Official's Response

The PS stated that 'payment plan has been developed and agreed upon by all units'.

Auditor's Comment

There was no evidence that withholding taxes which totalled Le42,419,279.65 were paid to the NRA. We were also not provided with evidence of a payment plan as indicated in the management's response. Therefore, this issue remains unresolved.

5.34.7. Verification of Project Activities

The sum of Le3,149,849,965 was expended by the Ministry under the Youth in Fisheries Project for the procurement of 40 Cousta Fishing Boats, each with 40 Horse Power Outboard Machines and Accessories that were alleged to have been distributed to various youth groups as concessional loans. We however observed that the following documents were not made available:

- Distribution list or signed acknowledgement of receipt by the alleged youth groups.
- Signed Memorandum of Understanding between the Ministry of Youth Affairs and the Youth in Fisheries' Beneficiary Youth Groups.
- Repayments or recoveries details for the concessional loan for the Fishing Boats with Accessories alleged to have been distributed to beneficiaries.
- The audit team also requested a visit to two (2) project sites namely Western Area Urban and Rural Coastal Communities of the Youth in Fisheries Project to enable the verification of 28 Fishing Boats with accessories distributed sometime in 2016 to various Youth in Fishing Groups in these communities. We realised that only one (1) of the 28 fishing boats with accessories (40Horse Power Outboard Machines) was verified, leaving an outstanding unidentified and unverified 27 fishing boats.
- There is a risk that the money and fishing boats may not have been used for their intended purposes, thereby stifling the Ministry from achieving intended project outcomes.

Official's Response

The PS stated that 'no official handing over was done from the previous management of the project to the present management and there is no trace of distribution list, MOU or concessional loan repayment agreement between the project and the beneficiaries. A status report of the project was however done as at the time of taking over. This report is available for verification'.

Auditor's Comment

Distribution list or signed acknowledgement of receipt by the alleged youth groups, signed Memorandum of Understanding between the Ministry of Youth Affairs and the Youth in Fisheries beneficiary youth groups, repayments or recovery details for the concessional loan for the fishing boats with accessories alleged to have been distributed to beneficiaries and the remaining unidentified and unverified 27 fishing boats were not presented for verification. These issues therefore remain unresolved.

5.35. DECENTRALIZATION SECRETARIAT: 2018- 2019

5.35.1. Human Resources Management

Recruitment and Dismissal done without Adhering to Civil Code of Ethics, Regulations and Rules

There was no evidence that the Decentralisation Secretariat followed provisions in the Civil Code of Ethics, Regulations and Rules in the recruitment and termination of staff.

We observed the following:

- The Permanent Secretary (PS), Ministry of Local Government and Rural Development (MLGRD) in a memo dated 9th July 2018, indicated that five (5) staff of the Secretariat were to proceed on leave for three months and resume duty on 8th October 2018. The PS in another memo dated 4th October 2018 (before the date of resumption of the staff), indicated that the staff were however relieved of their duties on the grounds of being actively involved in party politics in the 2018 elections. Our review further revealed prior to their dismissal in 2018 and as at 31st December 2019, there was no evidence that these staff were queried, called upon to

submit written responses to the allegations against them, or an evidence to substantiate that any investigation was conducted on the cases against these staff since then.

- Fourteen (14) staff of the Decentralization Secretariat and eight (8) staff for a project in the Secretariat; Social Capital Approach to Rural Development in Sierra Leone (SCARDSiL) were recruited in 2018 and 2019. We however noted that there was no evidence to substantiate that the vacancies were advertised by appropriate notice and that the selection and appointments were done based on merit and in the context of fair and open competition.
- There was no evidence to substantiate how Community Monitoring Initiative Facilitators (CMIF) were recruited by the Secretariat for the implementation of the Community Monitoring Initiatives (CMI) in two (2) Local Councils.
- Failure to give opportunities to staff to defend themselves in instances of alleged unprofessional behaviour or actions may be considered a human right violation. There is a risk that such action may result in litigation by aggrieved staff.
- The recruitment process may not be fair, competitive and based on merit

Official's Response

The Director stated that:

- *Decentralization Secretariat (DecSec) was established in 2004 to give technical support to the Ministry of Local Government and Rural Development on decentralization and the devolution process with 100% funding from the World Bank. The Secretariat provides anchorage to the Social Capital Approaches to Rural Development in Sierra Leone (SCARDSiL) SCARDSiL, which was established in 2005 under a donor grant administered by the World Bank to implement rural development projects in 124 communities in both Bonthe and Bombali districts. At its inception, both agencies staff members were recruited on contract and paid under guidelines as specified in the project document and not the Public Service Commission.*
- *The effort of the Ministry of Local Government and Rural Development to mainstream and institutionalized the Secretariat led to the Ministry of Finance budgetary provision to cover payroll and recurrent expenditure for both the DecSec and SCARDSiL. This Institutional transitional arrangement meant that all staff members of the Secretariat became public servants as opposed to civil servants.*
- *After March 2020 Parliamentary and Presidential Elections, the Secretariat was short of staff due to voluntary resignation, termination of the contract (due to involvement in Political activities) and Presidential decree on retirement. The then Hon. Minister of Local Government and Rural Development for the period under review set up a committee to look into allegation of staff involvement in party politics. Findings on the investigation concluded that they were involved in party politics as alleged. Accordingly, the Secretariat was obligated to continue paying salaries to staff on leave until otherwise stated.*
- *The secretariat recruited volunteers who later replaced those who left for the reasons stated above. In 2019, few of the positions referenced herein in this draft were advertised in three different newspapers (), applicants shortlisted and called to interview before issuing appointment letters to successful applicants. These appointment letters did not hold due to bureaucratic lapses.*
- *For the period under review, the required due for replacement of staff was a request letter addressed to the Accountant General which will be subsequently minute to various departments within the Ministry of Finance. It was only later that we were informed that all replacement must pass through the Ministry of Finance.*
- *The Community Monitoring Coordinators and facilitators have been recruited from an existing database we maintain on facilitators that have worked with us over the years on several occasions or have worked on the Comprehensive Local Government Performance Assessment (CLoGPAS), the Integrated National Performance Surveys or other assessments that we have conducted over the years.*
- *Following, we get them to send their CV and qualifications. All of them are requested to have WASCE, a degree or a professional experience linked to the work we do. Due to the technical nature of the implementation*

of Community Monitoring we stress on those having previous experience implementing a social accountability tool or having participated in data collection activities especially those we conduct.

- *It is based on this that they are recruited. Please also note that this assignment is part-time.*
- *In the future, we will ensure full compliance with the provisions of the Civil Service Code of Ethics, Regulations and Rules in the recruitment and termination of staff.*

Auditor's Comment

Management's response is noted, but no evidence was submitted to substantiate that:

- the five (5) staff were queried, called upon to submit written responses to the allegations against them or an evidence to substantiate that any investigation was conducted on the cases against these staff;
- the vacancies were advertised by appropriate notice and that the selection and appointments were done based on merit and in the context of fair and open competition.

Therefore, the issues remain unresolved.

5.36. PROVINCIAL SECRETARY'S OFFICE, SOUTHERN REGION: 2017-2019

5.36.1. Expenditure Management and Control

Payments without Supporting Documents

We reviewed the IFMIS expense printout which revealed that Le194,250,000 and Le67,000,000 were payments for 2017 and 2018 respectively allocated to the Provincial Secretary's Office and the four district offices in Bo, Bonthe, Moyamba and Pujehun for local travelling, office stationery, vehicle maintenance, presidential visits and mobile recharge cards. We observed that there were no supporting documents such as requests, payment vouchers, PET forms, local purchase orders, invoices, distribution lists, receipts, delivery notes etc. to account for the funds allocated to the PS office.

Official's Response

The Provincial Secretary said "during the audit period, most of the supporting documents were in Freetown and the district offices, but management has retrieved the documents from various quarters and now ready for inspection and verification".

Auditor's Comment

Supporting documents for payments totalling Le159,250,000 in respect of local travelling, stationery, vehicle maintenance, mobile recharge cards and presidential visit in 2017 were submitted during the verification and a balance of Le35,000,000 was still outstanding without supporting documents. In addition, supporting documents such as payment voucher and signed list of officials acknowledging receipts of night allowances of Le47,350,000 paid to them were submitted during the verification in relation to presidential visit in 2018, leaving a balance of Le19,650,000 without adequate supporting documents such as invoices, receipts, etc.

5.36.2. Payments without Adequate Supporting Documents

We observed that totals of Le308,254,500, Le283,479,000 and Le700,014,140 were expended in 2017, 2018 and 2019 respectively, on local travelling, stationery, vehicle maintenance and mobile recharge cards by the Provincial Secretary's Office and the four district offices in Bo, Bonthe, Moyamba and Pujehun. These payments were without adequate supporting documents such as receipts and delivery notes. A review of the bank statements further revealed that the former accountant withdrew Le 347,850,000 and Le 425,000,000 in 2018 and 2019 respectively, from the bank in respect of presidential visit to the region. These payments were however made without adequate supporting documents to

account for the use of these amounts. For instance, receipts were not made available for the amount spent on hotel accommodations, no signed list of officials to acknowledge receipt of DSA paid to them, etc.

Official's Response

The PS stated that "during the audit period, most of the supporting documents were in Freetown and the district offices, but management has retrieved the documents from various quarters and now ready for inspection and verification".

Auditor's Comment

Supporting documents such as receipts, delivery notes, etc. totalling Le1,210,593,140 were submitted during the verification and a balance of Le81,154,500 was still outstanding. Supporting documents such as receipts, signed list of officials to acknowledge receipt of DSA paid in respect of presidential visit totalling Le195,850,000 were not submitted during the verification.

5.36.3. Vehicle Logbook not Maintained and Fuel Reconciliation not Carried out

Contrary to Section 236(1) of Financial Management Regulations 2007, vehicle log books were not submitted by the Provincial Secretary's Office and the other four district offices in Bo, Bonthe, Moyamba and Pujehun to account for the consumption of fuel by vehicles for the period under review.

We also observed that there was no evidence to confirm that the Provincial Secretary's Office and the four district offices in Bo, Bonthe, Moyamba and Pujehun were not reconciling their fuel records with the records maintained by the fuel dealers.

Official's Response

The PS stated that "all the official vehicles except for Pujehun, Bo and the Resident Minister are not in good working order. Vehicle log books will however be made available for inspection in due course. Documents are now available for inspection retrieved from the District Offices and Provincial Secretary 's Office".

Auditor's Comment

Vehicle log books were not available for verification. There was no evidence submitted for verification to confirm that the Provincial Secretary's Office and the four district offices in the region did reconciliations of their fuel records with the records maintained by the fuel dealers as recommended.

5.37. MINISTRY OF LANDS HOUSING AND COUNTRY PLANNING -2018 &2019

Based on the materiality and the potential impact on the Ministry of Lands, Housing and Country Planning for non-compliance areas we observed that, the Ministry during the period of January 2018 to 31st December 2019, was materially non-compliant with the Public Financial Management Act, 2016; the Public Financial Management Regulations, 2018; the Income Tax Act, 2008, the Public Procurement Act 2016 and its Regulations, the Crown Lands Ordinance, 1960 (Unoccupied Lands), the Audit Service act, 2014, the Civil Service Code, Regulation and Rules/Administrative Manual 2011, the Income Tax Act, 2008 and the Finance Act, 2017.

Contrary to Section 93(3) of the Public Financial Management Act, 2016, the Ministry failed to submit written response to the Draft Management Letter. The following are our audit findings:

5.37.1. Revenue Management and Control

Purchase of Freeholds

We observed the following:

Differences were observed between the National Revenue Authority (NRA) records and the records maintained by the Ministry in respect of freeholds. Our review of available records maintained in

respect of revenue generated from purchase of freehold property revealed that there was a difference of Le3,799,700,000 between records maintained by the Ministry and the NRA. An analysis is indicated in the table below:

Year	Ministry Records (Le)	NRA Records (Le)	Difference (Le)
2018	2,585,000,000	1,592,750,000	992,250,000
2019	5,731,500,000	2,924,050,000	2,807,450,000
Total	8,316,500,000	4,516,800,000	3,799,700,000

We recommend that the Permanent Secretary (PS) should ensure that the differences between the Ministry's records and the NRA's are immediately investigated and corrected. The investigation report should be communicated to the Audit Service for immediate verification; otherwise the differences should be paid into the Consolidated Fund.

Applicants were paying processing fee of Le7,000,000 per purchase of freeholds. For the periods under review, an estimated processing fees which amounted to Le1,575,000,000 was received by the Ministry instead of being paid to the bank, and an NRA receipt issued. In an interview with the key officials of the Ministry, we gathered that the money collected by the Ministry was paid to the Law Officers Department and the Administrator and Registrar General's Department for the processing of the freehold land documents. We however found file evidence of letters sent to the Law Officers Department without any monetary value.

We therefore recommend that the total amount of Le1,575,000,000 received by the Ministry as processing fees per purchase of freeholds must be immediately accounted for by those concern; failing which the matter will be communicated to the appropriate authorities for necessary action.

In some files, there were two offer letters for the purchase of Freeholds with different prices, and in some cases the lower prices will have the NRA official receipt whilst the Ministry will issue receipt for the higher purchase price. From a review of a sample of files, we noted that the Ministry on diverse dates acknowledged cash receipt of Le248,000,000 whilst the NRA official receipts showed a total of Le126,000,000 leaving a balance of Le122,000,000 not accounted for.

We recommend that the irregularity of having two offer letters on files with different prices must be immediately investigated and corrected. The Investigation Report must be submitted to the Auditor-General for further review; failing which the matter will be referred to the appropriate authorities for necessary action. Additionally, cash receipt by the Ministry on diverse dates but not paid to the NRA must be immediately paid into the Consolidated Fund.

Lease Rents

In spite of repeated requests, we were not provided with a policy to guide the assessments before levying charges for leases. In addition, a database of lease rents and information on arrears of lease rents as at 31st December 2019. There is therefore a risk that revenue generated from lease rents may not be properly accounted for by the Ministry which may lead to loss of government's much need fund.

We recommend that the Director of Surveys and Lands should ensure that:

- A citizen charter is immediately developed to guide on the processes, procedures and price list, in respect of acquisition of state lands.

- An electronic database be maintained for all lease offered including any information on arrears. A revenue mobilisation strategy must be developed for the payments of accrued arrears of lease rents.

5.37.2. Survey Fees: Survey Fees not Accounted For

Our review of available records maintained in respect of revenue generated from survey fees revealed that there was a difference of Le267,438,000 between records maintained by the Ministry and the NRA. An analysis is indicated in the Table below:

Year	Ministry Records (Le)	NRA Records (Le)	Difference (Le)
2018	390,850,000	200,337,000	190,513,000
2019	481,600,000	404,675,000	76,925,000
Total	872,450,000	605,012,000	267,438,000

There is risk that surveys were done and site plans signed for both freeholds and leases without receipt of payments by the NRA, resulting in loss of government's much needed resources.

We therefore recommend that the Director of Surveys and Lands must ensure that the differences between the Ministry's records and the NRA are immediately investigated and corrected. The investigation report should be communicated to the Audit Service for immediate verification

5.37.3. Database of Lands Reclaimed not Submitted for Audit Inspection

During our interview with the Surveys Superintendent responsible for the reclamation of lands, it was revealed that the Ministry reclaimed lands. We never saw evidence of such land reclaimed, leased, reallocated, regularised and report of revenue generated from such exercise. This was in violation of the provisions in Section 36(1a, b& d) of the Audit Service Act, 2014.

We therefore recommend that the Surveys Superintendent should submit the database of state lands reclaimed and reported to the Ministry and reclaimed state lands leased, sold, regularised and the revenue generated.

5.37.4. Human Resources Management

Unauthorised Recruitment or Hiring of Support Staff

There was no policy or guideline for the recruitment and management of support staff within the Ministry. During a physical verification exercise on 3rd and 4th September 2020, we verified a number of unauthorised support staff recruited or hired by the Ministry without any records on files. Furthermore, these support staff were issued with identity cards by the Ministry without any evidence of a formal letter or records. It is most disturbing to note that the number of support staff far exceeded the number of official permanent and pensionable staff in the Ministry. Support staff as per verification was 350 nation-wide whereas official permanent and pensionable government of Sierra Leone employees was 239. These unauthorised hiring of support staff may not be unconnected to the number of challenges or problems in the day-to-day operations of the Ministry.

We recommend that the Senior Human Resource Officer (SHRO) and the PS should immediately regularise the anomalies in having auxiliary staff in the Ministry and evidence of such action be forwarded to the Audit Service Sierra Leone for verification. In addition, officials whose names were mentioned as being responsible for bringing these casual workers into the Ministry must submit formal requests sent to the Director General, HRMO and evidence of such requests forwarded for our records.

Employees listed on the payroll not Available for Physical Verification

In a bid to ensure that salaries paid during the period under review were to staff of the Ministry, we requested for the physical verification of staff that were in the payroll of the Ministry. During the exercise, we noted that 69 staff did not show up for physical verification for which a total salary of Le129,799,191 was paid to them during 2019. There is a risk that salaries may have been paid to non-existing staff thereby leading to the loss of government resources.

We recommend that the staff are made available for verification; failing which the Ministry must submit the names of these staff to the Accountant General to be immediately deleted from the payroll.

5.37.5. Expenditure Management and Control

Bank Withdrawals without Supporting Documents

Contrary to the provisions in Section 100 of the PFMR 2018, bank withdrawals which amounted to Le862,997,422.84 were without payments vouchers and other supporting documents. As these transactions were without supporting documents, we were unable to ascertain whether proper public financial management procedures were followed, and or whether the goods were delivered or services rendered.

The Permanent Secretary in collaboration with the Senior Accountant should ensure that supporting documents in relation to these transactions are submitted to us for inspection. In future, all supporting documents must be attached to PVs and retained for audit purposes.

5.37.6. Fuel not Accounted For

We observed that there were inadequate controls over the management of fuel allocated to the Ministry. In some instances, vehicle lifecards and appointment letters to ascertain categories of staff receiving fuel were not submitted to account for fuel utilised by the Ministry. There were also instances where there was difference between fuel allocated to the Ministry and fuel chits submitted for inspection and for which differences identified were not accounted for by the Senior Accountant. This lack of adequate controls resulted in Le703,597,500 worth of fuel not accounted for during 2018 and 2019.

In the absence of a fuel utilisation records, the Senior Accountant must immediately account for and pay back into the Consolidated Fund, the total amount and payment details submitted for audit verification.

5.37.7. Withholding Taxes not Paid to the National Revenue Authority (NRA) - Le57.50 Million

The Income Tax Act of 2000 and Finance Act, 2017 mandate the Ministry to deduct withholding taxes from payment made to suppliers/contractors and pay the amount withheld to the NRA. Bank withdrawals amounting to Le57,500,525 were made in respect of withholding taxes but the NRA receipts, as evidence of payment, were not available for inspection.

The Senior Accountant should ensure that the amount withdrawn is immediately paid to the NRA and evidence of payment submitted to the ASSL for verification.

5.37.8. Supply Chain Management

Splitting of Procurement in a Bid to Evade the National Competitive Bidding Method

Contrary to Section 37(2) of the Public Procurement Act of 2016, the Ministry artificially split procurement activities into smaller amounts, used Requests for Quotations (RFQ) rather than the

National Competitive Bidding (NCB) procurement method and awarded the contracts to various contractors. Details of the procurement are given below:

Details	Amount (Le)
Stationery	546,088,000
Tonnors	95,000,000
Office equipment	196,500,000
Computer running costs	101,900,000
Total	939,488,000

The procurement of these goods and works might not have been as competitive or transparent compared to if it were not split and the NCB procurement method was used.

5.37.9. Stores Items not Accounted for

Even though the Ministry comprised of various Departments, stores records indicated that various stores items (stationery, tonners etc.) purchased were only issued to the Office of the Permanent Secretary, Accounts Department and Procurement Department. During the period under review, store items worth Le653,149,478 were not accounted for as records to indicate how these items were utilised or distributed by the various units were not made available for inspection.

It was surprising to note that during interviews with Ministry officials, it was revealed that these supplies were never received and that their personal funds were used to purchase stationery for official use.

We therefore recommend that the various Units that received the queried store items should account for all items received; failing which the matter will be referred to the relevant authorities for further investigation.

Alleged Procurement of Vehicles

The Ministry allegedly procured two used vehicles in 2019 from M&R General Trading for a contract value of Le440,000,000. During our review, we observed that there was no independent inspection from the Sierra Leone Road Safety Authority (SLRSA); and in spite of repeated requests, the location of the said vehicles was not made known for physical verification.

The Procurement Committee should fully account for the two vehicles; and in the event where value-for-money had not been exercised in their purchase, the Committee must refund into the Consolidated Revenue Fund, the amount spent for the purchase.

5.37.10. Proceeds from Sale of Bidding Documents not Properly Accounted for

Contrary to Section 57(4) of the Public Procurement Regulations of 2006, evidence relating to printing, copying and distribution of bidding documents were not submitted in respect of a total proceed of Le1,500,000 from the sale five bidding documents. The proceeds may not have been used for its intended purpose leading to the inappropriate use of the Ministry's meagre resources to cover the costs related to printing, copying and distribution of the bidding documents.

The Senior Procurement Officer (SPO) should immediately account for the proceeds from the sale of bidding documents and evidence submitted for audit verification.

5.37.11. Fixed Assets not Accounted for

Contrary to the provision in Section 13(1) of the Public Financial Management Act of 2016, we noted that there were inadequate controls to manage resources such as motor vehicles. Eight (8) vehicles and one motorbike were not made available for physical verification.

We also noted that assets acquired totalling Le471,605,600 (Le338,855,600 in 2018 and Le132,750,000 in 2019) were neither marked nor were they recorded in the fixed assets register. In addition, unused assets that were replaced with the new ones were not made available for audit verification and their location was also not communicated to the audit team.

The Permanent Secretary in collaboration with the Senior Accountant should ensure that the fixed assets are marked with the Ministry's identification codes, the details of them recorded in the Ministry's fixed assets register and that used assets replaced must be made available for audit verification.

We also recommend that the Transport Officer should ensure that the eight(8) vehicles and one motorbikes are provided for physical verification with immediate effect.

5.38. PROVINCIAL SECRETARY'S OFFICE –EAST, 2018

5.38.1. Expenditure Management and Control

Inadequate Controls over Disbursement of Funds

Section 77(1) of the Financial Management Regulations 2007 stipulates that unless a budgetary agency has adopted a computerised system of commitment control, the vote controller shall, in order to be readily aware of the state of expenditure paid and incurred, keep a vote service ledger in the form determined by the Accountant General showing separately under each head and item of the estimates for which he is responsible. Similarly, Section 83(1) of the Financial Management Regulations, 2007 requires that, an imprest shall only be used for a purpose for which expenditure has been included in the approved estimates. These requirements were not met by this institution as the vote service ledger (VSL) maintained by the Provincial Secretary's Office – East was not appropriate and properly arranged. The details in the ledger are not in order, which makes it very difficult to review. We also observed that there was no acknowledgement of receipt in the form of recipient's signature for monies requested by the Resident Minister to be withdrawn from the imprest account in respect of the presidential visit, which amounted to Le331,000,000 in 2018.

We recommend that:

- The VSL maintain an appropriate form with all necessary columns for easy reference of state of expenditure paid and incurred and all vouchers prepared for authorisation and payment be entered into the VSL in an orderly manner.
- The Provincial Secretary should ensure that the recipient of the monies requested acknowledge receipt by signing the undertaking prepared on disbursement.

Official's Response

The Provincial Secretary stated that:

- *'The vote service ledger maintained was not updated as at the time of the audit due to inevitable circumstances. However, the vote service ledger has now been updated with all the relevant activities during the period under review. It would be made available for verification'.*
- *'Le331million was disbursed and received by the Resident Minister from the imprest account. Due to the exigencies during that period to ensure that everything is in place for the presidential visit, the undertaking was*

not signed by the minister. However, the undertaking has been signed by the Minister to show that he received the said amount and it is available for verification’.

Auditor’s Comment

Our recommendations were not implemented. The vote service ledger was not maintained appropriately with all necessary columns for easy reference of state of expenditure paid and incurred. We also observed that there was no acknowledgement of receipt in the form of recipient’s signature for monies requested by the Resident Minister to be withdrawn from the imprest account in respect of the presidential visit. These issues therefore remain unresolved

5.38.2. Imprests not Properly Accounted for

Section 86(1) of the Financial Management Regulations 2007 requires that; the officer holding a standing imprest shall keep an imprest account showing the amount of the full details of the payment vouchers for imprest disbursements made from the imprest. We observed that Le966,466,000 was withdrawn from the imprest account held during the year, but no separate imprest account ledger was maintained to show details of how the monies withdrawn were utilised. This could have enhanced us to ascertain whether imprest funds were being used appropriately and for their intended purposes.

We recommend that a detailed imprest account showing how the funds withdrawn from the imprest account were utilised should be submitted for inspection and that the imprest account is regular reconciled.

Official’s Response

The PS stated that ‘a separate imprest account ledger is being prepared to show the actual activities undertaken with the monies withdrawn from the imprest account. This will be made available during verification’.

Auditor’s Comment

A detailed imprest account showing how the funds withdrawn from the imprest account were utilised should be maintained. This issue remains unresolved

5.38.3. Withdrawals without Supporting Documents

Supporting documents on how monies withdrawn from the imprest account in 2018 which amounted to Le485,000,000 were not available for inspection. These monies may have been diverted into personal use. This is contrary to Section 73(1) of the Financial Management Regulations (FMR) 2007.

We recommend that the relevant documentary evidence is provided for the amount withdrawn and accounted for during 2018; failing which the total amount should be paid back into the Consolidated Fund by the responsible officer(s).

Official’s Response

The PS stated that ‘the payment vouchers and all relevant supporting documents will be made available for review during verification.’

Auditor’s Comment

Our recommendation was not implemented. It was revealed that there are no supporting documents or trace of how monies withdrawn from the imprest account were used. This issue remains unresolved.

5.38.4. Fuel not Accounted for

Sections 236(2) (c) of the Financial Management Regulations, 2007 stipulates that a log book or operating record shall record details of fuel, oil, spares or other consumables use. We observed that the Provincial Secretary’s Office – Eastern Region does not have any policy or procedures for the

distribution and use of fuel. Fuel chits were not used by the department to justify the distribution and utilisation of fuel worth Le942,136,000.

We recommend that a policy is formulated to guide and control the distribution and use of fuel.

Official's Response

The PS stated that 'the issues have been noted with great concern. There is an effort already in place to implement the recommendations'.

Auditor's Comment

Our recommendation was not implemented. It was observed during verification that office does not have any policy or procedures for the distribution and usage of fuel. Fuel chits were not made available to justify the distribution and utilisation of fuel amounting to Le942,136,000. This issue remained unresolved.

5.38.5. Procurement Irregularities

Contrary to the provisions in the Procurement Act of 2016 and Procurement Regulations, 2006, we observed the following:

- The Provincial Secretary's Office did not prepare an annual procurement plan for the 2019 financial year. This was contrary to the requirements sets out in Section 29(1&2) of the Public Procurement Act of 2016.
- Procurement a worth Le1,199,852,001 were not in an approved procurement plan.
- The procurement of fuel totalling Le942,136,000 was not in accordance with the requirements of the Public Procurement Act of 2016, First Schedule (2,3&4). No evidence was provided to show that a procurement process was followed or there was a framework contract with the supplier.
- Assessment of procurement documents revealed that three written requests for quotation were not made to suppliers for some transactions amounting to Le Le257,716,000. This was in contrary to Section 45(1) of the Public Procurement Act 2016.

Official's Response

The PS stated that:

- *'Annual procurement plan is being prepared and approved at central level. We sent our plan at district level which was incorporated in the procurement plan at central level. A copy of the procurement plan will be made available for verification'.*
- *'The procurement activities undertaken were in an approved procurement plan. The procurement plan will be made available for verification'.*
- *'The framework contract was not available during the time of audit. However, it has been obtained and available for inspection during verification'.*
- *'This issue has been noted with great concern. The recommendations will be implemented with immediate effect'.*

Auditor's Comments

Our recommendations were not implemented. The following were observed during the verification exercise:

- Annual Procurement Plan prepared and approved was not made available during verification. This issue remains unresolved.
- Procurement activities undertaken by the Provincial Secretary's office – Eastern Region amounting to Le1,199,852,001 were not in an approved procurement plan. This issue remains unresolved.

- Procurement of fuel worth Le942,136,000 was not in accordance with the requirements of the Public Procurement Act of 2016, First Schedule (2,3&4). No evidence was provided to show that a procurement process was followed or there was a framework contract with the supplier. This issue remains unresolved.
- Assessment of procurement documents revealed that three written requests for quotation were not made to suppliers for some transactions amounting to Le Le257,716,000. This issue remains unresolved.

5.38.6. Bank Reconciliations not Carried out

Contrary to Sections 139 (1) of the Financial Management Regulations 2007, a cashbook in the prescribed format showing details of receipts and payments was not maintained for the period under review. There was no evidence in the form of reconciliation statements to show that the Provincial Secretary's bank account held at the SLCB with a total debit and credit of Le970 million and Le900 million respectively was reconciled with corresponding cashbook balances for the period under review.

We recommend that a cashbook be prepared in a prescribed format and all transactions recorded appropriately. We also recommend that bank reconciliations are performed and reviewed for every bank account maintained by the Provincial Secretary's Office - East and copies forwarded to the Audit Service for verification.

Official's Response

The PS stated that:

- *'A cashbook has been prepared in the prescribed format and all transactions have been recorded accordingly. The cashbook is available for verification'*
- *'Every bank account held by the PS Office – East, have been reconciled and adequately reviewed. The reconciliation statements are available for review during verification'.*

Auditor's Comment

During verification we observed that a cashbook in the prescribed format showing details of receipts and payments was not maintained for the period under review. This issue remains unresolved.

There was no evidence in the form of reconciliation statements to show that the Provincial Secretary's bank account held at the SLCB with a total debit and credit of Le 970 million and Le 900 million respectively was reconciled with corresponding cashbook balances for the period under review. This issue remains unresolved.

5.39. PROVINCIAL SECRETARY'S OFFICE –EAST, 2019

In spite of our recommendations in 2018, we noted that the office failed to improve on its performance by implementing audit recommendations. We still noted reoccurring issues in 2019 as detailed below:

5.39.1. Inadequate Control over Utilisation of Fuel

We observed that the Provincial Secretary's Office – Eastern Region had procedures for the distribution and use of fuel, except that, there was no fuel policy.

We recommend that the Provincial Secretary should ensure that a policy is formulated to guide and control the distribution and use of fuel.

Official's Response

The issues have noted with great concern. The issue raise for fuel policy and chits are now available for inspection.

Auditor's Comment

Our recommendations were not implemented. We observed during verification that Eastern Region did not have any policy for the distribution and use of fuel. This issue remains unresolved

5.39.2. Procurement Irregularities

Contrary to the provisions in the Procurement Act, 2016 and Procurement Regulations of 2006, we observed the following:

- The Provincial Secretary's Office did not prepare an annual procurement plan for the 2019 financial year. This was contrary to the requirements sets out in Section 29(1&2) of the Public Procurement Act of 2016.
- Procurement worth Le1,173,600,000 were not in an approved procurement plan.
- The procurement of fuel valued at Le730,700,000 was not in accordance with the requirements of the Public Procurement Act of 2016, First Schedule (2,3&4). No evidence was provided to show that a procurement process was followed or there was a framework contract with the supplier.

Official's Response

The PS stated that:

- *'Annual procurement plan is being prepared and approved at central level. We sent our plan at district level which was incorporated in the procurement plan at central level. A copy of the procurement plan will be made available for verification'.*
- *The procurement activities undertaken were in an approved procurement plan. The procurement pan will be made available for verification*
- *'The framework contract was not available during the time of the audit. However, it has been obtained and available for inspection during your verification'.*

Auditor's Comment

Our recommendations were not implemented. The following were observed during the verification exercise:

- Annual Procurement Plan prepared and approved was not made available during verification. This issue remains unresolved.
- Procurement activities undertaken by the Provincial Secretary's Office – Eastern Region were not in an approved procurement plan. This issue remains unresolved.
- No evidence was provided to show that there was a framework contract with the supplier. This issue remains unresolved

5.39.3. Bank Reconciliations not Carried out

Contrary to Section139 (1) of the Financial Management Regulations of 2007, a cashbook in the prescribed format showing details of receipts and payments was not maintained for the period under review. There was no evidence in the form of reconciliation statements to show that the Provincial Secretary's bank account held at the SLCB was reconciled with corresponding cashbook balances for the period under review.

We recommend that bank reconciliations are performed and reviewed for bank account maintained by the Provincial Secretary's Office – East, and copies forwarded to the Audit Service for verification.

Official's Response

The PS stated that 'every bank account held by PS Office –East, has been reconciled and adequately reviewed. The reconciliation statements are available for review during verification.'

Auditor's Comment

Our recommendation was not implemented. It was revealed that there was no evidence in the form of reconciliation statements to show that the Provincial Secretary's bank account held at the SLCB was reconciled with corresponding cashbook balances for the period under review. This issue remains unresolved.

5.40. JUDICIARY OF SIERRA LEONE(HQ)-2019

5.40.1. Revenue not Paid into the Transit Bank Account and the Consolidated Fund

An examination of customer payments, cashbook and the bank statements of the National Revenue Authority revealed that, revenues collected in the form of court fees, auctioneer licences and liquor licences which amounted to Le12,436,150 were neither traced in the transit account held at the Sierra Leone Commercial Bank SLCB), nor in the Consolidated Fund (CF) held at the Bank of Sierra Leone.

We recommend that the Commissioner, Non-Tax Revenue, should provide documentary evidence of such revenues deposited into the transit account and its onward transfer to the Consolidated Fund Account at the Bank of Sierra Leone.

Official's Response

The Commissioner Non-Tax Revenue stated the following:

- *"A total of Le12,436,150 was deposited as detailed below and documents were submitted to the auditors during the audit period.*
- *Auctioneer license amounting to Le10,000,000 was deposited on 19th February 2019 at the Zenith Bank Account No. 60101042288 (Paying in no.01017490) and receipted on 20th February 2019. Bank payment slip attached for audit verification.*
- *Court fees and fines which amounted to Le2,436,150 received on 30th September 2019 and deposited into the SLCB general revenue account 586 on 1st October 2019".*

Auditor's Comment

Evidence of payment to the Zenith Bank and the SLCB and onward transfer to the CF was not presented for verification. Therefore, this issue remains unresolved.

5.40.2. Evidence of Duplicated Receipt Numbers, and no Reconciliation of Records with the NRA

We observed the following:

- An examination of sampled cause books of the Civil Registry of the Judiciary of Sierra Leone revealed evidence of receipt numbers not indicated for revenue payment entered in the cause books by the Filing Unit of the Civil Registry. As such, we are unable to trace such revenue payments to the NRA cashbook for the period under review.
- We also compared sampled cause books to NRA cashbooks which revealed evidence of differences in the amount recorded by the Filing Unit of the Civil Registry in the cause books and those shown in the NRA cashbooks.
- There was no evidence of reconciliation between the Department and the NRA. Furthermore, there exists evidence of duplicated receipt numbers in the cause books making it impossible to trace such revenues to the NRA cashbooks.

- Upon review of a sample of cause books, coupled with interviews of key personnel, it was revealed that, the Civil Registry, the Undersheriff Unit, Probate Unit did not maintain electronic copies of the cause books for entry of cases that give rise to the revenue before payments are made to NRA. Access to cause books were restricted because they are constantly being used by recording officers of the department.
- As a result of all the above, we cannot confirm the completeness and accuracy of the revenues raised by the Judiciary of Sierra Leone.
- We could also not confirm whether the revenue records maintained by the Judiciary of Sierra Leone are complete and accurate for the year under review. Revenue collected by the Department may not be properly accounted for.

Official's Response

The Master and Registrar stated that:

- *'there is a time gap when Master & Registrar assigned files to the civil registry and when actual payments are made by the clerk of the lawyers. In some cases, receipts were not returned in time as indicated by the cause book serial number. Some payments have been made'. Please find attached evidence of payment.*
- *On receipt numbers duplication, the officer-in-charge of civil registry will ensure supervision to avoid such discrepancies in records.*
- *on cause book, action will be taken as soon as the constitution instrument for cause book is review and approved in parliament.*

Auditor's Comment

Management's comment noted. We however observed the following:

- Evidence of receipt numbers indicated in the cause books, and documentary evidence of a unique receipt number for each revenue payments in the cause book which were duplicated were not presented for verification. Therefore, this issue is unresolved.
- The issue on the implementation of maintaining electronic copies of cause books and the performance of monthly revenue reconciliation between the Judiciary and the NRA for the period under review remains unresolved.

5.40.3. Approved and Updated Procurement Plan not Submitted

There was no evidence to show the endorsement of the Procurement Plan by the National Public Procurement Authority and the Ministry of Finance.

We also noted that, the unapproved procurement plan was not updated. This was evidenced by the fact that, procurement for cleaning, decoration and painting services, and procurement of works such as, partitioning, rehabilitation, tiling works etc. worth Le999,223,717 were not traced to the plan submitted for audit. As such, we cannot ascertain whether these services and works were planned for.

The Procurement Manager should provide an approved and updated Procurement Plan for audit inspection; otherwise, the expenditure incurred for the said procurement must be refunded into the CRF by the Procurement Manager.

Official's Response

The Master and Registrar stated that 'the Procurement plan was submitted to the Ministry of Finance as mandated in the Budget call circular 2020 and was endorsed in the budget hearing.'

She further stated that 'auditor's observation is noted, but the activities related to works were budgeted for and submitted to the Ministry of Finance. Those activities were approved and that the process went through the Procurement Committee'.

Auditor's Comment

During the verification exercise, an approved and updated Procurement Plan was not submitted for audit and evidence of endorsement by the Ministry of Finance and the National Public Procurement Authority was also not submitted. Therefore, this issue remains unresolved.

5.40.4. Threshold Limits Divided to Avoid the Tendering Process

We observed that procurement worth Le127,666,950 in respect of computer consumables, photocopier, and computers in favour of Index Enterprises were split into tranches to avoid the due procurement process of open bidding and National Competitive Bidding (NCB). There is risk that value-for-money may have been compromised.

The Procurement Manager should explain in writing, supported by documentary evidence why the Public Procurement Act, 2016 was breached. The procurement Manager should also ensure that, in future necessary action is taken to strictly adhere to the Public Procurement Act of 2016 and avoid procurement splitting.

Official's Response

The Procurement Manager stated the following:

Provisions are made in the Judiciary activities budget for supreme courts, appeals court, and high court. Therefore, procurement of computer consumables was carried out as and when requests were made from the different budget holders. And their requisitions were within the RFQ threshold. Minutes of the Procurement Committee and evaluation reports are available for audit verification.

Auditor's recommendation is noted and necessary action will be taken to aggregate all computer consumables requisitions from supreme, appeal and high courts, to avoid procurement splitting.

Auditor's Comment

Management's response is noted; until our recommendation is implemented, the issue on splitting procurement worth Le127,666,950 remains unresolved.

5.40.5. Use of Inappropriate Procurement Procedures

We observed that the Judiciary of Sierra Leone entered into contracts with different suppliers for the procurement of various goods and services for a total amount of Le765,995,750 without following the required procurement procedures before the signing of these contracts. This was supported by the fact that the procurement documents in relation to these contracts were not submitted for audit.

Included is a contract amount in relation to Abimer construction for tiling and renovation works. It was split into tranches to avoid the due procurement process of NCB. Furthermore, total payment of Le181,821,128 was made to Abimer Construction for the procurement of painting works. We were however not provided with any documentation regarding the procurement procedure(s) being used, as NCB procedures should have been used.

In addition, national competitive procurement procedure was undertaken for the procurement of assorted furniture and equipment in favour of A.A. Enterprise and Index Enterprise respectively for a total contract amount of Le436,894,500. We noted that, the time given to bidders was less than the required time stated in the Public Procurement Act of 2016. Moreover, local purchase orders were signed with these suppliers instead of a standard detailed contract, and an expired tax clearance certificate was attached for A.A. Enterprise.

The Procurement Manager was in material breach of the Public Procurement Act, 2016 and should therefore submit all the procurement documents including valid contracts to support the said procurement.

Official's Response

The Procurement Manager stated the following:

- *The Judiciary followed the procurement process prior to the signing of each contract.*
- *Works: BOQs were received, evaluated and approved by Judiciary Procurement Committee and Committee minutes attached for verification*
- *Clearing services – documents submitted to the procurement committee indicated that the service provided has been providing this service to the judiciary since 2013. The Judiciary also owned the company arrears as in the public Debt list and the agreed prices has not change since 2013. The committee agreed to extend the contract to December 2019. This will allow the Judiciary to advertise the clearing services and that has been done.*
- *The received BOQs confirmed Abimer construction as successful bidder and the estimates were within the threshold of Le200,000 as guided in the 2019 MOF Budget call circular. These activities went through the procurement committee.*
- *All procurement documentation including approval from the procurement committee to a contract payment of Le181,821,128 for painting of the law court building at Judiciary is available for audit verification.*
- *Audit observation regarding the timeline for the NCB procurement methods undertaken for the procurement of furniture and equipment, noted and that will be adhered to in subsequent process.*
- *Notice of award was issued to the respective successive bidders, contract signed and LPO issued to supply the goods as required.*
- *The tax clearance certificate submitted by A.A. Enterprises was valid at the time of the bidding process, and that was confirmed by the evaluators during the pre-qualification process.*

Auditor's Comment

Management's comments on these issues are noted. During the verification exercise, procurement documents were however not submitted. Therefore, these issues remain unresolved.

5.40.6. Request for Quotation Procedures not Properly Followed

We noted that, for some transactions, three competitive quotations were not obtained for the procurement of various goods and services. As such, no evaluation matrixes and reports. In some instances, quotations were obtained, but a clear statement of the requirements of the procuring entity with regard to quality, quantity, terms, and time of delivery was not stated in the quotations. In addition, for some transaction there were no LPOs and some LPOs were not signed by the supplier. The total sum for which RFQs procedures were not followed amounted to Le908,051,129.50.

An examination of sampled payment vouchers on the procurement of air tickets for overseas travels worth Le407,169,558.19 revealed that, three (3) competitive quotations were not obtained from air ticketing agents. Furthermore, there were no evaluation matrixes, no reports and signed attendance of members of the Procurement Evaluation Committee; no business documents substantiating the eligibility of the air ticketing agent/vendor and no purchase order. As a result, we were unable to ascertain whether RFQ procurement procedures were followed, and air ticketing agents met the pre-qualification criteria as enshrined in Sections 21 (1) and 45 of the Public Procurement Act, 2016.

The Procurement Manager was in material breach of the Public Procurement Act, 2016 and should therefore submit all the procurement documents including signed local purchase orders to support the said procurement.

Official's Response

The Procurement Manager stated the following:

- *Auditor's observation was noted. The following were however adhered to.*
- *For works, three BOQs were received and procurement committee approved all stages of the process and documents are available for audit verification*

- *For goods supplied by Yoni Com Services and MOSVIX Enterprise, the NPPA template for RFQ was used which has all the details except otherwise.*
- *Local Purchase Order (LPO) booklets supplied by Stores of Accountant General's Department (AGD) to the Judiciary were used, which allow the vote controller to approve and sign. On the LPO Booklet there is no provision for supplies to signed*
- *For payments within one million to three million, shopping procurement methods were used. Only three pro-forma/ quotes were used.*
- *Payments for return air tickets for judges were made to different airlines and in most cases three quotations were obtained. Those judges for whom three quotations were not obtained was based on the flight schedule to the destinations, the availability of the travel requirement for the judges as in their condition of service, flight booking tie limit, and other arrangement related to oversee travelling.*
- *Auditor's observation was noted with regards to prequalification documents. These documents were presented prior to the signing of the contract and are still available for audit verification.*

Auditor's Comment

Management's comments are noted. BOQs, RFQs, LPOs, supplier's business documents etc. were however not submitted during the verification exercise for both Le908,051,129.50 and Le407,169,558.19. Therefore, these issues remain unresolved.

5.40.7. Suppliers not Meeting Eligibility Criteria

We observed that, suppliers' business documents such as Business Registration Certificates, NASSIT, and Tax clearance certificates were not attached to payment vouchers to substantiate suppliers' eligibility to which payments were made for a total amount of Le1,271,238,920. We could therefore not confirm whether the suppliers meet the pre-qualification criteria as stated in Section 21(1) and (9) of the Public Procurement Act, 2016.

The Procurement Manager was in material breach of the Public Procurement Act, 2016 and should therefore submit all the procurement documents to support the said procurement.

Official's Comment

The Master and Registrar stated that 'business documents related to such procurement as mentioned were attached before selection and payment were made to the respective suppliers/ contractors; and that Copies of all prequalification documents are available for audit verification.

Auditor's Comment

Suppliers Business documents or prequalification documents were submitted for only Le641,174,279 documents for the remaining Le630,064,641 were not submitted. Therefore, the remaining Le630,064'641 remains unresolved.

5.40.8. Inadequate Controls over Fuel Management

Our review of management of fuel during 2019 revealed the following:

- There was no evidence of a fuel policy for the allocation and management of fuel.
- There was no evidence of fuel register where staff sign for the receipt of fuel; and there was no reconciliation between the Judiciary of Sierra Leone and the NP fuel station for the allocation and utilisation of fuel.
- Recipients of fuel did not sign the distribution list to acknowledge receipt of their quarterly entitlement of fuel worth a total amount of Le1,032,940,000.
- An amount of Le213,883,500 worth of fuel was also distributed for general services, buses, and generators at various locations. There were, however, no supporting documents to

substantiate the utilisation of Le 119,805,500 worth of fuel. As such we cannot ascertain whether fuel was used for its intended purposes.

- The Master and Registrar should ensure that a fuel policy is developed and maintained by the Department for the allocation and utilisation of fuel.
- The Principal Accountant should ensure that, a fuel register is properly maintained by indicating the opening and closing balances and indicating all allocations received during the year. The register should show clearly how the fuel is being used in a reducing balance method. It must be managed by a designated authority and reviewed on a regular basis by the Principal Accountant.
- The Principal Accountant should also, ensure that reconciliation is done between the fuel station (NP) records and the records of the Department.

Official's Response

The Master and Registrar stated the following:

- *Auditor's recommendation is noted and the draft policy including other policies has been prepared and will be submitted to the Judiciary and Legal Service Commission for approval.*
- *Electronic fuel register was maintained with opening and closing balances. The register was updated when fuel was procured and used using reducing balance method, when fuel was allocated to judges, magistrates, staff, buses and generators.*
- *For administrative convenience, judges, magistrates, staff do not sign register for their quarterly fuel allocations, but the electronic fuel register is regularly updated. Once payment processes completed with NP, the judges are informed through the Hon. Chief Justice and Magistrate and the rest of the staff are informed through the Master and Registrar. Of the Le1,032,940,000 worth of fuel mentioned, (35) judges and (28) magistrates accounted for Le957,625,000, while staff accounted for Le75,313,000 for the year ended 31st December 2019.*
- *Due to the use of electronic fuel register, the 'Fuel Request Form' was introduced for the buses, generator and other uses which are initiated by the Officers-in-charge of generators, buses and judiciary vehicles, verified by their supervisors and authorised by the Master and Registrar. The signed 'Fuel Request Form' is forwarded and fuel chit issued accordingly and posted in the electronic register. The 'Fuel Request Forms' and duplicate copies of fuel chit are available for verification including the electronic fuel register.*
- *Please note that fuel allocated to judges, magistrates, staff are posted in the electronic register as utilised, while service provider maintained separate ledger cards for utilisation for each person.*
- *The fuel received by buses, generators and other judiciary vehicles are posted in the electronic ledger, when fuel chit is issued, based on the approved 'Fuel Request Form'.*

Auditor's Comment

Draft fuel policy was submitted during the verification exercise, until it is approved this issue remains unresolved.

Signed fuel register, signed list of recipients for fuel, fuel reconciliation etc. were not submitted during the verification exercise. Therefore, these issues remain unresolved.

5.40.9. Withdrawals and Payments from the Judiciary Imprest Account without Adequate Supporting Documents

Our review of controls over bank withdrawals and payments revealed the following:

- Withdrawals were made from the Judiciary Imprest account for a total amount of Le869,382,378 for January to March 2019, for which no supporting documents were submitted for audit. Cashbook, payment vouchers, requests stating the purposes or reasons

for the said activities, procurement procedures undertaken for those activities, contracts or local purchase orders, invoices, delivery notes, receipts, etc. were not submitted for audit.

- We also observed that payments were made for different transactions from the Judiciary Imprest account for an amount totalling Le398,149,647.55 for which no supporting documents were submitted for audit. Payment vouchers request stating the purposes or reasons for the said activities, procurement procedures undertaken for those activities, contracts or LPOs, invoices, delivery notes, receipts etc., were not submitted for audit.
- Furthermore, adequate supporting documents (such as receipt, invoice, delivery note, minutes, signed attendance etc.) were not attached to payment vouchers totalling Le1,066,385,750.50.
- In addition, a review of sampled payment vouchers on overseas travelling was done to ascertain whether the travelling was fully justified. This revealed that, the Judiciary of Sierra Leone failed to support overseas travelling payments which totalled Le889,006,213.19. There were no relevant supporting documents such as, invitation letters explaining the purpose and details of travel; executive clearance from the Office of the President for the Chief Justice, itineraries, boarding passes, back-to-office reports and receipts for water taxi payments to justify the payments.

We recommend that, the Master and Registrar should provide explanation supported by documentary evidence why approvals were given for withdrawals and payments without any supporting documents. We further recommend that, the Master and Registrar and the Principal Accountant should submit all the necessary supporting documents to substantiate the utilisation of the said amounts.

Official's Response

The Master and Registrar stated the following:

- *The supporting documents including cashbook and bank statements for Le869,382,378 for January-March 2019 to substantiate the utilisation of the said amount are available for audit verification.*
- *All documents related to Appendix J2 were submitted and still available for audit verification.*
- *Internet and advert – Request from the Appeal Court Judge, receipt of payment for PVs nos. 347 and 614 (were submitted during the audit period and still available for audit verification).*
- *SLRTA vehicle registration – PV No. 353 & 408, Request for the first 7 new vehicles registration & license, SLRTA invoice and receipts are available for verification.*
- *Oversea travelling (Le181,938,278) – PVs Nos. 361- 364, invitation letter, approved DSA analysis to judges, evidence of payment for judges their statutory meetings (Commonwealth Judges & Magistrates Association) are available for verification.*
- *EDSA – PV No. 439, payment receipt for prepaid meter recharge for FTCC is available for verification.*
- *Judges Utilities Allowances (Le34,000,000) documents are available for verification.*
- *All approval from Hon. Chief Justice related to special criminal session in Moyamba, Port Loko and Sefadu were attached to the PV no.240-242, 212-217 with payment details and signed by the beneficiaries.*

Auditor's Comment

We observed the following during the verification exercise:

- Withdrawals of Le 869,382,378 without supporting documents-supporting documents for a total amount of Le778,564,038 were submitted during the verification exercise. From this amount, Le643,181,208 was inadequately supported by the relevant documentation. Furthermore, no supporting documents were provided for the remaining Le90,818,340. Therefore, this issue remains unresolved.
- Payments of Le398,149,647.55 without supporting documents - supporting documents for a total amount of Le286,241,915.55 were submitted during the verification exercise. Of this

amount, Le51,636,134.45 was inadequately supported by the relevant documentation. Furthermore, no supporting documents were provided for the remaining Le111,907,735. Therefore, this issue remains unresolved.

- Inadequate supporting documents for Le1,066,385,750.50- during the verification exercise, adequate supporting documents were provided for a total amount of Le219,611,000. Supporting documents were however not provided for the remaining Le846,774,750.50. Therefore, this issue is partly resolved.

5.40.10. Cash Refunded Using the Wrong Means

We observed that Le77,100,000 was refunded to the UNDP through the Judiciary Imprest account number. The amount was refunded because of payments made in respect of UNDP project for which adequate supporting documents were not submitted at the time of review by the UNDP auditors. The payments should have been refunded by the responsible officer not by the central government.

We recommend that, the Chief Justice should ensure that the Le77,100,000 is refunded to the Consolidated Fund and evidence submitted to the Audit Service.

Official's Response

The Master and Registrar stated that 'the details of payments amounting to Le 77,100,000 was incurred in 2018 using UNDP funds as agreed in 2018 LOA signed with the Judiciary. Documents reviewed by Judiciary under the current administration, indicated that expenditure related to the salary for PRO and other public relations expenses were in our estimation legitimate, but were classified by UNDP as ineligible expenses because it was not expended within the LOA period. UNDP therefore requested the Judiciary to refund the said amount prior to the signing of the \$100,000 LOA for Judiciary, training of Judges apple' and other activities including equipment for judiciary. The Chief Justice gave instructions to pay the said amount of Le77,100,000 to secure the amount of US\$100,000 which is greater'.

Auditor's Comment

Management's comments are noted; until our recommendation is implemented, this issue remains unresolved.

5.40.11. Payments of Stipends, Allowances and Sitting Fees without an Approved Policy

We observed that, stipends, allowances, sitting fees and other payments totalling Le1,185,644,000 were paid to various staff of the Judiciary and interns for which we were not provided with evidence of an approved policy or terms of reference. Some transactions also did not have adequate supporting documents, as there was no evidence of receipts to support the expenditure, no minutes of sittings, committees' meetings, and signed attendance, etc.

We recommend that:

The Master and Registrar should submit evidence of an approved intern policy/terms of reference that gives the mandate for the payment of such expenditure. In addition, the Master and Register and the Principal Accountant should ensure that, all supporting documents in relation to the transaction are submitted.

Official's Response

The Master and Registrar stated that the Judiciary notes the auditor's recommendations and appropriate draft policy has been prepared for those that are not in the Constitutional Instruments. Further clarifications are as follows:

Utility Allowances to Judges

- *Payment of these allowances is part of Judges Conditions of Services Act, 1973 (No. 12 of 1983).*
- *The schedule of payment has been agreed with the judges and considered to be reasonable.*
- *Monthly schedule for the period were submitted by Master & Registrar and approved by Hon. Chief Justice.*

- Documents for payment of utility allowances to judges amounting to Le784,000,000 as explained above are available for audit verification.
- The payment vouchers, payment request and signed payment scheduled by each judge are attached for audit verification.

Sitting fees for Judiciary and Legal Service Commission (J&LSC), and Rules of the Court Committee (RoCC)

- The composition of the J&LSC and Rules of the Court Committee including their mandate are the constitutional instruments.
- Minutes of their meeting dated 1st November 2018 and 22nd March 2019 which approved the current sitting fees for J&LSC and RoCC respectively were submitted to auditors.
- Documentation for payment of sitting fees for J&LSC and RoCC amounting to Le239,620,000 as explained above are available for audit verification.

Auditor's Comment

During the verification exercise, minutes of management meeting where decisions were taken to pay such amount for sitting fees was submitted. The various amount paid as allowances to Judges is contrary to what is stated in the Judges Conditions of Services Act, 1983, and there is no policy or management minutes to substantiate how those amounts were arrived at.

Furthermore, minutes of management meeting where decision was taken to pay such amount for stipends, minutes of commission and committee meetings and signed attendance for various sittings were not submitted during the verification exercise. Therefore, these issues with stipends and minutes of sittings remain unresolved.

5.40.12. Expenses on Repairs and Maintenance of Vehicles

There was no evidence of a policy on the usage, repairs and maintenance of vehicles.

We also observed that, there was no specific personnel in charge of repairs of vehicles as every employee was repairing his or her own vehicle and later file a claim for refund without any evidence of inspection of these vehicles. This was evidenced by the fact that Le 155,428,490 was spent on repairs and maintenance of vehicles without evidence of request for motor vehicle inspection before and after repairs from the SLRSA. As such, there were no certificates of inspection before and after repairs.

Furthermore, there were no documentary evidence to certify that spare parts bought were verified by the department before the repairs; and no delivery notes for some transactions. In addition, there was no evidence of business registration certificate, NASSIT and Tax Clearance certificate for some transactions.

Official's Response

- The vehicle maintenance policy has been drafted with other policies to be submitted to J&LSC.
- A staff has been assigned to oversee the implementation of the policy under the supervision of the Court Operations Manager.
- Judiciary vehicles are now being inspected by the SLRSA and certificate of completion received after repairs and maintenance as stated in the draft policy.
- Most of the refunds for vehicle repairs/ maintenance come from judges who are not resident in Freetown and they need to fix their vehicles.
- Spare parts such as batteries, headlights, tyres were considered to be urgent and judges are allowed to pay for them and request for refund considering the nature of their job and security.
- All documentation related to the service provider of the vehicle repairs are available for audit verification

Auditor's Comment

Management's comments are noted. Until the policy is approved and the relevant documentation submitted, these issues remain unresolved.

5.40.13. Proper Recruitment Procedures not Followed

Upon request for documentation with regards to the recruitment and selection process undertaken for key positions by the Judiciary of Sierra Leone; minutes of meetings of the Judicial and Legal Service Commission were submitted without signed attendance lists. Upon review, we observed the following: Minutes of the Judicial and Legal Service Commission's (JLSC) meeting dated Monday 20th May, 2019 revealed that shortlisting of candidates for the position of Court Operations Manager, Procurement and Logistics Manager, Head of Finance and Accountant, Human Resource Manager and Master and Registrar was done. Applications received from various applicants for each position and list of shortlisted candidates for each position mentioned were however not maintained and presented for audit inspection.

In another meeting of the JLCS dated 25th June 2019, interviews were also conducted, and marks collated for shortlisted candidates of various positions mentioned above on 7th June 2019. Interviewers' matrixes and score-cards for each shortlisted candidate interviewed were not maintained and presented for audit.

From the minutes also, it was noted by members present that shortlisting should have been more thorough as there were crop of applicants or candidates whose performance in the interview were poor.

The Master and Registrar in collaboration with the Human Resource Manager should ensure that all documents resulting from the recruitment and selection process for the various vacant positions filled in the Judiciary of Sierra Leone as stated in these findings be submitted for audit inspection.

Official's Response

Judiciary will adhere to audit recommendations and all documents related to the recruitment process are available for audit verification.

Auditor's Comment

During the verification exercise, document relating to the query were not submitted. Until all documents resulting from the recruitment and selection process are presented for audit verification, this issue remains unresolved.

5.40.14. Salaries paid to staff that have passed the Retirement age of 60 Years

Upon review of the submitted personal files of staff of the Judiciary of Sierra Leone, we observed that the sum of Le12,924,200 was paid as salaries to staff who have exceeded the retirement age, and there was no evidence of the vote controller notifying the Director General, HRMO, for onward submission to the Accountant General to halt such salary payments.

We recommend that, the Master and Registrar in collaboration with the Human Resource Manager should ensure that names of retired staff are removed from the payroll and the said amount be refunded to the Consolidated Fund (CF). Evidence of removal from the payroll and payment into the CF be submitted for audit confirmation.

Official's Response

The Master and Registrar stated that 'although it is the mandate of the HRMO to notify the retired staff, Judiciary has started taken action on those staff that due retirement. Letters were sent to HRMO to remove the names of the staff members mentioned from the payroll (copies of letters attached) It is a requirement in the "Application Form for Gratuity"

to deduct any salary received by the retiree from their total benefit due for payment. Please note that before 2020, there was no Human Resource Officer assigned to the Judiciary, hence one of the reasons for the issues’.

Auditor’s Comment

Management’s response is noted. Evidence of the vote controller notifying the Director General of HRMO for onward submission to the Accountant General to halt such salary payments was presented and verified. Evidence of salary payment refund into the CF account was however not presented. Until this payment of Le12,924,200 is refunded into the CF account this issue remains unresolved.

5.40.15. Staff not Physically Verified

From the staff list/nominal roll submitted by the Judiciary of Sierra Leone, physical verification was conducted for personnel located in the Western Urban and Rural Areas. The audit team was unable to physically verify 21 personnel who were paid a total salary of Le453,524,955 for the period under review. As a result, it could be difficult to determine whether those staff physically exist and are legitimate staff of the Judiciary of Sierra Leone.

We recommend that; the Master and Registrar in collaboration with the Human Resource Manager should ensure that the unverified staff present themselves for physical verification.

Official’s Response

- *The Master and Registrar stated that: Judiciary personnel are deployed in different locations where Magistrate, High, Appeal and supreme courts are functioning. Of the 21 unverified personnel according to the auditors.*
- *5 staff (Catherine Sylvah, Sheku Koroma, Lansana Kottor- Kamara, Lamin Turay and Foray Amara) who are located in Freetown have been verified by the Judiciary and they do sign the attendance register.*
- *1 staff (Mohamed Sowe) who is located in Makeni has been verified by the Judiciary.*
- *1 staff (Abdul Rahman Yansaneh) who is located in Kenema has been verified by the Judiciary.*
- *3 staff names (Alhaji Kabba, Mohamed Komrabai Kanu and Jariatu Kamara) have been recently suspended from the payroll.*
- *11 staff names have been removed from the payroll since April after Judiciary verification’.*

Auditor’s Comment

Management’s comment is noted. Until the five (5) staff are physically verified, this issue will remain unresolved.

Evidence of only one (1) of the eleven (11) staff names indicated by management to have been removed from the payroll since April after Judiciary verification was presented. Therefore, this issue remains unresolved.

5.41. JUDICIARY OF SIERRA LEONE- NORTHERN REGION (2019)

We observed the following:

5.41.1. Imprest not Provided to the Regional Office

- The audit team noted that the regional office was not provided with the required staff complement such as cleaners and court messengers. It however relied heavily on unpaid volunteer staff to support the two court systems (High Court and the Magistrate Court). In line with Rule 2.8 of the Civil Service Code, Regulation and Rule, their engagement is prohibited.
- Lack of reconciliation between the court and the NRA

- The audit team noted during the inspection of the facilities of the court and interviews, that the following facilities were not available for the smooth running of the court systems in the North –East regional office:
- Computer and printer for the Registrar’s Office;
- No vehicle for both the High Court and the Magistrate Court to facilitate the work of the Judiciary in Makeni and its environs.
- Lack of adequate furniture for the judge’s office and the Registry;
- Even though there is borehole, there was no water facility for the building as at the time of the audit;
- Lack of functional backup generator for the building that hosts both the Magistrate and the High courts;
- No adequate cabinet for the filing of case files in the regional offices (High Court and Magistrate Court).

Auditor’s Comment

This issue still stands as no response was received from management of the Judiciary.

5.42. JUDICIARY OF SIERRA LEONE- SOUTHERN REGION (2019)

We observed that:

- (i) Even though the Principal Assistant Registrar has been engaging the Master and Registrar for the disbursement of imprest to the High Court in Bo and other Magistrate Courts in the region, we observed that the High Court and the Magistrate Courts in Bo did not receive imprest for the period under review.
- (ii) There was no evidence that assets belonging to the High Court and the Magistrate Courts in Bo have been marked with unique identification codes.
- (iii) Goal 16 of the United Nations Sustainable Development Goals states that there should be “Peace and Justice Strong Institutions. There was no evidence that:
 - Standby generators have been supplied to the High Court and the Magistrate Courts in Bo and Moyamba.
 - Adequate renovation to the buildings of the High Court in Bo and the Magistrate Court in Moyamba has been done.
 - Essential office equipment such as computers, printers, etc. have been supplied to the High Court in Bo and the Magistrate Courts in Bo and Moyamba.
 - Sign posts have been put in place at the High Court in Bo and the Magistrate Courts in Bo and Moyamba.
 - The visitor’s toilet in the High Court in Bo has been renovated.
 - Official vehicles for the Magistrates have been supplied to the Magistrate Courts in Bo and Moyamba.
 - Important vacant positions have been filled at the High Court in Bo and the Magistrate Courts in Bo and Moyamba.

5.43. JUDICIARY OF SIERRA LEONE-EASTERN REGION (2019)

5.43.1. Fixed Assets Management and Control

Review of the fixed asset register of the Judiciary in Kenema revealed that the fixed asset register was not updated to include all assets of the Judiciary-Kenema. During an inspection of the Judiciary –

Kenema assets, we found out that some of the assets were not marked with unique identification codes and properly taken care of.

We recommend that in future, the Deputy Master and Registrar should ensure that the fixed asset register is updated to include all assets of the Judiciary – Kenema. The Deputy Master and Registrar should ensure that, all assets of the Judiciary – Kenema are marked with unique identification codes.

Official Response

More than seventy percent of the assets are numbered in the central data kept in Freetown. I have advised myself to however have a comprehensive list of all the assets here in a register notwithstanding the records kept in the procurement unit in Freetown.

Auditor's Comment

Our recommendations were not implemented.

5.44. SIERRA LEONE CORRECTIONAL SERVICE-(HQ) 2019

5.44.1. Unfair Process in Awarding Procurement Contracts

Detailed review of the procurement documents for contracts relating to the 2019 financial year revealed series of instances of contracts being awarded without due consideration to value-for-money and the process not strictly adhering to the Public Procurement Act of 2016. Bidders with lower bids were disqualified without basis, bid submission documents not submitted on requests and in some cases, procurement documents were not submitted. As a result, procurement carried out may have led to a potential cash loss of Le152,088,000; an amount that could have been saved had the procurement process being transparent and competitive. Individual procurement analysis is detailed below:

Supply of Regular Diet

Freetown Female Inmates

The contract for the Freetown female inmates was awarded to Manesisy Enterprises at a contract price of Le11,950 per inmate, per day; which has an annual value of Le401,281,000. The bid evaluation report reveals that Lubba Business Investment had bid Le10,000 per inmate, per day; at an annual value of Le335,800,000, which is lower than the value of the contract awarded to Manesisy. This may have resulted in a potential cash loss of Le65,481,000. In addition, it was stated in the evaluation report that Lubba Business Investment was disqualified during the preliminary evaluation stage of the procurement without any basis disclosed in the evaluation report. The bid submission documents were also not presented for audit inspection.

Official's Response

The Director stated that "Manesisy Enterprise was awarded the contract because the bidder has been supplying regular diets to different MDAs and agencies for more than two years. The bidder provided the information with a supporting document in the form of delivery notes. The documents presented showed that Manesisy Enterprise also met the criteria during the preliminary evaluation. Lubba Business Investment was also qualified during the preliminary evaluation but did not show any evidence of similar supply."

Auditor's Comment

The bid submission documents of Manesisy Enterprises and Lubba Business Investment were presented during the audit verification exercise. Upon inspection of their two documents, two delivery notes were in the bid submission documents of Manesisy Enterprises, but there is no delivery note in the bid submission documents of Lubba Business Investment. In addition, there is a list of past clients in the company's profile as part of their bid submission documents. We however observed that

Manesisy Enterprises became a registered business in Sierra Leone on 16th October 2018, whereas Lubba Business Investment became a registered business in Sierra Leone on 5th October 2015.

We therefore considered the delivery notes for the previous years (as evidence of past engagement with the supplier) in the bid submission of Manesisy Enterprises did not change the fact that the business was registered in 2018 and could not have engaged in business with the SLCS before the registered period as claimed by management. Therefore, the issue on the supply of regular diets to the Freetown female inmates that was awarded to Manesisy Enterprises and which could have saved us a potential cash loss of Le65,481,000 remains unresolved because there is no evidence that the supplier had supplied the SLCS in the past years.

5.44.2. Moyamba Correctional Centre

The Moyamba Correctional Centre contract was awarded to the Link Gen. Merchandise at a contract price of Le9,000 per inmate, per day; with an annual value of Le611,010,000. The bid evaluation report reveals that Marie & John Gen. Services had bid Le8,700, with an annual value of Le590,643,000. This resulted in a potential cash loss of Le20,367,000. The report further stated that Marie & John Gen. Services was disqualified during the preliminary evaluation stage of the procurement, but the bid submission documents were not presented for audit inspection.

Official's Response

The Director stated that "Linko General Merchandise was qualified during the preliminary evaluation and showed several experiences from different institutions which the bidder had supplied and provided a supporting documents of delivery notes. That was why the bidder was awarded the contract Marie and John General Service was disqualified because the bidder did not show evidence of similar supply."

Auditor's Comment

The bid submission documents of Linko General Merchandise and Marie & John General Services were presented during the audit verification exercise. Upon inspection of their bid submission documents, three delivery notes were in the bid submission documents of Linko General Merchandise, but there was no delivery note in the bid submission documents of Marie & John General Services. We however observed that Linko General Merchandise became a registered business in Sierra Leone on 19th October 2018, whereas Marie & John General Services became a registered business in Sierra Leone on 30th November, 2012.

We therefore consider the delivery notes (as evidence of past engagement with the supplier) in the bid submission of Linko General did not support the notion that the supplier had supplied similar items to the SLCS in the past because the business was registered in 2018; and there is no other evidence that the contracted supplier had supplied the SLCS in the past as claimed by management. The issue on the supply of regular diets to Moyamba Correctional Centre awarded to Linko General Merchandise that could have saved the taxpayer Le20,367,000 remains unresolved.

5.44.3. Kenema Correctional Centre

Supply of Cooking Gas

Contract for the supply of cooking gas to the Kenema Male Correctional Centre was awarded to March Four Enterprise at a contract price of Le1,200,000 per tube with an annual value of Le216,000,000. The bid evaluation report reveals that Zaban Enterprise had bid Le1,000,000 per tube with an annual value of Le180,000,000. This resulted in a potential cash loss of Le36,000,000. The report also stated that Zaban Enterprise was disqualified during the preliminary evaluation stage of the procurement, but the bid submission documents were not presented for audit inspection.

Official's Response

The Director stated that "Zaban was disqualified because the bidder did not present a supporting document to show that they have made similar supply, while March Four Enterprise on the other hand stated an evidence of similar supply with a supporting document and also met all the preliminary qualifications."

Auditor's Comment

The bid submission documents of March Four Enterprise and Zaban Enterprise were presented during the audit verification exercise. Upon inspection of their bid submission documents, two delivery notes were in the bid submission documents of March Four Enterprise, but there is no delivery note in the bid submission documents of Zaban Enterprise. We however observed that March Four Enterprise and Zaban Enterprise became registered businesses in Sierra Leone on 22nd June 2018 and 12th July 2018, respectively.

The delivery notes relating to previous years in the bid submission of March Four Enterprise did not change the fact that the business was registered in 2018 and could not have supplied similar items in the past as stated by management. Therefore, the issue on the supply of cooking gas to Kenema Male Correctional Centre awarded to March Four Enterprise which could have saved us from cash loss of Le36,000,000 remains unresolved.

5.44.4. Bonthe Correctional Centre

The Bonthe Correctional Centre contract was awarded to Tee-Man Construction & General Services at a contract price of Le1,000,000 per tube with an annual value of Le108,000,000. The bid evaluation report revealed that MTL Services had bid Le720,000 per tube with an annual value of Le77,760,000. This may have resulted to a potential cash loss of Le30,240,000. The report also stated that MTL Services was disqualified during the preliminary evaluation stage of the procurement, but the bid submission documents were not presented for audit inspection.

Official's Response

The Director stated that: "The contract was awarded to Tee-Man Construction & General Services because the bidder was qualified during the preliminary evaluation and provided an evidence of similar supply from various institutions that they have supplied with supporting documents attached. The MTL Services also met the preliminary evaluation but did not present or show any evidence of similar supply to any agency or institution."

Auditor's Comment

The bid submission documents of Tee-Man Construction & General Services and MTL Services were presented during the audit verification exercise. Upon inspection of their bid submission documents, three delivery notes were in the bid submission documents of Tee-Man Construction & General Services, but there was no delivery note in the bid submission documents of MTL Services. We were able to confirm from our past audit file that MTL Services had supplied the Sierra Leone Correctional Service regular diets and cooking gas in 2018. We also observed that the Tee-Man Construction & General Services and the MTL Services became registered businesses in Sierra Leone on 24th January, 2018 and 29th July, 2014 respectively.

We therefore consider the delivery notes (as evidence of past engagement with the supplier) in the bid submission of Tee-Man Construction & General Services as one that did not support management's claim that the contracted supplier had supplied similar items to the SLCS in the past, because the business was registered in 2018. The issue on the supply of cooking gas to the Bonthe Correctional Centre that was awarded to Tee-Man Construction & General Services which could have saved the taxpayer Le30,240,000 remains unresolved.

5.44.5. Revenue from Sale of Bid Documents not Accounted for

Detailed examination of the procurement documents revealed that 208 bidders purchased and submitted their bid documents during the period under review. Proceeds generated from the sale of

bid documents amounted to Le166,050,000. We however observed that documents to support how the said proceeds were utilised were only provided for Le83,320,000. Documents to substantiate how the balance Le82,730,000 bid documents proceed was utilised were not submitted for inspection. In the absence of these documents, we cannot certify whether proceeds generated were used for the rightful purposes.

Official's Response

The Director stated that "the proceeds were utilised for the rightful purpose - for the conduct of the procurement activities and all retirements of the proceeds are available for audit inspection."

Auditor's Comment

The supporting documents that were presented as evidence of the utilisation of the bid proceeds were for the procurement carried out in 2017 that the suppliers should execute in 2018. They are therefore not related to the audit observation. The issue therefore remains unresolved.

5.44.6. Salaries Paid to Potential Non-employees

The payroll was compared with the staff list to confirm whether salaries were only paid to legitimate staff of the SLCS. The comparison revealed that total gross salaries amounting to Le1,334,834,567 were paid to eighty-four individuals whose names were not on the staff list maintained by the SLCS, and no reconciliation done for them. There is risk that salaries may have been paid to potential 'ghost' workers that could have led to waste in government funds. In addition, without regular reconciliation, discrepancies will not be identified and corrected early.

Official's Response

The Director stated that "during my investigation as the Acting Direct of Human Resources, I realised that the staff list which was presented to the external auditors for the audit exercise was the wrong staff list that is why their names are on the payroll and not on the staff list. Please note that we now have the correct staff list which can be used for verification."

Auditor's Comment

The updated staff list was presented, and 37 names of the 84 queried were traced in the updated staff list. Forty-seven individuals who were paid total gross salaries of Le672,503,934 were however not traced in the updated staff list that we inspected during the verification exercise, and no payroll reconciliation was done. Therefore, the issue on the 47 names not traced remains unresolved.

5.45. SIERRA LEONE CORRECTIONAL SERVICE - SOUTHERN REGION (2019)

5.45.1. Ineffective Service Delivery System

Accommodation for Inmates and Officers

Overcrowding in the correctional centres is a big challenge. The number of inmates has exceeded the capacity of the correctional centres. A review of the correctional centres' daily update indicated that there were 681 inmates in the correctional centres in the Southern Region as at 16th June 2020, even though total capacity for all the six correctional centres in the South is 377.

The Bo Male Correctional Centre is the most overcrowded with excess of 211 inmates. More cellblocks are urgently needed particularly at this period of Covid-19, as more inmates are placed in each of the cells than the normal capacity.

There is a risk of inmates spreading infectious diseases among themselves especially during the Covid-19 pandemic when social distancing was highly required. The number of inmates may also outweigh the food and other consumables that are supplied to the correctional centres.

The official quarters for correctional officers are inadequate. Of the 237 correctional officers in the southern region, only 94 were occupying quarters. The remaining 143 (i.e. 60%) were not residing at official quarters. This may affect the operations in the SLCS Southern Region as officers may not be residing closer to the correctional centres and they may not be able to respond to emergency situations at the centres.

Physical verification of the quarters occupied by the Correctional Centre Manager and the Officer-in-Charge of the Correctional Centre in Bonthe Island revealed that the quarters were dilapidated. There were many huge cracks on the walls of the building which may result in eventual collapse.

Training/ Rehabilitation of Inmates

There are various types of trainings in the different correctional centres in the South and these include adult literacy, tailoring and religious training. The correctional centres in Pujehun, Moyamba and Mattru Jong were involved in agricultural training, while the correctional centres in Bo were undertaking baking for the male inmates and bead making for the female inmates. It was however revealed that start-up kits were not given to inmates when they are released from detention. There was no evidence of training policy maintained by the SLCS South. The lack of start-up kits for inmates when they are released from correctional centres may adversely affect their ability to practice the skills acquired in the correctional centres. This may be counterproductive to society as some of these freed inmates may go back to their previous wrong doings.

Security at the Correctional Centres

There were no CCTV cameras installed in the correctional centres to enhance the security system at the centres. The security lights at the Bo Correctional Centre were not functioning. This may pose a serious security risk.

Inmates' Welfare (Feeding and Medical)

There was only one medical laboratory in the entire southern region which is located in the regional headquarter town of Bo. This may negatively affect the health of the inmates in other districts in the region, as there were challenges in mobility to convey inmates from one location to another.

Certain basic equipment are lacking in the clinics. There was no scale to record the weight of inmates before admission; drip stand to administer drip to sick inmates were also lacking. This may negatively affect the health of the inmates.

Electricity, Water Supply and Other Consumables

Electricity is a big challenge for the regional office and the six correctional centres. The Electricity Distribution and Supplying Authority (EDSA) is not supplying regular and reliable electricity to the regional office and the correctional centres in Bo. Enquiries revealed that there was no back-up generator at the Bo female correctional centre. This may hinder the operations of the regional office and the six correctional centres and may also pose a security threat.

Water supply to the correctional centres, regional office and staff quarters is also a big challenge. The Regional Commander revealed that on a daily basis, they had to fetch 400 jelly cans of water with the truck that is used to convey inmates. This may lead to a faster wear and tear of the truck and may also affect the movement of inmates from one point to another. He added that they had engaged SALWACO for the supply of water to the correctional centres in Bo but the request was not honoured by SALWACO. This may hinder the operations of the regional office and the six correctional centres.

The SLCS Southern Region is constrained with the supply of stationery to carry out its day-to-day operations in the regional office and the six correctional centres. This may hinder the operations of the regional office and the six correctional centres.

Supply of Uniform for Officers and Inmates

Enquires revealed that uniforms for inmates and officers were last supplied in 2016. Lack of regular supply of uniforms for officers and inmates may cause some officers to either acquire uniforms that may be slightly different and badly worn out. This may demotivate officers and inmates' human right and dignity to clothes may be violated.

Official's Response

The Regional Commander responded that:

- *"I am sending situation report on a daily basis of which overcrowding is part of. I have also been transferring convicted/ sentenced inmates to other centres but only that the remand and trial inmates constitute the bulk of the population.*
- *I have pleaded with headquarters for future re-location because of space*
- *That has been done but waiting for action from headquarters in Freetown.*
- *Correctional management in Bo is working on renovating quarters.*
- *I have requested for CCTV camera from headquarters, awaiting for response*
- *Plans are on the way for UNDP to replicate the construction of medical laboratories in other centres. The Regional Health Officer has just received essential drugs for the 3rd quarter, while awaiting funds from the Government of Sierra Leone for additional equipment*
- *Headquarters promised to provide standby generator when funds are made available from Government*
- *The commander is having consultation with SALWACO and the National Fire Force leadership on daily basis.*
- *Request sent to headquarters for 3rd quarter supplies*
- *Request sent to headquarters awaiting for action"*

Auditor's Comment

- Overcrowding of inmates was still a challenge in the SLCS South. As at the time of the verification the total inmates in the six correctional centres in the southern region was 726 (699 males and 27 female). This issue remains unresolved.
- The SLCS South was still constrained with accommodation for staff. This issue remains unresolved.
- The quarters occupied by the Manager and the OC in Bonthe Island have not been rehabilitated. This issue remains unresolved.
- Training policy was not provided for verification. This issue remains unresolved.
- There was no evidence that CCTV cameras have been installed at the correctional centres in the south. This issue remains unresolved.
- Additional medical labs have not been set up in the southern region. In addition, the security lights in Bo have not been repaired. This issue remains unresolved.
- Availability of essential medical equipment was still a challenge for centres in the southern region. This issue remains unresolved.
- Electricity supply was still a challenge and there was no evidence that a back-up generator has been provided for the Bo Female Correctional Centre. This issue remains unresolved.
- Water supply was still a problem in the Bo Male and Female Correctional Centres. This issue remains unresolved.
- The SLCS South was still constrained with the supply of stationery. This issue remains unresolved.
- There was no evidence that uniforms for staff and inmates have been supplied to the SLCS South. This issue remains unresolved.

5.45.2. Fixed Assets Management

Poor Management of Fixed Assets

The SLCS Southern Region is constrained with vehicles and motorbikes to enhance effective operations in the region. It was observed that there was no official vehicle for the Regional Commander in the SLCS Regional headquarters in Bo. This may affect the effective operations of the Regional Commander in carrying out his responsibilities. It may also serve as a demotivating factor on staff performance.

There was only one utility vehicle in the entire southern region to transport inmates from one location to another. In addition, there was no vehicle attached to the five correctional centres outside Bo District. The lack of vehicle grossly affects the movement of inmates from one point to another, especially in the case of the Moyamba Correctional Centre where court sittings are held at different locations outside the Moyamba township. For example, the Correctional Centre Manager in Moyamba District revealed that the centre had to move inmates from Moyamba township circuit courts in Shengeh, Gbanbatoke, Rotifunk and Taïama.

Office equipment such as computers, printers, photocopiers, desks, chairs, cabinets etc. were not adequate to help in the effective execution of duties of the SLCS in the Southern Region. There is no internet facility in the Regional Office. Most of the office works are done at computer cafes taking into cognizance the risk involved in doing office work at internet cafes as sensitive security information may leak.

Land ownership documents were not made available for all the Sierra Leone Correctional Service property in the Southern Region.

The SLCS Regional Headquarters had inadequate office space to accommodate all staff. Various offices were combined and shared for staff to carry out their work.

We recommend the following:

- The Regional Commander in collaboration with key officials at the SLCS headquarters and other stakeholders should ensure that vehicles and motorbikes are provided for the SLCS Southern Region for effective operations.
- The Regional Commander in collaboration with key officials in the SLCS headquarters should ensure that all SLCS landed property in the southern region are adequately documented and demarcated.
- The Regional Commander in collaboration with key officials at the SLCS headquarters should ensure that office equipment, furniture and stationery are supplied to the region.
- The Regional Commander in collaboration with key officials at the SLCS headquarters should ensure that copies of survey plan and conveyances of all SLCS landed property in the southern region are maintained at the regional headquarters for easy reference and audit purpose.
- The Regional Commander in collaboration with key officials at the SLCS headquarters and other stakeholders should ensure that additional office is provided at the regional headquarters to accommodate all staff.

Official's Response

The Regional Commander responded that:

- *“Procurement process is completed at headquarters for the purchase of additional vehicles.*
- *Procurement process is completed at headquarters for the purchase of additional vehicles.*
- *Request has been sent to headquarters to resurvey and document correctional centres’ land(s) in Bo, waiting for action”.*

Auditor's Comment

- Vehicle has not been allocated to the Regional Commander of the SLCS South. This issue remains unresolved.
- There was no evidence that additional vehicle has been supplied to the SLCS South for transporting inmates. This issue remains unresolved.
- Office equipment and internet facility were still a challenge for the SLCS South. This issue remains unresolved.
- The land ownership documents were not provided during the verification. This issue remains unresolved.
- Office space was still a challenge for the SLCS South Regional headquarters. This issue remains unresolved.

5.46. HUMAN RESOURCES MANAGEMENT OFFICE (HRMO) 2019

5.46.1. Procurement Method not Properly Followed

Three competitive quotations were obtained for the procurement of various goods and services. A clear statement of the requirements of the procuring entity regarding the terms and time of delivery, validity period and warranty period was however not stated in the quotations. In addition, for some transactions, the Local Purchase Orders (LPOs) which serve as the legal contract between the suppliers and the HRMO were not signed by the suppliers. As such, there is no binding agreement between the suppliers and the HRMO.

If a supplier defaults, there is risk that management may not have a legal basis to hold the supplier responsible. Furthermore, in the absence of a clear statement of requirements, items delivered by the supplier may be of the wrong quantities and quality. Proper and complete requirements in the use of RFQ procurement were not followed for procurement worth Le408,594,000.

Official's Response

The Director General stated that "we also noted the concern you raised with regard to LPOs not signed by suppliers, delivery period, bid validity period and warranty period not stated by suppliers in their respective RFQ documents. The total for these transactions amounted to Le408,594,000. The LPO document you are referring to is a system document and there is no provision in it for suppliers to sign. This document is printed from the IFMIS system at the Accountant General's Department and that neither the office nor the Procurement Unit of the HRMO has the authority to effect any changes to the LPO document, we use it as printed from the system.

Furthermore, though suppliers did not state the delivery period, bid validity period, and warranty period in their respective RFQ documents, the office captured these requirements in the contract documents signed between the suppliers and the HRMO.

We will also make sure that, going forward all suppliers bidding for contract at the HRMO comply with the requirements in the RFQ document."

Auditor's Comment

Management's response is noted. The issue of LPOs (Le191,402,000) remains unresolved because there is no provision made in the LPOs for the suppliers to sign. Other issues will be kept in view to be followed up in subsequent audit.

5.47. IMMIGRATION DEPARTMENT - 2019

5.47.1. Receipts Recorded in Range Numbers Rather than Serially

We observed that a sum of Le4,678,889,000 was recorded in the NRA cashbook as revenue collected by the NRA on behalf of the Department for the period under review. Individual serial receipts

numbers were however not recorded against revenue records in the cashbook; but rather range numbers were entered in the cashbook. As a result, we could not certify whether revenue totalling Le4,678,889,000 collected by the NRA on behalf of the Department was complete and accurate. There is a further risk that receipts may have been issued for revenues collected by the NRA officials but not deposited into the NRA transit account, and revenue may have been converted into personal use.

Official's Response

The vote controller said 'all requested documents are available for your inspection'.

Auditor's Comment

During the verification exercise, receipts in serial numbers were not submitted. Therefore, this issue remains unresolved.

5.47.2. Assets Register not Updated

We observed that assets worth Le294,706,032 and purchased during the period under reviewed were not coded and updated in the assets register. There is risk that assets may go missing or converted to personal use without trace.

Official's Response

The vote controller said 'your findings are noted and plans to code the newly acquired assets are at an advanced stage.'

Auditor's Comment

During verification exercise, updated inventory register was not submitted. Therefore, this issue remains unresolved.

5.48. SIERRA LEONE POLICE - (HQ) 2019

5.48.1. Cash Collection of Individual Police Clearance

We observed that payments for police clearance were made by individuals in cash rather than being paid directly into the Sierra Leone Police (SLP) bank account. The sum of Le378,950,000 collected was not kept in a secured and safe place.

Official's Response

'Initially, individuals applying for clearance were paying directly at the Bank of Sierra Leone and present slips at the CID HQ, but it reaches a time when authorities at the Bank of Sierra Leone said considering the terrorist threat worldwide and the number of people that go in for the payment of clearance and that they wanted to discourage the influx of people in the bank, the bank decided to stop accepting payment directly from applicants. The letter written by the Bank of Sierra Leone is now available to justify the above explanation.'

Auditor's Comment

During the audit verification exercise, a letter written by the Bank of Sierra Leone to the Sierra Leone Police conveying the decision by the Bank of Sierra Leone to stop the collection of police clearance at the premises of the Bank was submitted. In the letter, the BSL recommended that the SLP should open transit accounts for the collection of clearance monies at any commercial bank so that balances in the transit bank should be swift to SLP operational account at the Bank of Sierra Leone. There is however, no evidence that the SLP adhered to the recommendation of the BSL to open transit bank account. Until these transit banks are opened by the SLP to collect police clearance revenues, this issue remains unresolved.

5.48.2. Recruitment Procedures not Followed

A request was made during the audit for the list of shortlisted applicants for examination, interview, police clearance records, medical report certificates and final shortlisted applicants list for Police Training School for 2019; but was not submitted by the SLP to the audit team. We could not therefore

ascertain whether the 2,156 police officers recruited in 2019 went through the right procedure as specified in the SLP Recruitment Policy of 2015.

Official's Response

'The list of shortlisted applicants for examination, interview, police clearance records, medical report certificates and final shortlisted applicants list for Police Training School for 2019 is now available for audit verification.'

Auditor's Comment

During the verification exercise, list of staff with referral for medical slip at the Kingdom officers mess was submitted. There was however no list of shortlisted applicants for examination, interview, police clearance records, medical report certificates and final shortlisted applicants list for Police Training School for 2019. As a result, we could not confirm whether the SLP followed recruitment procedure in hiring the 2,156 police officers and we could also not ascertain whether the new police recruits were qualified to be police personnel. Therefore, this issue remains unresolved.

5.48.3. Assets Procured but not Recorded in the Assets Register

We observed that assets worth Le107,271,000 were purchased during the period under review but were not coded and updated in the assets register. It implies that the Procurement Unit may not be updating the Assets Management Division.

Official's Response

'The assets that worth Le107,271.00 have been included in the SLP assets register.'

Auditor's Comment

During the verification exercise, we were not provided with any evidence of an updated assets register. Therefore, the issue remains unresolved.

5.48.4. Inadequate Facilities for Trainees

Interview conducted within the various units at the Samu Police barracks and physical verification revealed the following:

- The Commandant stated that Samu barracks is meant to accommodate 500 personnel, but 1152 personnel were housed at the barracks during the time of the audit. The overcrowding is posing a severe challenge on facilities at the school; despite the Government's extension of training time from 6 to 8 months.
- There is huge problem with accommodation. The trainees shared beds because the barracks cannot house the total number of trainees. Therefore, the trainees are prone to communicable diseases.
- The senior personnel (Commandant and Instructors) of the barracks did not have office to do administrative work as their offices were occupied by the trainees and are used as hostels. The administrative building was also converted to a billet to house trainees.
- The hospital lacked the necessary equipment like diagnostic machine for infectious diseases; instead the nurses were just using their experience. The beds in the clinic were not enough to accommodate patients. There were no quarters within the barracks to accommodate the nurses.
- Generally, mobile telecommunication network is a problem at the barracks. The officers find it extremely difficult to communicate with headquarters in Freetown. Sometimes they are urged to move some distance away from the barracks to make phone calls, and it takes days for them to get information from headquarters.

Auditor's Comment

During the verification exercise, responses to the above issues were not received. Therefore, these issues are unresolved.

5.49. SIERRA LEONE POLICE- SOUTHERN REGION (2019)

5.49.1. General Operations

Operational Effectiveness

For the year under review, the Sierra Leone Police Southern Region budgeted the sum of Le4,507,410,000 to cover its operational activities in the seven divisions and the Regional Headquarters. The budget was not fully funded to support the Regional Office and the seven divisions in the Southern Region.

A review of the regional office's cashbook revealed that only the sum of Le96,500,000 (that is 2% of the budgeted) was allocated for year under review. The underfunding may adversely affect police operations in the Regional Office as well as the seven divisions in the southern region.

A review of documents, plus discussion with key personnel revealed that the new police barracks in Bo has electricity arrears of Le293,464,893 as at 27th October, 2019.

We observed that the SLP Southern Region is constrained with the supply of stationery to carry out its day-to-day operations at the various divisions.

Of the five divisions outside the Bo District, the audit team visited two divisions, the Moyamba and Rutile Divisions and observed the following:

- The two divisions were seriously understaffed to cover the entire area of operations. The total population in the three chiefdoms controlled by the Rutile Division is 81,224 people based on the 2015 population census and the total personnel as at the time of the verification was 95. In addition, the total population in the remaining 12 chiefdoms controlled by the Moyamba Division is 270,758 people (based on the 2015 population census). As at the time of the verification there were only 103 personnel attached to the division. Therefore, the ratio of police personnel to the residents was one personnel to every 855 residents for Rutile Division and one personnel to every 2,629 residents for Moyamba Division.
- These divisions were encountering serious challenges with respect to vehicles and motorbikes. In the Rutile division, it was revealed that all motorbikes were grounded and the divisional vehicle was sent to the regional garage for repairs. At the time of the visit, it was observed that the division was using another vehicle that the Regional Office temporarily provided on loan to the division. Both divisions had only one vehicle each in operation. This seriously affects police operations considering the area of coverage of the two divisions.
- The two divisions were facing accommodation challenges. Firstly, personnel residing in the two barracks in Bo carried out repairs and maintenance of the buildings. Secondly, the barracks in the two divisions lack sufficient space to accommodate all personnel.
- Electricity is a big challenge for these divisions. The generators in these divisions were faulty. The Moyamba Division relied on solar electricity that last for shorter period and it was not capable to provide required electricity.
- Imprest and stationery were not sufficient to run the entire divisions. It was revealed that imprest was only received once in 2019. In addition, fuel supplied to the divisions were not sufficient to run the divisions. It was also revealed that the operational areas of the two divisions are very wide and the officers travel to the extreme locations to address crimes.

- From the physical verification and enquiry from key personnel, it was revealed that there was no computer, printer and photocopier in the Rutile Division and the Moyamba Division. Except for the one computer that was in the LUC's office at the Moyamba Division, it did not even have a UPS to regulate power for this computer. In addition, there was no internet facility at both divisions. Photocopying and printing were done at commercial computer centres, which create high risk for security documents to easily leak to the public.
- Enquiry from key personnel revealed that in the Moyamba Division, food is provided to the accused persons in custody by the Sierra Leone Correctional Service only once per day. Surprisingly, this was not done for accused persons in custody at the Rutile Division.
- These challenges if not addressed will seriously affect the operations of the SLP in the Southern Region and the SLP objectives may not be achieved

Official's Response

The Assistant Inspector General South Responded that:

- *Failure to allocate budgeted funds to the southern region on a timely basis was due to the fact that the SLP organization did not receive the required budget allocation for Government vis-à-vis the delay in allocating funds on timely basis to the southern region. Allocation will however be made to the southern region immediately the SLP receives its budget allocation from the central Government.*
- *The SLP management is aware of all outstanding electricity charges in respect of SLP new barracks in BO. These outstanding arrears would be paid immediately allocation is received from the Ministry of Finance.*
- *The Procurement process in respect of stationary supply has already started and very shortly supply of stationery will be sent to the southern region sufficiently enough to cover the seven regions.*
- *SLP Management has already offered a contract for the procurement of both vehicles and motorbikes for the entire police force including the southern region. The arrival of such fleet is expected soon. Some of the unserviceable vehicles will be boarded and those that can be repaired, management can do so as soon as possible.*
- *The issue of barracks accommodation has been included in the 2020 financial budget and as soon as allocation for development which has to do and other construction, this issue of additional barracks will be considered.*
- *Generator mechanics will be dispatched to repair all faulty generators in the Divisions mentioned and in fact, there is a discussion with solar supplier to supply solar systems in most of the divisions and some police barracks that do not have electricity supply.*
- *The SLP Management will increase the imprest allocation as and when budget allocation is available. In respect of fuel, an increase has already been done to all regions and Divisions. Stationery will also be increased in supply after the procurement process has been completed.*
- *SLP Management will collaborate with other stakeholders in ensuring the provision of office equipment such as computers, printers, etc. as and when budget allocation is made available.*
- *Persons / suspect in custody are always provided with food and management will ensure that food for persons/ suspect in custody are always provided with as part of their human right.*

Auditor's Comment

- The SLP South was still constrained with funding. This issue remains unresolved.
- Evidence were not submitted for the payment of the outstanding electricity bills for the old police barracks. This issue remains unresolved.
- The SLP South was still constrained with stationery. This issue remains unresolved.
- The SLP South is still constrained with vehicles and motorbikes. This issue remains unresolved.
- The SLP South is still constrained with staff accommodation. This issue remains unresolved.
- Electricity supply is still a challenge in these divisions. This issue remains unresolved.

- The SLP South is still constrained with imprest and stationery to run the divisions. This issue remains unresolved.
- Office equipment is still a challenge for these divisions. This issue remains unresolved.
- There was no evidence to indicate that Sierra Leone Correctional Service in Moyamba supplied food to the suspects in custody at the SLP Rutile Division. This issue remains unresolved.

5.49.2. Medicare

Ineffective Operations of the SLP South Medicare

Section 4.1 of the Sierra Leone Police Revised Medicare Scheme Policy 2015 states the aim of the medicare as: to enhance quality health care service, accessible and affordable by all personnel, their four (4) dependents not above eighteen (18) years and one spouse.

The medicare allocated to the Southern Region was inadequate to provide for the intended beneficiaries and the allocations were not done on a timely basis. The beneficiaries include all the police personnel, their four dependents not above 18 years and one spouse. For the year under review, the estimated beneficiaries in the southern region were 7,704. It was revealed that each of the personnel contributed Le20,000 per month. Therefore, the estimated contribution of the 1,284 personnel in the region in 2019 was Le308,160,000. It was observed from the medicare cashbook and bank statement that only the sum of Le80,000,000 was allocated for medicare for the year under review leaving a difference of Le228,160,000 between total estimated contribution and the actual allocation. This indicates that 74% of the estimated amount was not allocated to the SLP regional headquarters–South for the implementation of the medicare scheme.

In addition, the police clinic is located in Bo and personnel, their dependents and spouses in Pujehun, Moyamba and Bonthe Districts normally find it difficult to access the clinic. It was revealed that personnel in these locations pay the medical bills of their dependents, spouses and themselves even though they contribute on a monthly basis to the medicare scheme.

Review of documents and enquiry from key personnel revealed that there were police officers who were treated at other hospitals on referral cases. These officers funded their medical expenses and made claims for refunds. Some of the claims were prepared for over one year and the beneficiaries were yet to receive their refunds.

In addition, enquires from key personnel and physical verification revealed that the regional hospital ambulance (SLP 197) had problem with tyres, and there was no driver assigned to the ambulance. The ambulance was parked at the regional transport office, as a result, patients were mostly transported to the clinic on motorbikes, which can also worsen their medical conditions or expose their lives to high risk of accident.

Official's Response

The Assistant Inspector General-South responded that:

- *The Director of Medical Services normally allocates medicare funds based on the regional retirement and an increment to the amount has already be done by the Director of Medical Services at Kingtom.*
- *Most personnel in Pujehun, Moyamba, Rutile and Bonthe have their dependents resident in Bo where the Police Hospital is currently located for the region that often go for treatment at the hospital anytime they report sick. In minor cases personnel buy drugs, but most times major cases are referred to other hospitals and the police honoured the bills.*
- *Most personnel in Pujehun, Moyamba, Rutile and Bonthe have their dependents residing in Bo, where the Police Hospital is centrally located for the region who often go for treatment at the hospital anytime they report sick, in minor cases personnel buy drugs but most time major cases are referred to other hospitals and Police honoured the bills.*

- *The procurement process for the four tyres requested for Bo Police Hospital Ambulance is in progress. It will be made available as soon as the process is completed.*

Auditor's Comment

Medicare funding is still a challenge for the SLP Southern Region. This issue remains the same. Evidence of medical claims being settled for personnel were not submitted for verification. This issue remains unresolved.

There was no evidence that the ambulance tyres have been supplied to the SLP South. This issue remains unresolved.

5.49.3. Delivery note not maintained for fuel supplied

Contrary to Section 179(2) of the Public Financial Management Regulations 2018, fuel delivery notes were not submitted for audit to confirm the accuracy of total quantity of 4540 litres and 2270 litres of fuel recorded in the fuel ledgers at Pujehun and Moyamba Divisions respectively.

We recommended the Assistant Inspector General-South and the Regional Support Officer should ensure that the LUCs of Pujehun and Moyamba Division and their Support Officers provide the fuel delivery notes for the total quantities of fuel supplied to their respective divisions.

Official's Response

The Assistant Inspector General-South responded that four delivery notes in question have been produced by Pujehun division of fuel supplied. Support Officer Moyamba division stated that the fuel totalling 2270 liters was not supplied on delivery note, but was paid for at the account of the dealer at Rokel Commercial Bank account number 0198 by PHQ for their utility.

Auditor's Comment

Fuel delivery notes for Pujehun Division was submitted and verified. The fuel delivery note for Moyamba Division was not presented for verification. The issue was partly resolved.

5.49.4. Ineffective Management of Fixed Assets

The SLP Southern Region is constrained with vehicles and motorbikes to enhance effective operations in the region. Six vehicles had remained faulty for a long period of time with no action taken to repair them.

It was further observed that major spare parts such as engines, tyres & rims, gear boxes, head lights, dash boards, etc. were not supplied in time for the maintenance of the faulty vehicles. In addition, enquiry from the Regional Workshop Manager in Bo revealed that the two vehicles engine for Toyota Coaster Bus with registration numbers SLP 118 and SLP 256 were sent to the SLP headquarters garage in Freetown for reboring of their engine since 2018 and they have not yet returned to the region. Interestingly, the spare parts for SLP 118 were sent to the southern regional garage while the vehicle remained in Freetown for the reboring of its engine. Although there were 23 personnel in the regional garage office (of which ten were technical staff), four faulty vehicles were also taken to the SLP headquarters garage in Freetown for maintenance since 2018 and they were not returned to the region. Lack of prompt repairs or maintenance of faulty vehicles may lead to further deterioration of these vehicles and eventually increase the cost of repairs or maintenance or lead to a complete scrap of the vehicles. This may undermine the effective operations of the SLP in the southern region.

From the review of the fixed asset register and the physical verification conducted, it was also observed that some of the furniture and equipment owned by the SLP South were not marked with unique identification codes and date of purchase/donation. The asset may be misused or get missing without it being easily detected.

Office equipment such as computers, printers, photocopiers, desks, chairs, cabinets etc. were inadequate. There inadequacy affected the performance of the SLP in the Southern Region. It was further noted, there was no internet facility in the seven divisions within the Southern Region. Most of the office works were done at commercial computer cafes. Sensitive security documents or information may expose to high risk of being leaked to the public.

Land ownership documents were not made available for all the Sierra Leone Police property in the Southern Region. Physical verification and enquiry from key personnel revealed that community members have encroached on vast majority of landed property of the SLP in the southern region.

The SLP Regional Headquarters had constraints with office space in Bo. The Bo West Divisional Headquarters did not have adequate office space for the regional headquarters staff. Various offices were combined and allocated to a single room tentatively for office work. There was no office space for the Regional OSD Coordinator, Regional Operations Officer, Interpol/TOCU, Estate and a host of other officers, to enhance effective administration. Further enquiries, review of document and physical verification conducted revealed that building materials such as sand, blocks, iron rods etc. were stored in the proposed construction site of the regional office in the old police barracks at Government Reservation-Bo area. This project started since November 2013 and the building materials were supplied in January 2014. Up to time the verification was carried out, work had not yet completed. There is high possibility for the building materials on site may deteriorate in quality or get missing. This may lead to the loss of public resources.

The occupancy list for the SLP quarters in Moyamba, Pujehun and Bonthe Districts were not presented for audit. There is a risk that ineligible occupants were residing in these quarters.

Official's Response

The Assistant Inspector General-South responded that:

- *A procurement process is on in respect of motor vehicles as and when vehicles are procured, additional motor vehicles will be allocated to the southern region.*
- *Vehicles that can be repaired will be repaired as soon as possible otherwise those that cannot be repaired will be boarded. Other equipment to fast track the maintenance will also be purchase.*
- *The procurement process for stationery has just been completed and the evaluation process is on. When such processes are completed the supply of office furniture and stationery will adequately have done and in a timely manner.*
- *The IGP and the EMB has approved the documentation of all lands, the demarcation with perimeter fence or pillars around the boundaries. Work has already started in the Western Area and it will be replicated in the regions including the southern region.*
- *The IGP is working assiduously in ensuring that the regional office in the southern region is constructed as soon as development fund is made available by the Ministry of Finance to the SLP in order to reduce the congestion in the different offices in the southern region.*
- *The regional Estate Officer for the southern region has been tasked to carry out and do a comprehensive list of all quarters and their occupants in the southern region and also ensure the list of quarters is updated to ensure that eligible occupants are residing in the quarters.*

Auditor's Comment

The SLP South is still constrained with vehicles and motorbikes. This issue remains unresolved. Supply of spare parts is still a challenge for the SLP South. This issue remains unresolved.

There was no evidence that all the furniture and equipment owned by the SLP South have been marked with unique identification codes This issue remains unresolved.

Office equipment is still a challenge for the SLP Southern Region. This issue remains unresolved

Land ownership documents for landed property owned by the SLP Southern Region were not submitted for verification. In addition, there is no evidence that actions have been taken to secure the SLP property from encroachers. This issue remains unresolved.

The SLP South Regional Headquarters is still constrained with office space. This issue remains unresolved.

The occupancy list for Moyamba, Pujehun and Bonthe division were not submitted for verification. The issue remains unresolved.

5.49.5. Cash and Bank Management

Transaction not recorded in Cashbook

An amount of Le26,350,000 was allocated from SLP HQ for eighty-five OSD Personnel deployed at Pujehun, Zimmi and Mano River Union for border patrols for 31 days with effect from 1st to 31st October, 2019. It was however observed that this amount was not recorded in the regional cashbook. The funds allocated may not have been used for its intended purpose.

We recommend that the AIG South should provide explanation backed by documentary evidence why this amount was not recorded in the regional cashbook. The Regional cashbook should be updated and the updated cashbook forwarded to the Audit Service for verification.

Official's Response

The Assistant Inspector General-South responded that the amount in question did not pass through regional headquarters. It was disbursed directly to the OSD Coordinator.

Auditor's Comment

The Le26,350,000 was not recorded in the cashbook of the regional office, and not submitted for verification. The issue remains unresolved.

5.50. OFFICE OF THE PRESIDENT- 2019

5.50.1. Special Imprest for Overseas Travel not Retired

We observed during the period under review that special imprest provided for overseas travel, expected to be used to cover the incidental costs of the President, were not retired in accordance with Section 114 of the Public Financial Management Regulations, 2018. The sum of US\$160,000 was provided, but not retired in compliance with the Public Financial Management Regulations, 2018.

It is recommended that the Secretary to the President should provide adequate retirements details in line with the provision of the law.

Official's Response

In their response, the Office of the Secretary to the President stated that the State Chief of Protocol (SCOP) has now provided documents accounting for the expenditure which are ready for inspection. Tips given by the President and the First Lady when departing hotels and airports are difficult to capture for retirement as it is often done in haste. They said that the office committed to mitigating this difficulty in future.

Auditor's Comment

During the audit verification exercise, management provided a list of the categories of beneficiaries for the sum of US\$33,000 that summarised as follows:

Descriptions	Amount (US\$)
Tips to local securities	9,500
Tips to local drivers	7,000
Tips to local protocols	4,000
Airport courtesy	6,000
Waiters	2,000
Dispatch riders	3,500
Welfare officers	1,000
TOTAL	33,000

It was further observed from the above list, that the beneficiaries were all either public officers or civil servants who were now being paid tips from the Consolidated Fund (CF) for performing the very function for which they were employed. The receipt of these tips by these officers amounts to double dipping from the CF by the concerned Public Officers/Civil servants. Since the payment of these tips were adhoc, and not based on any government wide policy or regulation, they should be disallowed and surcharged on the SCOP. Furthermore, the practice should be discontinued until there is such a government policy/regulation on the payment of tips to public officer and civil servants.

With regards to the outstanding balance of US\$127,000 which management was unable to retire according to the PFM Regulations 2018, the same should be disallowed and surcharged on the SCOP who was entrusted with the funds.

5.50.2. Daily Subsistence Allowance Paid to Ineligible Individual

A sample of the payment vouchers were inspected in respect of overseas travelling. It was observed that DSA allowance of US\$2,160 was paid to a Mr. Paul Massaquoi as part of the delegation of the Office of the First Lady during a visit to Niamey, Niger to attend the 23rd Oaflad Ordinary General Assembly. We however observed that Mr Paul Massaquoi was neither a staff, nor a consultant in the Offices of the President or the First Lady. As a result, we have considered this expenditure to be ineligible.

Official's Response

The Secretary to the President stated that 'Mr Paul Massaquoi is offering technical advice to the Office of the First Lady on adverse issues. He is not on the regular payroll, but it was deemed appropriate to give him financial support whilst on government business overseas. It would have been unfair for him to use his personal money for and on behalf of government. Notwithstanding, this Office will ensure that a repeat does not occur'.

Auditor's Comment

Management's response is noted. Since management has confirmed that the individual concerned is neither a staff, nor a contractor, the amount of US\$2,160 paid to him as DSA is ineligible and should be refunded into the CF together with the cost of his air tickets.

5.50.3. Cashbook not Maintained by the Office of the First Lady for 2018 & 2019

Serious internal control weaknesses were identified in the management of funds allocated to this office, mainly due to the lack of competent personnel in the finance division. For instance, they failed to maintain a cashbook and as a result, could not reconcile their transactions with their bank for the financial years 2018 and 2019, or produce a set of financial statements. This resulted in the inability of the Office of the First Lady to manage their financial resources efficiently and effectively in accordance

with Section 13 of the PFM Act, 2016. We recommend that competent officers be recruited in the finance department and a cashbook be produced for both 2018 and 2019 financial years.

Official's Response

The Secretary to the President stated that the documents requested have been obtained and are ready for inspection.

Auditor's Comment

During our verification of the management's response above, we observed that there was no evidence that cashbooks were prepared for 2018 and 2019. We therefore conclude that the current personnel in the finance department of the Office of the First Lady are not competent to manage the resources of the office efficiently and effectively.

5.51. OFFICE OF THE VICE PRESIDENT - 2019

5.51.1. Lack of an Approved Policy on Government Contribution to Bereaved Families

- We observed during our audit exercise that the sum of Le 360,377,200 was paid from the Consolidated Fund by the Office of the Vice President to bereaved families of some deceased public officers for 2019. These payments were made on an adhoc basis, as there was not an approved government policy on this matter.
- In some instances, there were no acknowledgements from those families.
- It is recommended that these payments be discontinued until there is an approved policy on this matter.

Official's Response

The Secretary to the Vice President stated that the policy for state funeral has been drafted and submitted to the Ministry of Finance for their input with regards the quantum of money to be given out to bereaved families.

He further state that the evidence of acknowledgement for the receipt of funds had been on files during the audit period and are available for audit inspection and verification.

Auditor's Comment

Management's response is noted, however until an approved policy or applicable law is enacted to serve as a guide on this issue, it remains unresolved.

5.51.2. Special Imprest not Retired

For the period under review, during overseas travel, special imprest was given to the Secretary to the Vice President, to cover the incidental costs of the Vice President.

A large portion of the amount provided was adequately retired in compliance with the Public Financial Management Regulations 2018. It was however noted that the sum of US\$7,500 was not retired in compliance with the above law. It is recommended that the Secretary to the Vice President should provide adequate retirements details in line with the provision of the law.

Official's Response

The Secretary to the Vice President stated that the amount in question is not imprest but the Vice President's travelling DSAs and incidentals that is handled by the Hon. Vice President himself for his official trips overseas. This amount is approved by His Excellency the President.

He further stated that the Office of the Vice President had noted the audit recommendation and therefore, documents related to how these amounts were spent are ready for audit inspection or verification.

Auditor's Comment

We noted the management's response, however during verification, the office failed to provide retirement details in accordance with the provisions of the law for the outstanding amount of US\$7,500, therefore the matter is unresolved.

5.51.3. Payments for Overseas Travels not Appropriately Managed

Further review of overseas travel payment vouchers and the accompanying supporting documents revealed:

- Payments for accommodation, feeding and other expenses of US\$9,872 were made on behalf of some officers accompanying the Vice President, even though there was evidence that those officers were paid DSA of US\$7,767.90 for the same trip; and
- officers accompanying the Vice President who were entitled to DSA totaling US\$18,800 were only paid DSA of US\$14,350 thereby resulting in an underpayment of US\$4,450.
- We recommend that the Secretary to the Vice President in collaboration with the Senior Accountant should ensure that DSA of US\$7,767.90 paid to those officers be recovered and refunded into the CF.
- We further recommend that the Secretary to the Vice President in collaboration with the Senior Accountant should ensure that DSA of US\$4,450 owed to those officers concerned be paid to them without delay.

Official's Response

The Secretary to the Vice President stated that the amount in question is DSA/travel allowance paid to the Vice President, which he chooses to expend as he wishes. It is not an imprest as such.

For any overseas funds, a minute is raised by the Vice President to His Excellency the President for approval, the approved amount is disbursed accordingly. Therefore, if any amount is outstanding, then another minute has to be raised. We note the recommendation and shall raise another minute for consideration of the President.

Auditor's Comment

Our conclusion is that since the DSA is a special imprest, it must be accounted for as required by the PFM Regulations 2018. We therefore restate our recommendation as the issue remains unresolved.

5.52. PARLIAMENTARY SERVICE COMMISSION: 2018 - 2019

5.52.1. Consultancy Payments not Fully Supported

A contract entered into with Ndeva Support Services for the provision of consultancy service between the Parliamentary Service Commission and the Ministry of Finance (MOF) for which five tranches of payments amounting to Le100,000,000 and Le240,000,000 disbursed during 2018 and 2019, respectively, were not supported by terms of reference (TOR), no evidence of consultancy work done, no report and no business registration certificate.

Official's Response

The Clerk of Parliament said "Section 3 of the Parliamentary Service (PSC) Act, 2007 states:

- *It shall be the function of the PSC to provide Parliament with Technical and Administrative Support and Advisory Services to enable Parliament to effectively and efficiently execute its Constitutional and other Functions"*
- *It is in that direction that, Parliament, on 23rd August, 2018 (PoSL/OC/FINSEC/05/01), requested (including terms of reference) a 'no objection' from the Financial Secretary (FS), Ministry of Finance (MoF) for the hiring of such services. And on 18th September 2018, Parliament received a correspondence in response to the request from the FS of the MoF, conveying the Ministry's 'no objection' to the proposed appointment of*

Hon. Edward Stile Jengo of Ndeva Support Services as Principal Parliamentary Liaison Consultant to the MoF in accordance with the provisions of S3 of PSC Act 2007. Copies were part of the documents submitted during the audit exercise. We however submit same for further audit verification’.

Auditor’s Comment

During the verification process, the terms of reference and business registration certificates were presented and were inspected. Procurement documents and reports were however not presented during the audit verification exercise. The issue therefore remains unresolved.

5.52.2. Overseas Travel Expenditure not Supported by Required Documents

Detailed review of overseas travel records from the Accountant General’s Department (AGD) revealed that 14 daily subsistence allowance payments made during 2018 which amounted to Le332,973,951 were without the necessary supporting documents such as letter of invitation, travelling itinerary, copy of the passport and boarding pass as evidence of travel.

Furthermore, one payment of Le104,580,000 made to Ecotours Salone as cost of air ticket on cheque no. 86758 on 29th November, 2018 was earlier paid by the AGD as stated on PV no. AGD0023375 on 13th September, 2018. When the issue was discussed, the team was informed that the payment was refunded, but the document in respect of the refund was not presented for audit inspection.

In addition, Karl Travel Agency was also paid Le 246,090,500 on PV no. 110 as cost of air tickets during 2019, but the supporting documents were not attached to the payment voucher presented for audit inspection.

Official’s Response

The Clerk of Parliament said “payments for the said travel were done at the AGD for and on behalf of Parliament. Consequently, all documentation relating to same were forwarded to the AGD for payment processing. They can therefore be of help in that direction”.

He further said “the delay in remitting funds from the Accountant General’s Department to Parliament Imprest Account Number 1100726 to meet the payment for air passages to Ecotours Salone after tickets have been issued. This resulted in heavy pressure from the Ecotours Salone, demanding payment from Parliament since it was issued for the benefit of Parliament. No sooner the payment was made for same than the AGD made payment to Eco Tours Salone for same.

On knowing that there had been double payment to the Air Tickets issuer for same, Parliament Administration immediately issued a letter to same, demanding a refund of the second amount after the Finance Department had brought the issue to the attention of the Office of the Clerk of Parliament. We still await the refund of such, but the Office of the Clerk of Parliament is clear about the issue and several calls were made to the management of Eco Tours Salone, which were not responded to positively by them (Ecotours Salone). We shall however do a reminder letter, as a follow-up the issue for the refunds.

Payments for the said travel for air passages to Karl Travel Agency were done at the AGD for and on behalf of the Parliament. Consequently, all documentation relating to same were forwarded to the AGD for payment processing. They can therefore be of help in that direction.”

Auditor’s Comment

The necessary supporting documents such as letter of invitation, travelling itinerary, copy of the passport and boarding pass as evidence of travel, for which Le332,973,951 was paid as daily subsistence allowance by the Accountant General’s Department (AGD) were not presented during the audit verification exercise. The issue therefore remains unresolved.

Evidence of refund payment of Le104,580,000 made twice to Ecotours Salone as cost of air ticket was not submitted during verification. The issue remains unresolved.

The supporting documents were not presented during the audit verification exercise in respect of the Le246,090,500 paid to Karl Travel Agency as cost of air tickets during 2019. The issue therefore remains unresolved.

5.52.3. Constituency Development Fund Payments not Retired

Our examination of the schedules to the financial statements for Constituency Development Funds (CDF) revealed that a total of Le10,100,000,000 and Le12,220,672,500 were paid to 146 Members of Parliament (MPs) for 2018 and 2019 respectively; but were not retired. The payments made during 2018 were expected to be used for either the construction or renting of a constituency office in all the 132 constituencies nationwide. These payments include Le968,493,150 made to 14 paramount chiefs without constituencies in 2018 and the same in 2019.

Official's Response

The Clerk of Parliament said "the issue of Constituency Development Funds (CDF) is limited to the Finance Department of Parliament, disbursing same to the respective accounts of beneficiaries (in this case sitting Members of Parliament (MPs), whether or not they have a constituency); hence, the reason for the inclusion of Paramount Chief MPs in the schedule of payments. Please be informed also that, in every year's budget process, funds provided for this activity are meant for sitting MPs, without clear definition of who is qualified for same."

Auditor's Comment

During the audit verification exercise, retirement details for Le10,100,000,000 and Le 12,220,672,500 in respect of the Constituency Developments Funds (CDF) paid during 2018 and 2019 were not presented during the audit verification exercise. The issue therefore remains unresolved.

No response was provided for the yearly total of Le968,493,150 for 2018 and 2019 included in the above amounts in respect of Constituency Development Funds paid to sitting Paramount Chief Members of Parliament. The issue therefore remains unresolved.

5.52.4. Imprest not Retired

The examination of payment vouchers on the disbursement of imprest during the period revealed that four payments amounting to Le625,000,000 disbursed as imprest during 2019 were not retired. Furthermore, we were unable to establish the basis for which the payments were made. Monies disbursed may have been misused.

Official's Response

No official response provided.

Auditor's Comment

During verification exercise, retirement details for imprest totalling Le310,000,000 were submitted. However, 315,000,000 imprest was not retired. Therefore, the issue remains unresolved.

5.52.5. Monitoring and Oversight Expenditure not Fully Retired

Payment vouchers in respect of monitoring and oversight activities carried out during 2019 were inspected to confirm whether the activities for which the payments were made actually occurred. The inspection revealed that a total of Le292,971,000 disbursed were not supported with attendance list and signatures as evidence of receipt of per diem, no site visits report and no receipts.

Official Response

The Clerk of Parliament said "our records show that Le280,000,000 (as per schedule submitted for audit verification) was disbursed to seven committees to undertake oversight function. Report(s) of such function(s) can only be made public after it has/they have been laid in the Well of Parliament, an action of which I am not clear about. We shall however refer to the relevant laws on what to do in this regard, if the report(s) is/are yet to be laid. And for the attendance list

and signatures of beneficiaries, the officers-in-charge (Clerks of the Committees thereof and any Finance Officer(s) accompanying them) of the various oversight functions shall make same available for audit verification”.

Auditor’s Comment

During the verification exercise, attendance list and signatures of receipt of per diem for which a total of Le292, 971,000 was paid to carry out monitoring and oversight activities during 2019 were not presented. The issue therefore remains unresolved.

5.52.6. Payments Made to a Non-employee

Our examination revealed that two payments amounting to Le12,637,000 were made in the name of the Sub Accountant, Mr Albert Sesay at a time when he had ceased to be an employee of Parliament, and his name had been removed from the payroll.

Official’s Response

The Clerk of Parliament said “salary administration is a Human Resource(s) (HR) function and Finance Department usually performs a Back-Office Function in the process. Therefore, the HR Department is in a better position to provide the answer(s) needed for this audit observation. In that regard, we shall forward same to the HR Department to help us provide answers for your attention.”

Auditor’s Comment

No explanation was provided why payments which amounted to Le12,637,000 were made in the name of the Sub Accountant, Mr Albert Sesay at a time when he had already ceased to be an employee of Parliament, and his name had been removed from the payroll. The issue therefore remains unresolved.

5.52.7. UNDP Support to Parliamentary Service Commission not Accounted for

For the PSC to implement its activities, the UNDP lodged Le788,813,000, (US\$93,000) in the account of Parliament during 2019. Documents relating to UNDP support being provided to PSC and how it was managed and utilised were requested; but were however not submitted for 2018 and 2019.

Official’s Response

The Clerk of Parliament said “the Desk Office of UNDP responsible for parliamentary affairs is to provide response to this issue.”

Auditor’s Comment

No response was provided by the UNDP desk office. The issue is therefore unresolved.

5.53. GOVERNMENT PRINTING DEPARTMENT - 2019

5.53.1. No Reconciliation Done between the Department and the National Revenue Authority

There is no evidence of reconciliation between the department records and the NRA records to confirm the accuracy and completeness of revenue by the NRA on behalf of the Department. This weakness, if not immediately addressed, may result in the loss of government much needed revenues.

Official’s Response

The Acting Deputy said “our recommendation on the performance of monthly revenue reconciliation for the period under review is noted and wish to inform you that the National Revenue Authority had been notified for their appropriate response.”

Auditor’s Comment

During the verification exercise, evidence of monthly revenue reconciliation between the Government Printing Department and the National Revenue Authority for the period under review were not provided. Therefore, this issue remains unresolved.

5.53.2. RFQ Procedures not Followed and Adequate Supporting Documents not Submitted

RFQ was used for the procurement of printing consumables, stationery, office and general, printing machines, uniform and protective clothing and building maintenance worth Le690,936,751. Purchase requisition, three requests for quotation and other relevant documents evidencing eligibility of potential suppliers such as the Freetown City Council business license and minutes of Evaluation Committee meeting and signed attendance list evidencing recommendation from evaluation conclusion were not attached to the payment vouchers.

In addition, for all the transactions, the LPOs were not signed by the suppliers or service providers which is the contract between the suppliers and the Government Printing Department. As such, there is no binding agreement between the suppliers or service providers and the Department. In the absence of a legally binding agreement between the Government Printing Department and the suppliers, requirements of the procurement processes may not be followed.

The non-availability of procurement documents prevented the auditors from ascertaining whether the procurement undertaken were competitive and in the interest of the public to achieve value-for-money.

We could therefore also not be able to confirm whether the suppliers who had executed procurement met the entire pre-qualification criteria.

Official's Response

The Acting Deputy said "there was no breach and therefore wish to inform you that all documents relating to queried procurement activities are now available for your audit inspection or verification."

Auditor's Comment

Management's response is noted. Evidence of procurement documents in the form of purchase requisition, requests for quotation, minutes of evaluation committee meeting and signed attendance list and signed LPOs by suppliers or service providers were only provided for Le486,202,501. The remaining Le204,734,250 documents were not submitted. Therefore, the remaining Le204,734,250 remains unresolved.

5.53.3. Expenditure not Supported by Adequate Documents

A review of payment vouchers and other documents revealed that payments were made to the tune of Le1,286,286,751 for the procurement of various goods and services for the Department that were without adequate retirement details such as invoice, receipt, certificate of receipt and certificate of work done etc. In some instances, delivery notes were not signed by the recipient of delivered items.

Official's Response

The Acting Deputy said "all documents relating to queried expenditure activities are available for audit inspection or verification."

Auditor's Comment

Of the Le1,286,286,751, adequate supporting documents in the form of invoice, receipt, certificate of receipt and certificate of work done etc. were only submitted for Le1,031,184,001, leaving a balance of Le255,102,750 for which relevant supporting documents such as invoice, receipt, certificate of receipt and certificate of work done etc. were not presented for audit verification. Therefore, this issue about Le255,102,750 remains unresolved.

5.53.4. No Binding Agreement between Excellent Government Printing Press and the Government of Sierra Leone

The lease contract between the Government of Sierra Leone and Excellent Government Printing submitted for audit had expired since 2018. In this expired lease contract, it was stated that the Excellent Government Printing Department should build, own, operate and transfer the Government

Printing Department's infrastructure for a period of five years with the option to extend for a maximum period of three years. Extension of such lease contract was however not submitted for audit review.

Auditor's Comment

There was no management's response. Evidence of extension of lease contract was not provided for audit verification. Therefore, this issue remains unresolved. Therefore, Excellence Printers are operating illegally within the country because the original contract had expired and there is no evidence of renewal.

5.53.5. Statutory Obligations Deducted but not Aid to the National Revenue Authority:

Upon review of sampled payroll vouchers of the Excellent Government Printing Department for FY 2019, we observed that PAYE tax due totalling Le58,004,490 was deducted but not paid to the National Revenue Authority and evidence of payment receipt was not submitted for audit inspection.

We also observed that 5.5% withholding taxes which totalled Le7,841,075 was not deducted and paid to the National Revenue Authority for various purchases made by the Excellent Government Printing Department for the year under review. The Government might have been deprived of the much-needed revenue.

Auditor's Comment

There was no management's response. Evidence of payment of taxes due totalling Le65,845,565, to the National Revenue Authority were not presented to the audit team for verification. This is a violation of the Income Tax Act of 2000. Therefore, the issues remain unresolved.

5.54. LAW OFFICERS DEPARTMENT - 2019

5.54.1. Items Delivered Prior to Awarding of Contract

Upon reviewing of the payment voucher for the procurement of the stationery and computer worth Le67,624,200 during 2019. We however observed that the notification of award was sent to the Manager of MAGALA Enterprises on 22nd November 2019, whilst the delivery was done on 13th November, 2019. Therefore, items were delivered before the notification of award. It implies that the procurement process may not have been transparent.

Official's Response

The procurement of stationery and computer worth Le67,624,200 went through a transparent procurement process, the procurement process was done in accordance with the Procurement Act, 2016. The notification date and delivery date were a misprint.

Auditor's Comment

During the audit verification, management failed to provide a reasonable explanation why delivery of the items was done before contract was awarded. Rather, a letter of notification of award newly printed and dated 22nd November 2019, and delivery note dated 13th December, 2019 were submitted. This does not change the fact that delivery was done before the contract was awarded. This issue remains unresolved.

5.54.2. Overseas Travel Expenses not Adequately Retired

We observed that there are no adequate retirement details for overseas travel expenses totalling Le258,910,673 and Le847,786,640 for 2018 and 2019 respectively. As a result, we were unable to ascertain the outcome of the trips and whether the said amounts were used for their intended purposes.

Official's Response

Evidence/ supporting documents are available for your perusal.

Auditor's Comment

During audit verification, boarding passes to substantiate travels cost, which amounted to totals of Le110,176,042 and Le 294,957,824 for 2018 and 2019 respectively, were submitted and verified. Back-to-office reports for overseas travels which totalled Le148,734,631 and Le552,828,816 for 2018 and 2019 were not submitted for audit inspection. Therefore, Le701,563,447 of travel expenditure remained not fully retired. Therefore, the issue remains unresolved.

5.54.3. Special Imprest not Retired

We observed that during the year under review, special imprest to the tune of US\$6,000 was given to the Minister and staff on different overseas trips but there was no evidence of retirement. We could not therefore ascertain whether the money was used wholly and exclusively for the intended purpose.

Official's Response

Accountable imprest for Osman Kanu and the Attorney General and Minister of Justice amounting US\$3,000 and documents are available for audit verification. The Attorney General and Minister of Justice should provide the retirement on travelling to Zurich in respect of accountable imprest of US\$2,000.

Auditor's Comment

During the verification, receipt of Willard Intercontinental Hotel, Washington DC, showing the total of US\$ 6,903.4 paid for accommodation for Priscilla Halenya Schwartz (Attorney General and Minister of Justice) and Osman Ibrahim Kanu for 2019 were submitted and verified. The US\$3000 was part of that cost because of the need to spend extra days abroad.

No evidence of retirement on travelling to Zurich in respect of accountable imprest of US\$2,000 disbursed to the Attorney General and Minister of Justice in 2018 was submitted for audit inspection. Therefore, this issue remains unresolved.

5.54.4. Poor Assets Management

Requests were made for inventory register during the period under review, we were however not provided with inventory register. We observed that the Department procured assets worth Le35,626,500 and Le52,223,535 for the 2018 and 2019 respectively. These assets may go missing without a trace.

Official's Response

Asset register for the period 2018 and 2019 are readily available for your verification.

Auditor's Comment

During the audit verification, asset register for 2020 was submitted. Until the asset registers for 2018 and 2019 are submitted for audit inspection, the issue remains unresolved.

5.55. OFFICE OF THE CHIEF MINISTER: 2018-2019

5.55.1. Travel Expense not Supported by Appropriate Documents

We observed that the sum of Le112,810,188.25 was expended for local travelling for staff to the regions on official activities. Payment vouchers were however not supported by documents such as signatures of recipients and back-to-office reports as required by the FMR. Monies may not have been expended for their intended purposes.

We recommend that the Director of Finance should submit all the required supporting documents for inspection. Otherwise, the said amount should be refunded into the Consolidated Fund.

Official's Response

The Permanent Secretary stated that relevant documents such as signature of recipient and back-to-office report to substantiate local travelling amounting to Le112,810,188.25 are available for inspection by the ASSL.

Auditor's Comment

During audit verification, supporting documents for a total amount of Le 86,962,137 out of queried amount were submitted and verified. The balance of Le34,544,288 remained not supported. Therefore, the issue remains unresolved.

5.55.2. Expenses Incurred without Policy or Legal Justification

We observed that the Office of the Chief Minister expensed the sum of Le13,500,000 to staff as accommodation for which there was no policy no legal justification for the use of fund.

We recommend that the Director of Finance should submit all the required supporting documents, otherwise, the said amount should be refunded into the Consolidated Fund and evidence of payment forwarded to the Audit Service for verification.

Official's Response

The Permanent Secretary stated that 'the said amount was expensed for the medical treatment for two staff who fell ill whilst on official duties. This expenditure was urgently needed to save lives of dedication staff on duty. Receipts of medical bills are available to substantiate for these expenses.

Auditor's Comment

From a total amount of Le13,500,000, supporting documents such as receipt for the medical treatment for two staff who fell ill for an amount totalling Le2,500,000 was submitted and verified leaving a balance of Le11,000,000 without supporting documents. Therefore, the issue around the Le11,000,000 remains unresolved.

5.55.3. Expenses not Supported by Documents

We observed that the sum of Le92,350,000 was expensed by the Office of the Chief Minister but there was no retirement of fund.

We recommend that the Director of Finance should submit all the required supporting documents otherwise, the said amount should be refunded into the Consolidated Fund and evidence of payment forwarded to the Audit Service for verification.

Official's Response

The Permanent Secretary stated that the retirement file for the sum of Le92,350,000 is available for inspection.

Auditor's Comment

From a total amount of Le92,350,000, retirement documents for an amount totalling Le35,000,000 were submitted and verified leaving a balance of Le57,350,000 without supporting documents. Therefore, the issue of the remaining Le57,350,000 remains unresolved.

5.55.4. Staff on Payroll but not on the Institution Staff List

A review of 2019 payroll voucher and the current staff list revealed that there are members of staff whose names are on the payroll voucher but not on the staff list. The said staff were paid a total gross salary of Le1,493,740,746. There is a risk that salaries were being paid to ineligible personnel and may have led to a drain in government funds.

We recommend that the Director of Administration and Finance should provide documentary evidence explaining why staff on the payroll are not on the institution's staff list.

Official's Response

The Director, Admin. stated that the payroll administration is being managed by the Human Resource Management Office (HRMO) and the Accountant General's Department (AGD) and as such, we do not have direct control over it. Correspondences have been sent to the responsible institutions charged to manage payroll related anomalies.

Auditor's Comment

During the verification exercise, we were not provided documentary evidence explaining why staff on payroll were not on the staff list. The issue therefore remained unresolved.

5.56. NATIONAL FIRE FORCE - 2019

5.56.1. Inadequate Firefighting Equipment

Fire Engines

We observed that there were only 11 fire engines in the Western Area. Of the 298 hydrants that were available some ten years back in the city of Freetown, only three are working. There was no very high frequency (VHF) radio communication equipment for easy transmission of vital information during fire operations; no rescue equipment such as breathing apparatus (BA set) to prevent fire fighters against hazardous smokes and to breath out oxygen during firefighting operations; there were also no break-in tools to use during fire outbreak.

We recommend that the Chief Fire Officer factor the procurement of additional fire engines in the 2021 budget. The Guma Valley Water Company should reopen all existing hydrants within the municipality to fire fighters during operation.

Official's Response

The Chief Fire Officer state that our observation about the limited number of fire engines is quite correct. It must be noted that in 2019, the National Fire Force opened the procurement circle for the procurement of additional fire engines and auxiliary firefighting equipment. We passed through the bid evaluation, obtained NPPA clearance and legal opinion. It is however sad to note that we could not get the necessary certificate of contract from the Ministry of Finance and therefore a whole year was wasted as a unique opportunity to improve upon the number of fire engines and auxiliary firefighting equipment was missed. It was impossible to reignite the process in 2020 because of the Covid-19 pandemic.

As recommended, we have factored the procurement of additional fire engines and auxiliary firefighting equipment in the FY 2021 budget.

Hydrants

The National Fire Force is not the Fire Authority. The Fire Authority is the Government of Sierra Leone, of which the Ministry of Internal Affairs is part and our supervising ministry.

The Government of Sierra Leone through the Ministry of Internal Affairs has engaged the Guma Valley Water Company on several occasions on the issue of hydrants.

It must be noted however that the provision of water for firefighting is one of the activities that have been devolved to Local Council through the Local Government Act.

The National Fire Force will re-inform the Ministry of Internal Affairs about the hydrant problems and your concern. Let it be noted however that about ten years before now, Freetown used to enjoy a total of 298 hydrants in the city, but with the passage of time these hydrants have been closed without even referring to the National Fire Force. Hydrant issue is one that requires real immediate government intervention so that an alarming catastrophe may be prevented. All available hands must be put together to solve this disastrous issue.

Equipment

The National Fire Force has attracted the attention of the World Bank who has shown commitment to provide the following:

Communication equipment

Some VHF stations, VHF mobiles and VHF handhelds.

Personnel Protective Equipment) (PPE) and Structural Fire Equipment *which includes protective clothing, helmets, boots, gloves, breathing apparatus complete with air compressors and vehicle rescue tools.*

The provision of access roads in the expanded city does not fall within the remit of the Fire Authority. It is for the city planners.

Auditor's Comment

During the audit verification exercise, the FY 2021 budget was submitted and verified, the procurement of additional fire engines and equipment for fire stations was included in the budget. Until our recommendations are implemented, the issues however remain unresolved.

5.56.2. Lack of Risk Allowance, Medical or Insurance Scheme for Fire Fighters

We observed during the audit that there was no medical or insurance scheme to cover the wellbeing of fire fighters, neither has there been any allowance associated with the risk involved in executing their duties.

We recommend that the Fire Authority in collaboration with relevant stakeholders develop medical scheme for the wellbeing of fire fighters to enable them carry out their duties in an efficient and effective manner.

Official's Response

We cannot agree more with the finding and recommendation under this section. It is hoped that when the newly constructed Fire Station is commissioned at Seima Town, some rooms will be reserved as sick bay. This may not be enough, but it is a start to address the concern raised. We are committed to looking at all options that will improve upon the welfare of our personnel.

Auditor's Comment

Our audit recommendation was not satisfactorily addressed, as evidence of medical scheme that will show staff's eligibility to medical facility and insurance policy were not submitted for audit verification, to confirm that plans were underway for the welfare of staff. Therefore, this issue remains unresolved.

5.57. NATIONAL STADIUM MANAGEMENT: 2018-2019

5.57.1. Unpaid Debts by Occupants of the National Stadium Hostel

The list of occupants of the National Stadium Hostel for 2018 and 2019 was examined and compared with the receipt books to confirm whether the occupants were paying for the rooms they occupy.

Examination of the list of national stadium hostel for 2018 and 2019 revealed that there are four categories of occupants in 2018. They include: Guests, Ministry of Youth Affairs and Ministry of Sports, Chinese Technical Team, and the National Stadium Management.

During 2018, the National Stadium Management and the Chinese Technical Team responsible to carry out repairs to the National Stadium and its facilities occupied a total of 18 rooms; guests occupied 32 rooms for the five months period, and they were required to pay a total of Le65,700,000. One of the guests paid Le1,800,000. Therefore, the money owed by the guest amounted to Le63,900,000.

Furthermore, the Ministry of Youth Affairs, and the Ministry of Sports occupied 32 rooms throughout the year, and they were required to pay a total of Le115,200,000.

During 2019, the National Stadium Management and the Chinese Technical Team responsible to carry out repairs to the National Stadium and its facilities occupied a total of 15 rooms; guests occupied a

total of 42 rooms for 12 months, and were required to pay a total of Le151,200,000. One of the guests paid Le2,000,000. Therefore, the amount owed by the guests amounted to Le149,200,000.

The Ministry of Youth Affairs and the Ministry of Sports occupied 34 rooms throughout the year, and were required to pay a total of Le122,400,000.

Official's Response

The General Manager (GM) stated that Management has set up a payment plan with the guests for the recovery of the amount they owed the National Stadium Management. Some have already settled their debts and the evidence are available for audit verification. He further stated that Management will continue to engage the ministries for them to pay their rents.

Auditor's Comment

The payment plan was not presented during the audit verification exercise.

Payments for 2018 were neither made by the individual occupants nor by the ministries. Therefore, the amounts owed during the period remain unresolved.

During 2019, debt owed by individuals amounted to Le149,200,000; nine occupants who owed a total of Le32,400,000 made a part payment of Le7,300,000 payments. Therefore, the total debt owed is now Le141,900,000.

In addition, the ministries total debts of Le122,400,000 remain unpaid. The issues therefore remain unresolved.

5.58. OFFICE OF THE ADMINISTRATOR AND REGISTRAR GENERAL (HQ)-2019

5.58.1. Assessed Revenue in Vouchers not Traced to the Transit Account

We observed from detailed review of the receipt vouchers, that the sum of Le23,430,000 in the receipt vouchers is not traced into the transit account operated at the Sierra Leone Commercial Bank. There is risk that revenue collected may not have been accounted for properly.

Official's Response

The transit account is controlled and operated by the National Revenue Authority (NRA). Management advises that this query should be referred to the NRA.

Auditor's Comment

During the verification exercise, documents to enable us to trace the Le23,430,000 in the receipt vouchers to the transit account were not submitted by the National Revenue Authority. Therefore, the issue remains unresolved.

5.58.2. Overseas Travel Expenses not Supported by Adequate Documents

We examined the Vote Service Ledger (VSL) of the OARG and the payment vouchers submitted for audit inspection and observed that payments amounting to Le295,855,820 were made for the purchase of stationery, payment of air tickets, payment for utility bills and computer running cost for which adequate supporting documents such as receipt of payment, back-to-office reports, boarding pass, analysis of bills and valid itinerary were not attached to the payment vouchers. Therefore, we cannot confirm the eligibility of these payments and whether value-for-money was achieved.

Official's Response

The adequate supporting documents for stationery, payment for utility bills and computer running cost are now available with the Accountant for verification. The travelling tour was arranged by management for an official study tour for the ARG and three other staff to England, Rwanda, and Ghana. The documents of the travel were forwarded to the Ministry of Finance for onward payment of ticket to the Airline Company.

Auditor's Comment

During audit verification exercise, evidence of documents such as receipt of payment, invoices, etc. amounting to Le108,200,000 were submitted and verified. There were however no supporting documents for the outstanding amount of Le187,655,820 in relation to payment of ticket. This issue is partly resolved.

5.59. OFFICE OF THE ADMINISTRATOR AND REGISTRAR GENERAL (EASTERN REGION) – 2019

5.59.1. Inadequate Controls over the Collection and Recording of Revenue

The controls over the collection of business registration fees were inadequate.

A review of business registration files revealed that there was no evidence to show that the total sum of Le1,180,000 was received by the National Revenue Authority (NRA) for the registration of two businesses for the year under review.

A review of estate administration files also revealed that there was no evidence to show that the total sum of Le5,941,894.

We recommend that the receipts for the two businesses registered are produced or the said amount is refunded to the Consolidated Fund.

Official's Response

The files in question have been identified and the NRA receipts attached for your verification. In addition, all estates files are prepared by the Account section of the OARG – Freetown. The withholding tax of 10% that was deducted from all estates have been paid to the NRA and evidence of such has been provided to the auditors in Freetown for verification.

Auditor's Comments

Our recommendations were partially implemented. The NRA receipts were produced for Le1,180,000 but receipts were not available for Le5,941,894.

5.60. SIERRA LEONE POLICE, EASTERN REGION – 2019

5.60.1. Revenue Management and Control

In contravention of Section 45(5) of the Public Financial Management Regulations, 2018 we observed the following:

- The controls over the receipt, custody and recording of revenue are inadequate, as allocations to the regional headquarters are collected by the AIG – East who is also responsible for approving disbursements as well as the physical custody of the money.
- We could not ascertain whether revenues in arrears amounting to Le2,203,200,000 in respect of Armed Police guards assigned to commercial banks and institutions located in the command of Kenema, Motema, Tankoro, Tongo and Kailahun Divisions were paid.
- Revenue receipts were also not issued for payment of armed guards made by commercial banks and other institutions totalling Le54,000,000 for the period under review, contrary to Section 46, subsection 3(b) of the Public Financial Management Regulations of 2018 which requires that an official receipt should be issued for all revenues collected.

We therefore recommend that:

- Appropriate safeguards that do not have to do with physical movement of cash are put in place for receiving and keeping allocations received by the regional office.

- With immediate effect, necessary actions are taken to obtain evidence of payments from all clients mentioned in this report and forward to the Audit Service.
- Receipts are issued and duplicate copies forwarded to the Audit Service.

Auditor's Comment

There was no official's response or evidence of implementation of the recommendations. The issues are therefore unresolved.

5.60.2. Fixed Assets Management

In contravention of Section 171 (1) of Financial Management Regulations, 2018:

- There were unauthorised pebbles and other structures built within the barracks. There is a tendency that barracks land might be encroached upon by other persons who are not police officers. Moreover, the building of such pebbles and other structures would affect future development and planning by the Government.
- There was inadequate office equipment such as photocopier, computers, printers, scanners and internet facilities at regional CID headquarters, regional finance office and the Kenema police divisions.

We recommend that, the Assistant Inspector General of Police, the Estate Officer and the Local Unit Commander should ensure that all pebbles are verified to ensure that only police officers reside in them and evidence of the verification forwarded to the Audit Service.

We also recommend that police officers are provided with the necessary materials and equipment to ensure effective and efficient operations. Office equipment should be provided at the police offices.

Auditor's Comment

There was no official's response or evidence of implementation of the recommendations. The issues are therefore unresolved.

5.60.3. Stores Management

Contrary to Section 179(2) of the Public Financial Management Regulations 2018, we observed that: During the audit, advice slips or memos stating the quantities in litres of fuel and diesel allocated to the region were not forwarded to the Assistant Inspector General (AIG) of Police. Therefore, we could not ascertain the total quantity of fuel received by the various divisions in the region.

Delivery notes for the supply of petrol and diesel to the Tankoro division were not submitted for audit inspection. In the absence of delivery notes, we observed disparity in the number of litters of fuel supplied to the division. The records from Police Headquarters indicated that 6810 litres of fuel were supplied to the Division but documents from the Division showed that only 5625 litres of fuel were received; giving a variance of 1185 litres of fuel.

Monthly rolls of rice supply are prepared and approved by persons in charge of rice supply without the consent of the human resource officer who is in charge of collating monthly personnel rolls in the region.

The officer-in-charge of receiving and checking the drugs purchased for the Sierra Leone Police Health Clinic was also directly involved in procuring the drugs contrary to Section 180, subsection (3) of the Public Financial Management Regulations, 2018 which states that the same person should not carry out those duties.

There was no evidence to show inspection of the mechanical store where lubricants and spare parts supplied to the region are held, contrary to Section 183(1) of the Public Financial Management

Regulations of 2018, what requires vote controllers to do regular inspection of all stores under their command.

We recommend that documentary evidence for the total quantity of fuel supplied to all divisions in the region are forwarded to the Audit Service for audit inspection.

The preparation of monthly rolls to be forwarded to headquarters should be done in collaboration with the Human Resource Officer and approved by the Assistant Inspector General of Police.

The procurement, receiving and checking of drugs should be done in accordance with the Public Financial Management Regulations, 2018.

The regional stores, especially the mechanical store should be regularly inspected by an independent officer other than those in charge of the maintenance department and in accordance with the Public Financial Management Regulations, 2018.

Auditor's Comment

There was no official's response or evidence of implementation of the recommendations. The issues are therefore unresolved.

5.60.4. Detention Facility

In contravention of the provisions in the United Nation Standard Minimum Rules for Treatment of Prisoners (Mandela Rules), we observed that:

- There were no special cells for juvenile who were under custody for offences.
- Observation of police cells revealed that the facility was outdated, unhealthy, poor toilet facility (already full), limited space, poor ventilation with no facility to take bath and shower.
- Though the Kenema Division and the Local Police Partnership Board started a self-financing and construction of multipurpose building and detention facility; the building has not been completed due to financial constraints encountered by them. As a result, they have not been able to complete the construction of the multipurpose building and detention facility.

We recommend that the Assistant Inspector General of Police and the Local Unit Commander should ensure that with immediate effect the Inspector General of Police and other stakeholders are informed and appropriate actions are taken to address these issues.

Auditor's Comment

There was no official's response or evidence of implementation of the recommendations. The issues are therefore unresolved.

5.60.5. Non-submission of Documents

In spite of repeated requests for the submission of adequate records for audit purposes, the Tankoro and Motema divisions did not submit records of rice supply and revenue generation for police reports issues for the period under review for audit purposes, contrary to Section 36(1a) of the Audit Service Act, 2014.

Delivery notes for the supply of fuel to the Tankoro Division were not submitted for audit inspection and as a result the quantities supplied to the division vary in every delivery, despite the quantities supplied to the other divisions with delivery notes from the supplier being constant.

We recommend that the Assistant Inspector General of Police, the Estate Officer and the Local Unit Commanders should ensure that documents are maintained and submitted for audit purposes and that responses to audit quires are provided.

Auditor's Comment

There was no official's response or evidence of implementation of the recommendations. The issues are therefore unresolved.

5.61. IMMIGRATION, EASTERN REGION - 2019

5.61.1. Expenditure Management

An amount of Le16,000,000 was paid as rent for an apartment at the Kenema City Plaza Hangha Road-Kenema, to be used as an office for the Immigration staff in Kenema, no supporting documents were provided for audit inspection (request, pro-forma invoice, contract and receipt) for the amount paid. This was contrary to Section 100 (1) of the PFM Regulations, 2018.

The Director- Eastern Region must ensure that those documents are provided or the said amount is paid back in to the Consolidated Fund.

Auditor's Response

There was no official's response or evidence of implementation of the recommendations. The issues are therefore unresolved.

5.61.2. Non-submission of Documents

Contrary to Section 36(1a) of the Audit Service Act, 2014, accountable documents for Kailahun and Kono districts were not made available for audit review.

5.61.3. General Observation

We observed that revenue collection in the eastern region is very poor; interview with key staff in the eastern region disclosed that they did not collect any revenue for the period under review. They disclosed that all taxes/revenue from non-citizens within the region were collected in Freetown.

The lack of imprest for the running of the Immigration Department-Eastern Region may hinder the smooth operation of the office.

The lack of an official vehicle in the region prevented the Director of Immigration –Eastern Region and the other staff to attend official matters outside Kenema which may also lead to delays in doing spot checks to certain areas within the region. The office did not receive stationery and fuel for the period under review.

Auditor's Comment

There was no official's response or evidence of implementation of the recommendations. The issues are therefore unresolved.

5.62. SIERRA LEONE POLICE NORTHERN REGION – 2019

5.62.1. Revenue Collected for Armed Guards not Paid into an Account

We reviewed the list of armed guard security personnel maintained by SLPHQ and SLPNE. We observed that a total of seven (7) armed guard security personnel were not on the list maintained by the SLPHQ, whereby monthly payments are made by institutions that are within the SLPNE for the services provided by the armed guards. Further enquiries revealed that the arrangements for the deployments of these OSD personnel are done by the senior officers at the headquarters in Freetown with only verbal instructions given to the regional OSD coordinators without any written correspondences and/or agreements.

We recommend that the Regional OSD Coordinator should ensure that the difference in the list submitted by the SLP-NE and the list submitted by the SLPHQ is reconciled and submit same to the audit team for verification. The senior officers at the Police headquarters in Freetown should ensure

that all deployments of OSD personnel are well documented and instructions to the regional OSD coordinator is done using a written correspondence and not verbally, to enhance reconciliation.

Official's Response

We acknowledged this finding made by the team. The inconsistency in records for OSD deployment at the North East Region and SLP PHQ lies squarely on the information provided by the Director of OSD in Freetown to PHQ and not us at RHQ North East. The deployment process in the North East Region goes as follows: -

- *Firstly, it is the responsibility of the OSD Commander at RHQ to collate all deployment of personnel in the region and forward same to the Director of OSD in Freetown.*
- *Secondly, upon receipt of the deployment list by the Director he in turn forward a copy to PHQ to the account section for consistency in the payment of funds for the armed guards to the revenue generation account no. 1100666 (BSL) respectively.*
- *Thirdly, our responsibility at RHQ is to deploy personnel only, of any other dealings in respect of such deployment is directly transacted at PHQ*
- *Fourthly, all payments of armed guards' deployment in the region is facilitated by the Head offices situated in Freetown and not the branch offices in the region.*
- *Finally, the contract is between the Head offices in RHQ and PHQ in Freetown, we only receive instruction to deploy and nothing more.*

Auditor's Comment

Management's response has been noted. The reconciliation between HQ and RHQ deployments to account for the difference was however not provided for verification. This issue is therefore not resolved.

5.62.2. Imprest and Medicare not Responsibly Managed

The audit team realised that transfer of revenue for imprest of Le25,000,000 and Medicare of Le62,600,000 from Police Headquarters to North-East Regional office was done in cash, whilst the regional office is operating a dormant imprest account with the Sierra Leone Commercial Bank.

It was also revealed that, the region supposed to receive Le25,000,000 per quarter as imprest allocation. For the 2019 financial year, we however observed that the North-East region only received Le25,000,000 as imprest which is far below the required amount needed for the daily running expenses of the Regional offices.

We also discovered that, Police personnel are contributing Le20,000 each for medical provision. The North-East Region has a total of 1,139 personnel, with contributions totalling Le68,340,000 per quarter and Le273,360,000 yearly. We recommend that in future, the IG must ensure that all transfer of monies (imprests) are done through imprest account by the SLPNE with Sierra Leone Commercial bank and a written transfer advice sent to the regional support officer for accountability, transparency and audit purpose. The IG should also ensure that imprest allocations are made regularly and on a timely basis to support the effective operations of the SLPNE.

Official's Response

We acknowledged this finding made by the team. The allocation of funds to the region is determined by authorities in Freetown i.e. either by cash, cheque or direct credit transfer to the SLP imprest account for North East Region. The decision lies with them on which amongst the three methods they wish to adopt.

We acknowledged this finding made by the team. It is however true that imprest sent to the region is done on a quarterly basis i.e. after every three months but we cannot tell why it was only one quarter sent for the year under review. It is not clear which yardstick was used by authorities in Freetown to send the said amount for 2019. We will be grateful if this

issue is made known to authorities at PHQ in Freetown as the region continues to undergo constraints due to lack of funds to meet its Administrative and Operational activities.

We appreciate this finding made by the team. It is however true that a total of Le62,600,000 was sent to the region for 2019 as Medicare Imprest. The North East region could not determine when and how much to be sent to the region only authorities at PHQ in Freetown could determine that.

Auditor's Comment

Management's response has been noted. This is however in contravention of Section 121(1) of the Public Financial Management Regulations 2018 which states: "A payment from an imprest fund shall be made by cheques or bank transfer". Therefore, the issue is unresolved.

5.62.3. Ineffective and Inefficient Service Delivery

There were insufficient vehicles to carry out the operations of the SLPNE. The number of vehicles in the region is not commensurate to the area covered by the police. Therefore, the SLPNE cannot fully cover the whole region in terms of patrols.

The cells at the Makeni Division cannot accommodate large number of suspects under detention for investigations. This facility was built to accommodate 25 inmates. Makeni City has expanded over the years and crime rate is also on the increase; congestion in the available cells may lead to other health and social problems of the detainees.

We recommend that the AIG SLP-North-East should liaise with the IG to ensure that sufficient vehicles are available for the effective operations of the police force and to enable a better coverage for the North-East police.

The AIG should ensure that the adequate and sufficient cells are provided to meet the increase in the population and increase in crime rate.

Auditor's Comment

There was no official's response or evidence of implementation of the recommendations. The issues are therefore unresolved.

5.62.4. Poor Health Care Services to Beneficiaries

There was insufficient essential equipment at the police clinic such as beds, tables, delivery sets, mattresses to carry out major and basic health care services. Interview conducted with key personnel and physical verification carried out revealed that the general medical consumables that support the effectiveness of health care delivery such as gloves, mattress, aprons, soap etc. were in short supply.

Interview and physical verification conducted revealed that the police clinic has no functioning ambulance. It was further revealed that patients were mostly transported to the clinic with the use motorbikes, which can also worsen their medical condition or expose their lives to high risk of accident.

We also noted during physical verification of the police clinic infrastructure that the clinic building has very limited space to accommodate the number of patients who visit/attend the clinic. This exposes the patients to congestion and possible transmission of diseases.

We recommend that the CHO should liaise with the AIG North-East and IG of police to ensure the following:

- The necessary equipment is provided to enhance the work of the medical staff of the police clinic. In addition, medical consumables needed by various units of the hospital are made available to enhance effective health care services delivery.
- Request be made for an ambulance so as to ease the conveyance of patients in critical medical condition and in emergency cases.

- The rehabilitation and expansion of the hospital building and provision of placenta pit and incinerator for proper disposal of medical waste.

Auditor's Comment

There was no official's response or evidence of implementation of the recommendations. The issues are therefore unresolved.

APPENDIX

LOSSES OF CASH AND STORES IN RESPECT OF GPFS, LCs , PE& MDAs FOR THE ANNUAL AUDITOR-GENERAL'S REPORT 2019

Institution/Project	Detail	Amount (Le)	Ref. Page
GPFS			
General Purpose Financial Statement	Revenue not banked	25,317,376,874.00	2, 21, 22, 23
	Under assessment of GST revenue	22,196,697,785.00	5
Total for GPFS		47,514,074,659.00	
LCs			
Bombali District 2019	Sitting fees to absent councillors	6,330,000.00	87
Falaba District 2019	Revenue collected on receipt books but not brought to account	142,400,000.00	76
	Revenues from timber dues not accounted for	82,600,000.00	94
	Sitting fees to absent councillors	43,270,000.00	87
	Withholding taxes not deducted and paid over to NRA	31,797,645.00	86
	Fuel not accounted for	469,285,500.00	84
	Ineligible expenditure	87,680,000.00	94
Kambia District 2019	NASSIT contributions not paid	12,969,000.00	86
	Payments without supporting documents	245,540,000.00	78
	Fuel not accounted for	1,262,538,343.00	84
	Revenue collected on receipt books but not brought to account	33,960,000.00	92
	Ineligible expenditure	10,000,000.00	93
Port Loko City 2019	Withholding taxes not deducted and paid over to NRA	8,224,109.00	86
	Fuel not accounted for	241,285,000.00	82
Port Loko District 2019	Withholding taxes not over paid to NRA	38,676,763.00	86
Makeni City 2019	Withholding taxes not over paid to NRA	9,148,712.00	86
	Sitting fees and transport allowances paid to absentee's councillors	15,670,000.00	87
Karene District 2019	Sitting fees and transport allowances paid to absentee's councillors	23,620,000.00	87
	Withholding taxes not deducted and paid over to NRA	90,184,323.00	86
Koinadugu District 2019	Withholding taxes not over paid to NRA	16,759,853.00	86
Bonthe District 2019	NASSIT contributions not paid	8,190,000.00	86
Bo District 2019	Sitting Fees and transport allowances paid to absentee councillors	50,630,000.00	87

Institution/Project	Detail	Amount (Le)	Ref. Page
	Payment without supporting documents	7,826,000.00	88
Moyamba District 2019	Fixed Assets not accounted for	7,560,000.00	88
	Withholding taxes not over paid to NRA	23,747,812.24	86
	Sitting fees and allowances paid to absentees' councillors	2,490,000.00	87
Bonthe Municipal 2019	Sitting fees and allowances paid to absentees' councillors	7,160,000.00	87
Koidu New Sembehun 2019	Sitting Fees Paid to Absentee Councillors	66,210,000.00	87
Freetown City 2019	Payments of salaries to former staff without justification	39,115,544.00	90
	PAYE not paid	401,321,046.00	86
	Sitting fees and allowances paid to absentees' councillors	104,080,000.00	87
	Payment of overseas expenses for non-council staff	200,942,333.00	91
	Payments without supporting documents	620,665,772.00	91
	Unpaid withholding tax	633,198,042.00	86
	Fixed Assets not accounted for (USD\$7,500*Le9,009)	67,567,500.00	97
Western Area Rural	Sitting Fees Paid to Absentee Councillors	43,260,000.00	87
	Unpaid withholding tax	92,985,192.00	86
	Unpaid NASSIT	5,175,000.00	86
	Procured Items Not Fully Delivered to the Council (motor bike and stocking for pond)	30,300,000.00	73
Total		5,284,363,489.24	

Institution/Project	Detail	Amount (Le)	Ref. Page
	PEs		
Fourah Bay Colloge-2017	Payment without supporting documents	5,495,498,544.10	151
Office of the Ombudsman-2018	Withholding tax not deducted and paid to NRA	48,097,000.00	199
Sierra Leone Teaching Service Commission-2018	Bonus paid without approval from the Financial Secretary	33,546,762.00	201
Environment Protection Agency-2018	Fuel not accounted for	5,160,000.00	204
Guma Valley Water Company- 2015-2017	Payment without supporting documents	373,260,161.00	217
	Withholding taxes deducted without evidence of payment to NRA	214,579,029.00	217
	Differences noted in cash collection deposited in the bank	1,039,306,189.78	214
	PAYE deducted without evidence of payment to NRA	3,479,070,023.51	221
	Payments for additions to non-current assets not supported	558,128,586.00	219
	Payments for fuel purchased without supporting documents	188,628,750.00	220
	Payments for Chemicals without supporting documents	1,629,387,175.00	221
Sierra Leone Ports Authority-2018	Payment without supporting documents	38,320,000.00	234
	Unjustified payments for Corporate Social Responsibility	755,386,905.00	233
Sierra Leone Water Company- 2017-2018	Payments without supporting documents	2,254,931,724.00	239
Sierra Leone Agricultural Research Institute-2016-2017	Payments without supporting documents	16,337,650.00	247
National Social Security and Insurance Trust-2017-2018	Sisimi Project - Documentation not provided to justify Existence and Liquidity Capacity	6,000,000,000.00	251
West Africa Regional Fisheries Project-2019	PAYE not deducted and paid to the NRA	114,661,821.50	254
Public Financial Management Improvement and Consolidation Project-2019	PAYE not deducted and paid to the NRA	1,642,925,822.00	255
Revitalising Educational Development In Sierra Leone-2019	PAYE not deducted and paid to the NRA	836,202,594.96	256
Sierra Leone Agro-Processing Competitive Project- 2019	PAYE not deducted and paid to the NRA	322,921,493.90	257
Rights to Access Information Commission-2019	Withholding tax not deducted paid to NRA	50,896,454.00	271

Institution/Project	Detail	Amount (Le)	Ref. Page
College of Medicine and Allied Health Services-2018	Payments without supporting documents	97,165,351.00	159
	No evidence to justify PAYE paid over to NRA	380,712,649.00	159
National Council for Technical Vocational and Other Academic Awards- 2019	Withholding tax not deducted and paid to NRA	28,784,758.00	186
Sierra Leone Road Safety Authority-2018	GST payments without GST receipts	228,229,625.00	273
	Withholding tax not paid to NRA	628,322,616.00	277
	PAYE deducted without evidence of payment to NRA	304,616,000.00	277
Electricity Generation and Transmission Company-2016-2018	Withholding tax not deducted and paid to NRA	5,358,312,092.00	143
Sierra Leone Ports Authority-2019	Unjustified payments for Corporate Social Responsibility	531,300,000.00	229
Sierra Leone Maritime Administration-2016-2017	Payment of withholding tax without receipts	231,583,547.07	266
	Payment for additions to non-current asset without supporting documents	449,612,954.55	263
	Receipts not provided for payments of NASSIT and PAYE	6,191,161,299.00	261
	Receipts not provided for under deductions of PAYE on rent allowance	807,174,393.00	261
	Payments of terminal benefit without supporting documents	328,166,430.00	264
Sierra Leone Water Company -Three Towns Water Sanitation Project-2019	Payments without supporting documents	37,700,000.00	285
Ernest Bai Koroma University of Science and Technology, Port Loko Campus-2016-2017	Payments without supporting documents	104,274,000.00	165
	Payments without supporting documents relating to UNICEF	86,400,000.00	166
	Sitting fees paid without documentary evidence	147,339,000.00	166
	Salaries paid to part timers without documentary evidence	234,755,000.00	167
Ernest Bai Koroma University of Science and Technology, Secretariat -2016-2017	Understated PAYE tax	14,985,599.00	171
	Withholding tax not deducted and paid to NRA	187,116,338.50	173
	Assets purchased not provided for verification	426,362,845.00	170
	Ineligible leave payments	290,543,487.00	171
Ernest Bai Koroma University of Science and Technology, Makeni Campus -2016-2017	Payments without supporting documents	602,441,000.00	177
	PAYE deducted and not paid to NRA	2,427,720,460.00	180
	Revenue not accounted for	32,165,000.00	176
	Withholding tax deducted but not paid to NRA	82,198,335.00	178
	Sitting fees paid without evidence of meetings	72,592,000.00	178
	Statutory deductions not paid to NASSIT	340,537,533.00	180

Institution/Project	Detail	Amount (Le)	Ref. Page
Office of National Security-2018-2019	Withholding tax deducted not paid to NRA	12,474,890.00	286
	Staff loan not deducted	149,287,196.00	286
Njala University – 2016- 2018	Payments without supporting documents (Le 2,095,997,470 + Le598,683,600 + Le704,605,348)	3,399,286,418.00	292
	Withholding tax not deducted and paid to the NRA (Le99,854,482.45+Le64,354,851.83+Le76,328,573.75)	240,537,908.00	293
	Withholding taxes deducted but not paid to NRA	39,092,112.00	294
	Outstanding NASSIT payment	4,414,335,966.00	298
	Leave allowances paid without supporting documents	1,820,882,268.00	298
	Wages to casual workers without supporting documents (Le343,565,500 + Le419,444,500.00 + Le22,000,000.00)	785,010,000.00	299
	Payment of salaries without supporting documents	2,653,121,303.00	299
PEs Total		59,263,547,058.87	
MDAs			
Ministry of Finance-2019	Salary paid to employees on the payroll vouchers but not on the staff list	3,678,352,905.00	311
	Salary to staff without documentary evidence	1,252,822,596.00	310
	Monthly basic salary increases without evidence	78,235,634.00	310
	Staff arrears without evidence	183,822,803.00	310
	Payment of arrears to Consultant without evidence	155,874,178.00	310
	Payments without supporting documents & other funds not accounted for	3,638,932,299.00	313
	PAYE taxes under deducted from employees' salaries and allowances.	475,720,292.96	311
Ministry of Planning and Economic Development-2019	Allowances paid to staff/taskforce were not subjected to PAYE deductions	216,600,000.00	317
	Payments without supporting documents	23,609,500.00	317
Ministry of Fisheries and Marines Resources-2019	Payments without supporting documents	15,750,000.00	367
Ministry of Local Government and Rural Development - 2019	Standing Imprest not retired	99,529,000.00	368
	Office furniture and equipment not made available for physical verification	61,800,000.00	370
Ministry of Agriculture and Forestry, Headquarter- 2019	Goods not delivered by the supplier	70,880,000.00	318

Institution/Project	Detail	Amount (Le)	Ref. Page
Ministry of Agriculture and Forestry, Bo- 2019	Revenues collected not deposited into the CF	14,420,000.00	326
Ministry of Agriculture & Forestry – Bombali- 2019	Fuel utilisation records not submitted	3,218,840.00	326
Ministry of Agriculture & Forestry – Kailahun- 2019	Payments without supporting documents	6,000,000.00	333
Ministry of Defence, Headquarter- 2019	Excess payment not refunded or deducted from any subsequent payment to the supplier	274,494,835.00	333
Ministry of Basic and Senior Secondary Education, Headquarter- 2019	Payments without supporting documents	1,878,414,525.00	343
	Withholding taxes not paid over to NRA	25,992,560.00	343
Ministry of Basic and Senior Secondary Education, Kailahun- 2019	Payments without supporting documents	69,895,000.00	351
Ministry of Health and Sanitation- 2018 -2019	Proceeds from the sale of bidding documents not accounted for	10,920,000.00	352
	Records to support fuel utilisation not submitted (Le410,000,000 + Le302,797,500)	712,797,500.00	355
	Payments without supporting documents - 2019	207,478,355.00	355
	Withholding taxes not paid over to NRA-2019	20,421,795.00	356
Makeni Regional Hospital- 2018- 2019	Payments without supporting documents (Le297,118,169 + Le100,928,946)	398,047,115.00	357
	Withholding taxes not deducted and paid to NRA	7,988,961.00	357
	Imprest not retired-2019	39,416,000.00	357
	Payment made for fuel not supplied	90,000,000.00	357
	Payment made for contract not fully executed	112,630,400.00	358
Ministry of Health and Sanitation, Hospital Kenema - 2018-2019	Payments without supporting documents	5,300,000.00	364
Ministry of Health and Sanitation, DHMT, Kono- 2019	Non-Payment of statutory obligations	4,160,970.00	367
Ministry of Health and Sanitation, DHMT, Kailahun- 2019	Payments without supporting documents	87,147,000.00	363
Ministry of Tourism and Cultural Affairs- 2016 – 2018	Payments without supporting documents - 2016-2018 (Le558,881,000+ Le63,000,000 + Le139,050,000)	760,931,000.00	373
	Procured items for the refurbishment and relocation of the National Dance Troupe to Cultural Village not brought to accounted for-2017	1,657,950,000.00	373
Ministry of Youth Affairs - 2016-2018	Payments without supporting documents (Le10,738,845,694.50 + Le8,255,161,989.85 + Le3,042,100,000)	29,595,760,784.00	392
	Withholding taxes not paid to NRA (Le31,382,549.50 + Le11,036,730.15)	42,419,279.00	392

Institution/Project	Detail	Amount (Le)	Ref. Page
Ministry of Social Welfare, Gender and Children's Affairs- 2017-2018	Payments without supporting documents- 2017- 2018 (Le6,228,991,900 + Le1,890,000,000)	8,118,991,900.00	376
	Special imprest not retired-2018	1,017,800,000.00	377
Ministry of Social Welfare, Gender and Children's Affairs, Kenema - 2017-2018	Payments without supporting documents	3,500,000.00	377
Ministry of Labour and Social Security - 2017-2018	Special imprest not used for its intended purposes	72,080,000.00	378
	Payments without supporting documents	34,100,000.00	379
Ministry of Energy - 2017 -2018	Special imprests not fully retired-2017	52,643,235.00	381
Ministry of Water Resources- 2017-2018	Withholding tax not deducted and paid to the NRA	353,200,973.00	384
	Special imprests not fully retired-2018	405,320,000.00	384
	Payments without supporting documents (Le838,055,034+Le857,705,000)	1,695,760,034.00	384
	Fuel chits or utilisation records by the Ministry not submitted - 2017- 2018 (Le366,974,000+Le72,738,000)	439,712,000.00	385
	Fuel for project activities not accounted for 2018	107,755,480.00	387
	Solar panel connection and a battery for 100KVA Generator not available for verification -2018	1,228,675,000.00	388
Sierra Leone Correctional Service, Headquarter - 2019	Cash loss from unfair procurement activities	152,088,000.00	418
Government Printing Department - 2019	Taxes not paid to NRA	65,845,565.00	441
Law Officers Department – 2019	Special imprest not retired (\$2,000 @ Le7,930)	15,860,000.00	442
Parliamentary Service Commission – 2018- 2019	Travel expense not supported by documents- 2018	332,973,951.00	437
	Double payment to supplier not refunded- 2018	104,580,000.00	437
	Air ticket expense not supported by documents-2019	246,090,500.00	438
	Imprest not retired - 2019	315,000,000.00	438
	DSA not supported- 2019	292,971,000.00	438
	Salary paid to ineligible staff- 2019	12,637,000.00	439
Judiciary of Sierra Leone, Headquarter- 2019	Revenue not traced into the CF	12,436,150.00	406
	Procurement not supported by documents	181,821,128.00	408
	Salaries paid to retired staff without extension	12,924,200.00	416
	Fuel disbursed but not acknowledged by recipient	1,032,940,000.00	411
	Fuel disbursed without supporting documents	119,805,500.00	411
	Cash inappropriately disbursed not refunded	77,100,000.00	413

Institution/Project	Detail	Amount (Le)	Ref. Page
Office of the Chief Minister- 2019	Expenditure without retirement	57,350,000.00	443
Office of the President- 2019	Special imprest for overseas travel not retired (\$160,000 @ Le9,009)	1,441,440,000.00	433
	Daily Travel Allowance paid to an ineligible individual (\$2,160@ Le9,009)	19,459,440.00	434
Office of the Vice President- 2019	Special imprest for overseas travel not retired (\$7,500 @ Le9,009)	67,567,500.00	435
	DSA payment due to double dipping not refunded (\$7,767.90 @ Le9,009)	69,981,011.10	436
Provincial Secretary's Office-East - 2018	Imprest not accounted for	485,000,000.00	402
	Fuel not accounted for	942,136,000.00	403
Immigration, Eastern Region -2019	Payments without supporting documents	16,000,000.00	450
Office of The Administrator and Registrar General-Kenema- 2019	Payments without supporting documents	5,941,894.00	447
Total		65,515,141,588.41	
GRAND TOTAL		177,577,126,795.52	