



REPORT ON THE PARLIAMENTARY BUDGET OFFICE'S TRAINING WORKSHOP ON THE SIERRA LEONE BUDGET SYSTEM, PUBLIC FINANCIAL MANAGEMENT, PFM REFORM STRATEGY AND RESEARCH METHODOLOGY

3rd – 7th AUGUST 2020

Venue: Committee Room No. 1, Parliament of Sierra Leone Building



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1.0 LIST OF ACRONYMS

AFROSAI	African Organisation of Supreme Audit Institutions
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AGD	Account General Department
ASSL	Audit Service Sierra Leone
ASSL	Audit Service Sierra Leone
BAN	Budget Advocacy Network
BSL	Bank of Sierra Leone
EAS	Economic Assessment Survey
EEMS	Electronics Expenditure Management System
ESB	End of Service Benefit
EU	European Union
GoSL	Government of Sierra Leone
GST	Goods and Services Tax
IMF	International Monitoring Fund
INTOSAI	International Organisation of Supreme Audit Institution
MAFFS	Ministry of Agriculture, Forestry & Food Security
MDA	Ministries Departments & Agencies
MoF	Ministry of Finance
MP	Member of Parliament
MTEF	Medium Term Expenditure Framework
MTFF	Medium Term Fiscal Framework
NRA	National Revenue Authority
NMA	National Mineral Agency
PAC	Public Account Committee
PBO	Parliamentary Budget Office
PEFA-PMF	Public Expenditure & Financial Accountability Performance Management Framework
PFM	Public Financial Management
PRU	Parliamentary Research Unit
PSA	Parliamentary Service Act
QAIP	Quality Assurance and Improvement Program
RA	Revenue Authority
SARI	Semi-Autonomous Revenue Institutions
SSL	Statistics Sierra Leone
SLIMM	Sierra Leone Integrated Macroeconomic Model

2.0 EXECUTIVE SUMMARY

The Parliamentary Budget Office (PBO) was established in 2007, with its mandate derived from Section 13, subsection (1) of the Parliamentary Service Act (PSA) of 2007. It was established in line with best practices from other parliamentary jurisdictions to support the Parliament of Sierra Leone with the provision of high-quality research information which are of financial and economic interest and especially those related to budget matters. Through the provision of fiscal policy analysis and initiation of specific macroeconomic studies, the unit was created to support the legislative process in the Parliament of Sierra Leone.

Delivering on this critical mandate requires the PBO to have in place well experienced and skilled staff, with the relevant technical knowledge to undertake the various studies and research engagements. A skills assessment study that was conducted in Parliament brought out recommendations for capacity development of the current crop of PBO staff, in order for them to adequately respond to the research information needs of Members of Parliament (MPs) and parliamentary staff. The PBO was also required to ensure effective collaboration is done with relevant departments and institutions, both within and out of Parliament, in order to complement their work.

In order to deliver on the capacity and collaborative needs of the Unit, support was sought from the European Union (EU) Governance Support Programme (Parliament Component) to undertake a Five (5) days capacity development training workshop. The workshop was organised in the Committee Room No. 1 of the Parliament of Sierra Leone, from the 3rd to 7th August 2020. It had participants drawn from other relevant Units and Departments in Parliament. Facilitators with the requisite skills and knowledge in respect of the various workshop topics were selected from Parliament, the Ministry of Finance (MoF), National Revenue Authority (NRA) and Audit Service Sierra Leone (ASSL). Two former Members of Parliament were also selected to facilitate, based on their previous experiences in the Finance and Public Accounts Committees in Parliament.

The training workshop was planned to ensure participants from especially the PBO will have a relatively good understanding of what is required to enhance their work. The workshop was designed to ensure skills and knowledge acquisition in areas related to Budgeting and Budgetary Control and analysis, Public Financial management (PFM), The National PFM strategy of Sierra Leone and Research Methodology amongst others.

This report which reflect outcomes of the capacity building workshop, provides detailed outline of the main activities and highlight of statements from the Speaker of Parliament, EU Representative and Deputy Director of the Parliamentary Budget Office, as well as presentations from various Facilitators. Plenary discussions and participant feedback sessions which brought out the training outcomes are all informed in the report. The fundamental information obtained through presentations from the Facilitators brought to the fore some critical information that largely guided the workshop.

Day one deliberations covered presentations from officials mainly from the Ministry of Finance and Accountant General's Office, the National Revenue Authority and Director of Finance of the Parliament of Sierra Leone. The presentations were technical in nature and provided information on relevant finance and budget related matters useful for the capacity development needs of the participants.

Day two accounted for presentations from the Internal Audit Head of the Parliament of Sierra Leone and Deputy Auditor General of the Audit Service of Sierra Leone. It also covered presentation from the Director of PFM Reform and provided useful insight into the PFM reform strategy and other related

matters. It also featured a recap of day one deliberations and also made room for the soliciting of additional comments from participants to confirm knowledge acquisition from them.

Day three made room for presentations from the Deputy Director of Budget from the Ministry of Finance, Director of the Budget Advocacy Network (BAN) and Committee Clerk of Finance in the Parliament of Sierra Leone. The presentations provided enriching information on budget formulation and management issues, which made useful information for the participants.

Day Four covered a presentation from the Clerk of Parliament based on shared experiences with the Kenyan Parliament. Experience sharing submissions were later made by two former Members of Parliament, whilst the EU Governance support programme Lead and Deputy Director of PBO, later made submissions based on the strategic workings of the Parliamentary Budget Office.

Day Five of the workshop entailed a presentation on ‘Research Methodology’ and “ Reflections and way forward session”. The research Methodology was handled by the Deputy Director of Parliamentary Research Unit, who provided details on the general concept of research, the types, methods and standard template and explanation on the type which is applicable for the PBO. The way forward session ended with a lot recommendations on what needs to be done to enhance the independence, effectiveness and efficiency of PBO, which are factored in the action points.

The report finally presents specific findings and recommended actions emanating largely from the plenary discussions and presentations from the Facilitators and serves as critical actions which are expected to guide the way forward. The outcomes contained in the report clearly reveal the need for the workshop which provides an opportunity for the Parliamentary Budget Office to enhance its capacity in order to meet the critical information demand of Members of Parliament.

3.0 INTRODUCTION/BACKGROUND

The Parliamentary Budget Office (PBO) was established in the Parliament of Sierra Leone in 2017. It was created with the main purpose of providing evidence-based high-quality research and specific studies related to information on economic and financial interests, advise the Legislature on budget matters and support the legislative process through costing of proposals initiated by the Executive arm of Government. In order to deliver on its core mandate, the PBO was structured to deploy many processes and procedures such as preparation of briefs related to the Economy and Public Finances, support with analysing government budget policies and intentions, and assist in strengthening the work of Parliamentary committees responsible for budget oversight. The unit consist of 9 staff, with leadership provided by the Deputy Director, and supervised by the Finance Directorate of the Parliament of Sierra Leone.

Most staff members of the PBO have just been newly recruited and have limited experience in the work needed to fulfil the mandate of the PBO. They require the specific skills in order to effectively provide independent and non-partisan analysis of the budget cycle, fiscal policy and the financial implications of proposals. They need the requisite experience to prepare budget analyses and policy costings on request by Members of Parliament and Parliamentary staff. Since Legislators require reliable, unbiased information to be able to participate in a constructive manner in formulating the budget, the PBO is required to have in place staff with the right skills to adequately support them in the budget preparation process.

Though the PBO has delivered on producing documents like the District Development Fact Sheets, Budget Brief of Government Expenditure of Selected Sectors, First and Second Quarterly 2019 economic and

budget briefs amongst others, the Unit has not been able to adequately show case efforts done in the pursuit of its mandate, but now determined to meet its critical commitment of carrying out professional analysis of macro-economic and fiscal policy, for the purposes of raising the quality of parliamentary debate and promoting greater budget transparency and accountability.

The PBO also works closely with the Research Unit, Finance and Public Account Committees and other Units and Departments. Through this collaborative engagement, there is a long-term approach that PBO is currently focusing on and look forward to come up with its own road map for growth, development and institutionalisation. Through its Strategic Plan Matrix, it identified capacity building as one of the key actions needed to deliver on its core mandate.

With support from the European Union Governance Programme the PBO commenced a five-day workshop on 3rd August 2020 for staff members of the Parliamentary Budget Office (PBO), Parliamentary Research Unit and Committee Clerks that are attached to Finance, Parliamentary Account Committee (PAC), Transparency and Accountability Committee amongst others. The training workshop is mainly intended to build the human capacities of staff members in order to be able to deliver services independently, professionally and impartially to MPs.

4.0 WORKSHOP OBJECTIVES

The main objective of this training is to enhance the capacity building and effective reporting of the Parliamentary Budget Office (PBO) and some other parliamentary staff. The specific objectives are related to the following:

- Increase in the understanding of Parliamentary Staff on the Sierra Leone Budgetary system, and budget circle.
- Increase in the understanding of Parliamentary staff on the PFM system in Sierra Leone.
- Enhance accurate and timely reporting
- Ensure improved support to Members of Parliament.

5.0 WORKSHOP METHODOLOGY

The workshop was designed to serve as a mix of training and presentations to be facilitated by budget and public financial management experts and professionals from within and outside of Parliament. The plan, topics and duration of training were carefully selected to reflect the workshop outcomes. The training was also planned to be organised in strict adherence to government guidelines on the prevention and control of COVID 19 and aimed at helping the trainees acquire knowledge relative to skills for analysis, collation and reporting; inculcating attitudes of professionalism and objectivity in the conduct of their work.

The workshop was also designed to be largely participatory in nature. The core delivery processes covered presentations by Facilitators to provide details on matters related to budget analysis, research approaches and financial related legal frames and implementation strategies.

The workshop implementation also made room for the eliciting of feedback from participants through various discussions to determine the outcome of the training process. Through the deliberations, participants were expected to confirm understanding of the various topics delivered and required to provide details on how acquired skills or knowledge will help them in their work.

5.1 Day One – 3rd August 2020 Opening Ceremony / Statements

Welcome Statement by The Deputy Director of PBO-Mr. Ibrahim Jimissa

In his welcome address, the Deputy Director of PBO, Ibrahim Jimissa thanked the leadership and donors for their support towards the Unit. He recalled that the rationale for the training workshop was to fulfill the deliverables in their strategic plan 2020-2022; a document that was developed to provide a road map for the Unit. He also intimated the audience that a need assessment was recently conducted in Parliament, the outcome of which revealed the need for capacity development in the PBO. He maintained that though most of the staff members were academically qualified, they however have limited experience tailored in line with the demands of the Unit and further commended the EU Delegation to Sierra Leone and Governance Team for organizing the workshop.

The capacity needs of the PBO staff he indicated was long seen as a critical requirement to position the staff well in their contribution to the overall success of Parliament. He emphasised that the capacity development was geared towards achieving a collaborative effort in contributing towards achieving the mandate of Parliament. He highlighted the structure within the PBO and deliberated their various roles and responsibilities. He noted that most people within Parliament do not have a comprehensive knowledge about their mandate and intimated that the Parliamentary Budget Office has been engaged in various interventions that are primarily related to simplified versions on analysis of the short- and long-term implications of government financial documents. He concluded by expressing hope for team work within the Unit and reassured all that the training workshop will provide valuable opportunities for the Unit to deliver on its core functions.

Statement by Mr Mark Liljefelt –Acting EU Ambassador to SL

The Representative of the EU Ambassador to Sierra Leone, Mats Liljefelt in his goodwill message assured the Speaker of Parliament of continued working relationship and recalled several supports strides and collaborative engagements including the Bo Retreat, Parliament Open Day, reviewing of Strategic Plan and upgrading of Parliamentary Website, COVID-19 Response Plan and their collaboration with UNDP to review the Standing Order.

He further acknowledged all key stakeholders present and specified that he is representing the EU Ambassador who was unavoidably absent, due to him attending to some other exigencies. He particularly acknowledged the effort of Parliament in operationalising the 'Bo Declaration' document which to a large extent had brought so much improvement in the process of making parliament collaborative. The Acting Ambassador further maintained that he was very pleased with the effort of the Parliament of Sierra Leone in promoting transparency and accountability within the parliamentary space, especially its effort in enhancing efficiency in the promotion of independent, evidence-based and objective research processes and financial analysis for utilisation by Members of Parliament (MPs).

Regarding the training, he mentioned that Parliament is expected to prioritize transparency, accountability and robust oversight and emphasised that PBO needs to be supported to consistently inform Parliament through the provision of independent and non-partisan analysis of the budget cycle, fiscal policy and the financial implications of the proposals brought before parliament. He also highlighted the powers of PBO in other countries and stressed that the Sierra Leone Parliament needs to make available all required support to make the Unit more responsive to the needs of MPs. The PBO he maintained should be supported to undertake independent analysis, provide professional advice to MPs on budget and fiscal matters, in line with their capacity needs.

He later confirmed how impressed he was with the various workshop topics and the inclusive nature of participants for the workshop, especially with the presence of the Parliamentary Research Staff. By the end of this training, he indicated the need for the specific outcomes to address research needs and the promotion of transparency and accountability in the budget process within the Parliament of Sierra Leone.

Keynote Address by The Rt. Hon. Speaker of Parliament-Dr. Abass Chernor Bundu

The Rt. Hon. Dr. Abass Chernor Bundu in his keynote address expressed that it is a great personal pleasure for him to welcome to Parliament the representative of the Ambassador of the European Union to Sierra Leone. He further mentioned that it is even more gratifying that the EU is able to join Parliament to launch a training workshop on Public Finance Management and the Sierra Leone Budget System. The Parliamentary Budget Office (PBO) he maintained was established in the Parliament of Sierra Leone in 2017, pursuant of Section 13 of the Parliamentary Service Act of 2007 that empowers the Parliamentary Service Commission to establish such units as it considered necessary or expedient for the efficient performance of its functions.

The establishment of the Parliamentary Budget Office (PBO) he furthered was made possible after study visits by MPs and staff to the Parliaments of Uganda and Ghana, through the support of UNDP. He clearly revealed that it was considered necessary then to set up the PBO to support Parliament's oversight functions through the following actions:

- Provision of independent and objective analyses of the position of the country's public finances and the economy.
- Support to Parliamentary Committees like Finance, Public Accounts, Accountability and Transparency on budget related matters
- Costing of government and legislative proposals.
- Support to Parliament's institutional strengthening process, through the gathering of macroeconomic and budget information, network with think tanks, NGOs, media and academia.

In order for the PBO to be able to carry out the above functions effectively and efficiently, he stressed the need for some fundamental requirements:

- 1 First and foremost, the PBO must be independent i.e. independent from Government authority and control in the discharge of its duties.
- 2 The unit must be free to analyse available data and come to its own conclusions exclusive of the methods used by MDAs.
- 3 There is therefore need for separate legislation to govern the operations of the PBO in addition to giving it the necessary autonomy.
- 4 The PBO's work must be authoritative relying on reputable and credible data and technical expertise.
- 5 The PBO must be non-partisan, which connotes the absence of political affiliation of any kind and its analysis must be completely devoid of political perspectives.

The Strategic Objectives of the PBO he further affirmed must be guided by the broad objectives of the Parliamentary Strategic Plan as reviewed from time to time and should cover building PBO to effectively deliver on its mandate, ensuring its increased efficiency in Parliament, building and reinforcing the capacity of Parliament in budget scrutiny and oversight and development of viable domestic, regional and international network for research and policy development.

He highlighted the various documents produced by the PBO since 2018 and lauded the effort made so far by them. He suggested that the PBO should aim to be the principal hub for impartial budget, economic and fiscal research and analysis that will be required to strengthen the effectiveness of Parliament's oversight, legislative and law-making function in the national budget process.

He later made mention of the need to improve the working standards of MPs and Parliamentary staff and reassured all that the Leadership of the Parliament of Sierra Leone is determined to join and be part of the new normal already in vogue in the Parliaments of Ghana, Kenya and Uganda, to name a few. These Parliaments he confirmed are advanced in the level of developing and passing their own budgets; a situation which he said will also be the case in Sierra Leone in the not too distant future.

5.2 Workshop Presentations

5.2.1 “Macroeconomics and Budget Process – Mr. Samuel Bonzu, Director, Macro Economic Policy, MOF

The objective of this presentation bordered on establishing the linkage between Macro Economics and the budget process and also to provide an insight on how PFM can contribute to the Macro-fiscal stability. The Director of the Macro Economic Policy of the Ministry of Finance limited his presentation to case studies in Sierra Leone. He commenced with the economic prospect survey which has a solid connecting thread with the Sierra Leone Macro-economic Model. They determine the deficit between the government revenue and the model. He also confirmed a working relationship between the International Monitoring Fund (IMF), as a 100 million USD was recently disbursed to the Government of Sierra Leone following an annual benchmarking engagement.

He also mentioned the Economic Assessment Survey (EAS), leading to the Macro-Fiscal Workshop as an essential step in the various stages of the budget process. The survey he revealed was conducted by the Macro-Fiscal Policy Working Group which includes: The Ministry of Finance, Bank of Sierra Leone (BSL), Statistics Sierra Leone (SSL), National Revenue Authority (NRA), Ministry of Agriculture, Forestry and Food Security (MAFFS), National Minerals Agency (NMA), as well as the Ministries of Mines and Mineral Resources, Water Resources, Tourism and Cultural Affairs, among others.

The Objectives of the Survey he revealed was to assess the performance of the economy overtime and to predict the medium- term growth trajectory of the economy. It was also required to assess the impact of Economic Policies implemented in the past in assessment of the successes made and adjustment to any inefficiency of the policies for continued economic growth.

As part of the Budget Execution process, the facilitator maintained that Government developed an Electronic Expenditure Management System (EEMS) in 2019 to ensure fiscal discipline, efficient and effective utilization of public funds. This he mentioned has been achieved through a web-based system that was designed to streamline and automate the end to end processing of payments in the public service from the paper-based PETS forms and vouchers.

An Integrated Financial Management Information System (IFMIS) he said has been rolled out to additional 26 MDAs in 2019 giving a total of 57 Ministries Department and Agencies. Trainings he further emphasised has been conducted for IFMIS users in the second quarter of 2019 for potential roll out to additional MDAs. Government he also mentioned had commenced the process of developing an Electronic Funds Transfer (EFT) System to support electronic interbank funds transfer between Bank of Sierra Leone and the Account General’s Department.

The presentation also accounted for the PFM and macro-fiscal stability considerations while preparing the Budget. This he said are related to confirmation whether the macroeconomic and fiscal constraints taken

into account properly, indicating whether the economic assumptions and revenue projections underlying the Budget are accurate and consistent, as well as confirming the availability of a Medium-Term Fiscal Framework (MTFF). He concluded by highlighting the various types of fiscal rules such as debt, budget balance, expenditure and revenue rules.

5.2.2 “Introduction to Public Finance Management (PFM) and Key Concepts” Mr. Alfred E. Demby, Assistant Director, PFM Reform Division/MOF

In his presentation, the Assistant Director of the PFM Reform Division of the Ministry of Finance gave introductory appraisal of the Public Financial Management framework. He commenced by identifying the PFM as a means through which government manage their resources and reiterated that It refers to laws, organizations, systems, and procedures that are required for a government to implement fiscal policy well. The fiscal policy he affirmed is seen as the management of government spending and revenue to influence the economy. Through fiscal policy he assured all that government can directly or indirectly influence the behaviours of all players in an economy.

The use of monetary and fiscal policies he revealed are the core tools the government may use to influence the economy. The PFM he revealed ensures the budget cycle flows and operates as intended through its processes related to the fiscal framework, budget preparation, budget execution, accounting and reporting, control and audit and its legal framework. He further threw light on the Budget execution process and assured all that once the budget is approved by the legislature, budget execution is the next stage when financial resources are made available and used by the executive towards achieving the purposes and objectives set out in the approved budget.

He also highlighted the role of expenditure control during project execution and confirmed that the level and purpose of government expenditure reflect the will of the legislature as voted for in the budget. Expenditure controls he further highlighted should reflect sound financial management principles to ensure that public resources are utilized efficiently and incurred obligations are cleared in a timely manner.

He further highlighted Key requirements in the PFM Act relating to budget and financial statements. PFM Regulation 252 for example requires that Monthly statement of the consolidated revenue fund be published within one month of the end of each month and quarterly statements of the Central Government shall be published in the Gazette and website of the Ministry of Finance and to parliament within 2 months after end of each quarter. Provision is also made he revealed for state budget submission to parliament not later than 6 weeks before beginning of the following year (i.e. Mid-November each year), as per amendment of the Finance Act 2020.

He also emphasised that Public Participation through which citizens interact directly with public authorities to design, implement, and review budget and fiscal policies is a best practice now undertaken in most jurisdictions. This is so because budget decisions have a significant impact on the life of citizens and their participation can improve the fiscal responsibility of the executive and ensure that citizens play a watchdog role in order to prevent misuse of public funds.

In conclusion, he mentioned that good PFM practices contributes to National Development through updated legal framework, sound fiscal policies, Improved forecasts and execution of budget and reporting, effective oversight institutions and promotion of accountability and transparency.

5.2.3 “The Role of Payroll in PFM”- Mr. Musa A Kargbo Payroll Unit, Account General’s Department.

The presentation commenced with the recounting of the various responsibilities of the Accountant General and he emphasised that Part II, Section 9 sub-section 4 Page 17 of the PFM Act reveal that “The Accountant-General may inspect premises or places of budgetary agencies for the purpose of preventing the occurrence of loss or deficiency in public money caused by fraud, embezzlement, or carelessness”.

The Payroll Circle it was maintained also covers manpower hearing & budget Hearing, as well as monthly payroll processing, reporting monthly payroll variance and comparing actual payroll cost to the budget.

Fourteen (14) categories of Payroll were also identified during the presentation and covered those related to MDAs, Police, Teachers, Consultants, Military, Sierra Leone Correctional Service, Sierra Leone Fire Authority, Sub vented Agencies, Political Class, Political Pensions, Tertiary Institutions, other Security Agencies, Local Councils and Foreign Missions. It was later revealed that there is a total workforce of **83,766**, following which the payroll timetable forms the input commencement on to the distribution of payroll to institutions.

The National Social Security and Insurance Trust (NASSIT) were also highlighted to cover 5% Employee’s Contributions applicable to all staff, 10% Government Contributions applicable to all staff, 2.5% Govt. Contributions (Validation of Past Service) and 2% Govt. Contributions (Military early retirement). The presentation also brought out Reporting Monthly Payroll Variance to indicate areas in which issues of underpayments, overpayment, omission of name (unpaid salaries), and placing name in wrong institution are identified and addressed.

While comparing Actual Payroll Cost to Budget, it was revealed that on a quarterly basis, the utilization of the payroll budget is normally determined to see which institution(s) have gone above or are expected to go above their budget in a particular month and report to management.

The Role and Relevance of Computerized Payroll in PFM was also highlighted and identified as those related to improved customer service, reduction in the possibility of error, fraud and corruption, implementation of strategic instructions from the leadership of MoF, improved payroll reporting and preparation of public accounts. The challenges he further maintained border on resistance to change, systems problems, power failure, costly systems and the systems integration to the Financial Accountability (FA).

5.2.4 “Revised Procedures for the Payment of End of Service Benefits” - Mr. David Kamara, Payroll Unit, AGD

The presentation commenced with highlight of the Government End of Service Benefit (ESB) related to Gratuity on Retirement, Death Gratuity, Ex-Gratia Gratuity/ Contract Gratuity and Pension. The various types of ESB related laws/regulations were further highlighted as follows:

1. Cap.173 of the laws of Sierra Leone 1960
2. Judges Conditions of Service Act 1983
3. Presidents and Vice Presidents Retiring Benefits Act 1986
4. Parliamentary Pensions Act 1980

5. National Social security and Insurance Act 2001
6. State Salaries and Pensions Act 2003
7. National Commission for Social Action Act 2015
8. Finance Act 2019
9. General Orders/Civil Service Code

The various Procedures for the payment of ESB on retirement were also revealed. It was confirmed that upon receipt of the retirement letters from HRMO, an application form for the payment of ESB of a retired Officer should be completed by the specific Ministry, Department or Agency where the Officer last served prior to retirement. The next phase of the process relates to the submission of the completed form to the Director-General of the Human Resource Management Office (HRMO) for approval and update of available records. The HRMO it was confirmed later transmits the forms to the Accountant-General to do the required calculation and necessary pre audit checks. The computed end-of-service benefits is then forwarded to the Auditor-General's Department for verification, after which the documents are again forwarded to the Accountant General's Department for process of payment and to raise request for the allocation of Funds. Following approval from the Financial Secretary, the request is then sent to the Bank of Sierra Leone (BSL) for payment to be remitted to beneficiaries' bank accounts at the commercial banks.

Information was later provided in respect of the Government and NASSIT Pension for public officers, based on Cap.173 of the laws of Sierra Leone 1960, Members of Parliament, Ministers, Judges, President and Vice President and Public officers, based on NASSIT Act 2001(60 years old and 180 months contributions). Reference was made to mandatory documents required to be obtained when making the necessary benefits acquisition processes. Such documents relate to completed ESB Form, Appointment letter/Attestation, Retirement Letter/death certificate, Last pay certificate (if applicable), Record of service (if applicable), Personal Identification Number (PIN), NASSIT number, Bank details and Identity Card-NASSIT/National/Passport/Driving license. The various provisions Government/NASSIT Gratuity and Pensions were also highlighted.

5.2.5 "Treasury Single Account, Cash Management and Cash Flow Forecasting"- Mr. Ibrahim M. Bangura - Unit Head, Cash Management, Accountant Generals Department

The presentation commenced with the definition of the Treasury Single Account (TSA). It was defined as a set of linked banked accounts through which the government receives all revenues and transacts all payments and gives a consolidated view of government cash resources. Regarding the operations of the TSA, it was advanced that it requires identifying all bank accounts of MDAs, Projects and State-Owned Enterprises. It also makes room for the closure of all accounts in the commercial banks and transferring balances to their disbursement accounts at Bank of Sierra Leone. Predesignating the disbursement accounts as treasury accounts and utilising the balances in these accounts in the computation of ways and means on a daily basis also serves as a requirement.

It was indicated that implementation of the TSA goes along with some benefits associated with efficient cash management, visibility of all bank accounts, complete and timely information of all Government's cash resources, improvement in the operational control during budget execution, elimination of unnecessary borrowing costs, improvement in the bank reconciliation and quality of fiscal data and assurance of better fiscal and Monetary policy.

As part of the cash management functions, the facilitator identified the following:

1. Opening and Closing of Bank Accounts for MDAs
2. Change of signatories to bank accounts
3. Calculation of weekly revenue collections
4. Calculation of weekly government bank accounts balances and
5. Maintaining a Database of all Government Accounts held in the various banks.

Participants were also taken through the processes of preparing weekly templates for Cash Flow Forecasting for discussion at the Cash Management Committee meetings. He maintained that a quarterly template for 13 weeks forecast is normally prepared and shows elements such as revenues, expenditures, financing and cash surplus or deficit. It was also confirmed by the Facilitator that all MDAs are currently paying their monies into the TSA.

5.2.6 “Coding and classification of Income and Expenditure in the Government Account” - Claudia Johnson, Snr. Finance Management Officer, PFM Reform Division/MoF

The objective of this presentation was to explain the government account coding system as indicated in the chart of account. She started by identifying the 27 Digits Chart of Accounts covering Five segments covering organisation/Ministry Department/Agency (7 Digits), Fund (3 Digits), Program/Project (8 Digits), Location (5 Digits) and Object of Income/Expense (4 Digits).

She further highlighted elements related to the chart of accounts segments, chart of account table, organization segment and sectors. A sector she observed comprises of MDAs of the same nature or performing similar functions. The broad sector classifications are connected to General, Security, Social, Economic, Miscellaneous, Public Debts, Local Councils and Grants. Within these sectors she declared are various MDAs having various Divisions and Cost centers. The various sectors and their codes were submitted and it was revealed that MDAs serving the General Services Sector of Government have code beginning with 1. The Security Sector MDAs are identified by code 2. whiles MDAs within the Social and Economic Sectors are identified by codes starting with 3 and 4 respectively. Miscellaneous and Debt Services she said are represented by 5 and 6 respectively. The 19 Local Councils are denoted by code 7.

The lowest level of classification within the Organization Segment she emphasised is the Cost Centre. These she said are reporting Units within Divisions in MDAs. The 6th and 7th digits of the Organization Segment represent the Cost Centres existing in the various Divisions. There is provision in the codification for the fund table which provides for multiple entities in the Fund Source Table. The Fund structure provides Financial Statements for individual MDAs, Councils & Donor Agreements; separate consolidated statements for Councils and Donors; separate consolidated statements for the General Government & Donors; and a consolidated statement for all funds.

Another element she maintained has to do with Fund Source code which identifies the provider as in 0 for the Consolidated fund; 1 for the World Bank; 2 for the European Union; 3 for the African Development, 4 for the IMF, 5 for the DfID; 6 for the IDB; 7 for Local Councils and 9 for Others

Under the Location Segment, she clarified that this shows where the activity is being implemented with the lowest level being the ward. This she said is preceded by Chiefdom, District and Region respectively.

5.2.7 “Revenue Administration”- Dr. Philip Kargbo, Director of Monitoring, Research and Planning NRA

The presentation initially identified what a General Tax System Entails. It also covered opinions on what makes a good tax system. There was a general consensus that five basic conditions should be maximized to the greatest extent possible to ensure a good tax system. They border on the following:

- **Fairness/ Equality:** It reflects taxpayer’s ability to pay, and enhances horizontal and vertical equity
- **Adequacy:** It means that taxes must provide enough revenue to meet the basic needs of society
- **Simplicity:** taxpayers can avoid a maze of taxes, forms and filing requirements
- **Transparency:** the public can easily find information about the tax system and how tax revenue is used
- **Administrative ease:** taxes should not be costly to collect and should not discourage business

The Facilitator further drew a clear dichotomy between Tax Policy and Revenue Administration. The Tax Policy he maintained is the decision by the government as to what taxes to levy, at what rates, and also serve as a guide towards tax administrations in the execution of their functions. The Tax Administration he revealed refers to the administration, management, conduct, direction, and supervision of the execution and application of the domestic revenue laws or related statutes and tax conventions to which a government is a party.

Sierra Leone’s tax/revenue system according to the Facilitator comprises of Direct taxes normally imposed on income arising from business, employment and property. E.g. corporate tax, Indirect taxes which are domestic and international levies on goods and services and Non-tax revenues which are all government’s revenues that are not derived from taxes. E.g. fees, charges and levies, royalties. He further gave clear definition of each categories of taxes, tax base and rate, as well as the basis for each.

The Facilitator also spoke extensively on the evolvement of Semi-Autonomous Revenue Institutions (SARIs). He mentioned that it is the extent to which a public sector institution can function independently from government in terms of legal form and status, funding and budget flexibility, and financial and human resources policies. Semi-autonomous agencies he also confirmed operate at arm’s length of the government and they carry out public tasks such as regulation, service delivery, and policy implementation within specific subsectors including revenue authorities, insurance regulatory authorities, scientific councils.

The NRA was also confirmed as a semi – autonomous government authority charged with the responsibility of collecting and accounting for all domestic revenues including the non-tax revenues. Headed by a Commissioner-General (CG), the activities of the Authority are overseen and supervised by the Board of Directors and Ministry of Finance (MoF) respectively. Its mandate refers to assessing and collecting domestic taxes, customs duties, and other revenues specified by law, trade facilitation and administering and enforcing laws related to these revenues. The vision of the NRA was also articulated, as well as its core values related integrity, transparency, accountability, equity and service excellence. Current major reforms at the NRA were also identified as the implementation of ASYCUDA World for Customs and introduction of ECR for Goods and Services Tax (GST) Administration.

Conclusively, he maintained that the tax rates and application of taxes are not significantly different from what you will find after conducting a comparative analysis, but revealed that the tax administration in Sierra Leone however still remains notably below what best practice demands. He mentioned that the establishment of the NRA in 2002 was a step in the right direction, consistent with what obtains in several other countries, as the benefits have been evident, He affirmed that they remain hopeful of fulfilling the vision of being an institution of excellence.

5.2.8 “Accounting and Reporting” - Mr. Abdulrahman N’jai-Director of Finance, Parliament of Sierra Leone

The Director of Finance of the Parliament of Sierra Leone commenced his presentation by looking at the objectives aimed at covering the applicable accounting procedures in Sierra Leone as well as the differences between the private sector and public sector financial reporting.

He further defined Accounting as the act of collecting, classifying, recording, and summarizing in a significant and systematic manner, and in monetary terms, activities, events and transactions which are, in part at least, of financial character, and interpreting the results. As part of the introductory notes, he also defined Taxation as a payment levied by government for which no good or service is received directly in return – that is, the amount of tax people pay is not related directly to the benefit people obtain from the provision of a particular good or service.

Delving further in his presentation he mentioned that the object of accounting is to provide socio economic information for decision-making. It is often analyzed as a series of activities which are linked and form a progression of steps beginning with observing, collecting, recording, analyzing and finally communicating information to its users. Accounting Information he therefore maintained is the end result of the accounting cycle which begins with the record of business transactions and includes all events. The process is included with the production of summarized financial statements namely, the profit and loss account (income statements or statement of comprehensive income), balance sheet etc.

He also specified the Users of Accounting Information and their Information Needs. The needs of users of accounting information he said is critical to determine the goals of an accounting information system. There are several groups of people who have vested interests in an entity, such as creditors, customers, employees, managers, shareholders, etc. Additionally, he identified the various stakeholders as those who are external, internal or connected. The influence of the various stakeholders results in many firms adopting non-financial objectives in addition to the financial objectives include maintaining a contented workforce, showing respect for the environment and providing a top-quality service to customers.

The Accrual basis he further mentioned recognises and records financial events based on economic activity rather than financial activity, while the Cash basis recognises and records financial events based on cash flows (cash receipts and cash payments) and cash position. Revenue he said is recognised when cash is received and expense is recognised when cash is paid. The Modified cash basis approach he now confirmed is a hybrid method that combines the features of the two methods.

5.3 Day Two – 4th August 2020

The second day of the workshop commenced with a recap of happenings in the first day. Participants confirmed that a lot was learnt during day one, which accounted for a couple of well delivered presentations. It was confirmed by one participant that what was imbibed can be practically applied.

Highlight of other observations and feedback from participants during the recap engagement were as follows:

1. The presentation on the macroeconomics and the budget process was well delivered and provided useful insight for the participants,

2. The presentation on the introduction to the PFM increased the knowledge of the participants on the concept which serves as a useful tool for the development process in Sierra Leone.
3. Time management was however discussed as an issue that needs to be improved upon.
4. A Committee Clerk confirmed that the presentation on Revenue Administration and accounting and reporting provided huge learning for him.
5. The statement by the Speaker was seen as motivating and inspiring

5.3.1 “Internal Audit functions/duties in an MDA”- Mr. Augustine Kamara-Chief Internal Auditor, Parliament of Sierra Leone

The Chief Internal Auditor of the Parliament of Sierra Leone commenced his presentation by providing an overview of the Internal Audit Unit in the Parliamentary Service (PS) which was created pursuant to Section 19(1) of the Parliamentary Service Act of 2007. The Internal Audit Unit he maintained serves as an important part of the internal control framework within Parliament and helps the commission accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, internal controls and governance processes. The Internal Audit assures that key risks to the achievement of the Parliamentary Service’s objectives are appropriately addressed. He also provided details on the Unit’s vision, mission and mandate. The primary objective of the Parliamentary Internal Audit he revealed is to provide independent, objective assurance and, consulting services designed to add value and improve the Parliamentary Service’s system operations, control and governance processes.

He further identified critical success factors for an internal audit function and revealed that the internal audit’s core competencies are directly related to its mission, role and scope of work. The internal audit’s staffing strategy he further mentioned reflects its mission, role and required competencies.

He additionally identified some key achievements by the Internal Audit Unit and highlighted them as follows:

- ▶ The development of routine activity checks, focusing on checking/reviewing sample payment vouchers for supporting documents, updating of Vote Service Ledgers, preparation of Bank Reconciliation Statements, banking of revenue intact etc.
- ▶ The Internal Audit activities have led to the deletion of names of employees who have either retired, died or abandoned their post for a very long time. This is estimated to lead to a savings of millions of Leones annually.
- ▶ The development of an Audit Committee.
- ▶ Establishment of needs Assessment Committee.
- ▶ Establishment of a Quality Control Committee.
- ▶ Timely production of Quarterly and Periodic Audit Report.

The Internal Audit he confirmed has received training in Internal Audit Benchmarking in Uganda through the support of UNDP and newly recruited staff recently benefited from an in-office training by the Head of Internal Audit. He however also identified some critical challenges related to capacity gaps in specialized areas, non-existence of key internal control management policies such as Assets Management Policy, Fuel Management Policy, Cash/Finance Management Policy and slow response turnaround to the implementation of audit recommendations.

He therefore made proposal for the development of an Internal Audit Guidance manuals, operationalization of the Audit Committee, standardization of working paper files, Increased capacity of Internal Audit staff members through more trainings and increased collaboration with the Audit Service amongst others.

5.3.2 “External Audit and Oversight” -Mr. Tamba Momoh-Deputy Auditor General, Audit Service Sierra Leone (ASSL)

He commenced his presentation by commending the organizers for such a training event since any organization or institution deals with finance and budget related activities. As an auditing body he said they are also subjected to scrutiny and oversight by Parliament during the committee of supplies stage. He also confirmed that they are a department of government and like any other department, they are not devoid of challenges. He also maintained that Section 119 of the 1991 constitution accounted for the establishment of the Audit Office. In 1998 he revealed that a law was passed through an Act of Parliament that gave independence to the audit office in the employment of their staff and how they do their operation. The Audit Service Act of 1998 was not functional until 1st August 2004 a period they were able to recruit the best of professionals as staff, to ensure a great impact in the management system with efficiency and effectiveness.

He further gave details of the various legislative provisions related to the Auditor General’s Department. It came into existence since the passing of the Audit Act of 1962 and was strengthened by the 1991 Constitution of Sierra Leone. The Audit Service Act 1998 established the Audit Service Sierra Leone (ASSL). The specific mandate of the Auditor General is derived from Section 119 (2) of the 1991 Constitution of Sierra Leone and Section 86 (1) and Section 86 (3) of the Public Financial Management Act 2016

He went further to define audit as an independent examination/evaluation of a person, organisation, system, process, enterprise, project or product. In terms of staff capacity, he confirmed that there is a total of 189 staff strength, with a breakdown of 117 from the technical component and 68 support staff

The Audit Service or its equivalent institution in any country he maintained is referred to as a Supreme Audit Institution (SAI). Like other SAI’s the Audit Service Sierra Leone (ASSL) is a member of umbrella bodies like International Organisation of Supreme Audit Institution (INTOSAI), African Organisation of Supreme Audit Institutions (AFROSAI), African Organisation of Supreme Audit Institutions in English Speaking Africa. (AFROSAI-E). The importance of these associations he reaffirmed is to provide professional support to the ASSL and to monitor compliance with International Audit Standards.

Post-presentation deliberations accounted for concern as to whether the ASSL also audit private institutions. The response was in the affirmative and it was observed that the ASSL mandate has been extended through the PFM Act of 2016 to the auditing of private monies received for and on behalf of the people of Sierra Leone. Audit report it was also confirmed should be laid in Parliament and debated before any other further actions are taken.

5.3.3 “PFM diagnostic tools and the Public Expenditure and Financial Accountability (PEFA)”- Mrs. Princess L. Johnson, Director PFM Reform/MoF

The PEFA program she intimated participants was initiated in 2001 by seven (7) International Development Partners. PEFA she maintained is a tool for assessing the status of public financial Management and provides a thorough, consistent and evidence-based analysis of PFM performance at a specific point in time. She further indicated that it assesses how PFM impacts on the key budget outcomes -fiscal discipline, efficient resource allocation, efficient service delivery and establishes the basis for developing and implementing improvements in PFM. PEFA she also revealed includes 31 performance indicators across the

broad array of PFM activities performed by governments. These indicators she said are grouped under seven pillars related to budget reliability, transparency of public finances, management of assets and liabilities, policy-based fiscal strategy and budgeting, predictability and control in budget execution, accounting and reporting and external scrutiny and audit.

The group of indicators in each pillar she emphasised capture the performance of the key systems, processes, and institutions of government and each indicator in turn includes one or more performance dimensions. A set of other supplementary indicators are also available to build on the PEFA Framework.

The Objectives she explained are broadly related to measuring progress over time through a set of standardized indicators, build momentum for PFM reform, facilitate donors' decisions on priorities and use of country systems and foster stakeholder coordination around one common assessment

Making a clear assessment of PEFA the Facilitator confirmed that PEFA looks at the whole issue of reform. She also maintained that there are about 152 countries that has done PEFA. She also revealed that there was a supplementary framework to the new PEFA assessment included in January 2020 known as the gender responsive framework.

She further expressed her desire to have the team of participants from Parliament to be included in a training at the MoF funded by the EU that they are working on. The training she mentioned border on PEFA and the open Budget Survey.

Post-presentation concerns were also captured during deliberations. The initial concern raised was whether PEFA is a body on it own or under a body. It was confirmed that it is a body on it own, but under the World Bank. A question was also raised as to whether PEFA has being able to look at what is being approved by Parliament or the proposal presented by the MDAs as incorporated by the MoF during the national budget.

5.3.4 “Introduction to PFM Reform”- By Mrs. Princess L. Johnson, Director PFM Reform/MoF

The Director of PFM reform in her second presentation gave an overview of the PFM Reform Strategy 2018-2021. The 2014-2017 PFM Reform Strategy expired and there has been completion of review assessment of the Strategy.

The core objectives she maintained is now geared towards modernising the PFM System to support the long-term vision of becoming a middle-income country, strengthen PFM systems and institutions for improved fiscal discipline, alignment of resources to well-defined strategic priorities and efficient use of public resources to deliver public services.

She also mentioned Thematic areas related to the following:

1. Strategic policy & budget planning
2. Budget execution, reporting, Monitoring and Evaluation
3. Revenue Administration, Policy, Accounting, Forecasting & Transparency
4. Local Government Finance – strengthening local PFM and decentralization
5. PFM Oversight and Public Accountability

Dwelling on the budget Execution, Reporting, Monitoring and Evaluation objective, she mentions actions related to strengthening budget credibility, improved scope, quality and timeliness of budget execution monitoring and reporting, asset management, effective management of central government's cash flow, implementation of the Treasury Single Account and reliable production of accounting and financial reporting. She also mentioned actions related to data integrity regarding the payroll system and establishment of effective Quality Assurance and Improvement Program (QAIP).

Outlining the details under the local government finance – strengthening of Local PFM and decentralisation objectives, she identified actions related to strengthening of Local PFM Policy Framework and Coordination, strengthening of local revenue mobilization and management and solid engagement with Non-State Actors on strengthening of community-based monitoring and assessment of the PFM and increased public awareness and participation in the budgetary processes.

While referencing the aspect of Program Governance and Management, she mentioned the PFM Steering Committee which provides strategic oversight, policy direction; decision-making; strategic guidance with direct engagement of core PFM stakeholders, including ministerial participation. She also identified other structures like the PFM Technical Committee and Thematic Technical Working Groups and gave a detailed explanation about their respective functions and mandate.

5.4 Day Three – 5th August 2020

Day three of the workshop commenced with a reflection on deliberations during day two. It was observed that the presentation by the Deputy Auditor General accounted for in-depth understanding of the operations of ASSL. It was revealed by the Deputy Director of the Parliamentary Budget Office that through various engagements, there is now a growing awareness of PBO in Parliament. The effectiveness and impact of the training it was observed is that it showcases the Unit and expected to raise the commitment bar of staff to deliver on their mandate.

5.4.1 “Definition of Budget and Key Actors in Sierra Leone and understanding the Budget Process.”- Mr. Ernest Gbessay Swaray, Deputy Director of Budget, Ministry of Finance

The Deputy Director of Budget commenced his presentation by throwing a question to the audience for them to attempt defining the word budget. From all responses of the participants backed by his definition, budget was defined as a financial statement involving some estimates for expenditure to finance a particular activity. The purpose of the budget he maintained is to plan expenditure for a particular activity. At national level he emphasised, it is important to leave a little room for contingency. He mentioned about the current trend of the COVID-19 which was not planned for and now accounting for request from some MDAs for additional funds.

A budget he maintained takes into consideration the estimated revenue and expenditure of government for a specified period of time, usually a year. He furthered that it is an instrument utilized to actualize development plans undertaken by the government and is also an important economic policy instrument for managing the national economy.

Identifying the Legal Framework, he specified the 1991 Constitution (Part VI), PFM Act 2016, PFM Regulations 2017, the Finance Acts, the Public Procurement Regulations 2020 and Local Government Act 2017 as some legal instruments bearing on the budget formulation and implementation process.

He further made specific reference to the various institutional responsibilities in the Budget System. **Parliament** he mentioned approves the State Budget, the supplementary estimates, guarantees and Loans from Consolidated Fund, as well as ratify external loans and grants contracted or received. **The Cabinet** he confirmed approves the Fiscal Strategy Statement, Bills including Appropriation and Finance Bills, while the Minister of Finance develops Fiscal Policy and Strategy Statements, prepares State Budget, monitors and controls its execution and manages TSA and Cashflows amongst other functions. The Financial Secretary he mentioned ensures application of the PFM Act and advises the Minister of Finance, while the Accountant General receives and secure custody of all Public Moneys, makes disbursements from the Consolidated Revenue Fund and manages and publishes Government Accounts.

The Head of the Budgetary Agency he mentioned submits budget proposals, allocates and manages the Resources of the Budgetary Agency, while the Vote Controller of the Budgetary Agency advises the Head of the Agency and maintain the PFM systems and internal controls The District Budget Oversight Committee he revealed assist in the formulation and monitoring of Poverty Related Activities and report on budget execution to Budget Bureau, while the National Public Procurement Authority regulates and harmonises procurement processes and ensures participation in procurement by qualified participants. Non-Institutional Responsibilities in the Budget System were also identified to reflect those from Development Partners, Non-State Actors and Policy and budget discussions

Budget Formulation Template he confirmed are always sent to MDAs, who in turn submit their proposals for discussion to the Ministry of Finance. There is then a consolidation process of MDAs budget proposals into a National Budget. The draft budget he said is then submitted to Cabinet for discussions and approval. MDAs go through a scrutiny process in Parliament and following the publication of the Appropriation Bill for not less than 3 times, Parliament then approves and pass it for assent by the President.

He later spoke around cash management which is geared towards the timely availability of funds, prevention of arrears accumulation and reduction in government borrowing needs. Budget oversight Monitoring and Evaluation process was also identified and key players in this process like Parliament, Audit Service, District Budget Oversight Committees and divisions were referenced. Regarding accounting and financial reporting, various tools were identified, as well as the respective actors.

The Facilitator ended his presentation by making a reflective statement on the need for State Budget to build strong economies, growing jobs and delivering a bright future'. On a rhetorical note, he asked whether the State Budget should be perceived as a Political Tool?

5.4.2 “The role of Parliament in the Budget Process”: By Mr. Mahmoud Barrie, Clerk of Finance Committee, Parliament of Sierra Leone

Delivering his presentation on the ‘role of Parliament in the Budget process, the Clerk of Finance Committee started by defining a budget statement as the Government’s fiscal and economic policy measures relating to its annual revenue and expenditure decisions. The budget he said is arguably the most potent instrument of the government in carrying out its policies and provides an important tool to discipline governments towards achieving its objectives.

Within the jurisdiction in Sierra Leone, he confirmed that the legal credence to the budget process is provided for in Sections 110 to 119 of the 1991 Constitution and Parliamentary Standing Orders 63 to 69, the Public Finance. Management Act of 2016 and other Financial legislations. He also revealed that the budget in Sierra Leone is cash budget and is prepared on a rolling basis.

He later went through the budget preparation phase which starts with the issuance of a Circular (Budget Call Circular) to all Vote Controllers of Ministries Departments and Agencies (MDAs) by the Financial Secretary of the Ministry of Finance usually at the start of June. He later spoke around the budget approval/ legislative phase and highlighted various considerations in line with the first reading, second reading, committee of supply and third reading and enactment. The First reading or budget speech is normally the most closely followed event in Parliament after which the Appropriation makes it way through the legislative process. Five days are normally allotted the second reading which is also known as the budget debate phase. At the committee of supply phase, the Appropriations he maintained is now committed to Committee of the whole house for further scrutiny in accordance with S.O. 64/1/2 & 3. The third reading or enactment phase takes into account the preparation of the Appropriation Committee reports from the proceedings are prepared and presented, after which amendments are made and a motion passed for the Third reading by the Minister of Finance which is decided without debate.

Following reflective deliberation of the day three session, it was confirmed by participants that a lot of learning took place regarding knowledge around the budget process. It was confirmed clarity has been sought through the training about the various processes of budget preparation, approval, execution and monitoring. Going through the various stages of the budget process proved to be very educative for most participants

Day Four – 6th August 2020

5.5.1 “The Role of Parliamentary Budget Office in the Budget Process (The Kenyan Experience)”: By Hon. Paran Tarawally Clerk of Parliament.

The Hon. Clerk of Parliament confirmed that his experience during his visit to the Kenyan Parliament has made room for some learnings. The PBO he confirmed is close to the heart of the Speaker, as Parliament all over the world are now moving toward not just budget approval, but also budget making. He maintained that as a Parliament, efforts are now made for progression towards a budget making Parliament. The Speaker he also revealed want PBO to take the lead in making Parliament a budget making one as is the case with the Kenyan Parliament.

As is evident in the Kenyan Parliament, he called on the PBO team to ensure they consistently prepare analyses of specific issues, including financial risk related matters. He suggested that the PBO should consider making budget proposals and economic trend analysis part of their core business and that they should make themselves more familiar with the PFM Act and be in charge to deliver professional advice to MPs and parliamentary staff when requested and also in a pro-active manner.

He also admonished the PBO team to ensure they establish and foster a working relationship with the Ministry of Finance and other financial related institutions like the World Bank, IMF and others. He spoke about consideration to promulgate a statutory instrument to compliment the work of the PBO in the Parliament of Sierra Leone. A huge consideration which he also highlighted is for the PBO to have a report on the implication of every bill that comes to Parliament.

He gave an account of a best practice in the Kenyan Parliament, where no minister pilots a bill in Parliament. The process is such that when the government makes a bill, the minister lobby with the specific committee in Parliament to pilot the bill. Once the appropriation bill is formulated, the minister only introduces and read the content of the bill. No debate takes place and Speaker commits the bill to the different sessional select committees that are in charge of various MDAs. The committee then sit individually to look into it.

One outstanding feature of the Kenyan Parliamentary jurisdiction is the room for public participation. The public is required to participate under oath. This is however quite different in Sierra Leone, where the committee of supply invoke SO 75 to carry out their budget probing exercise. Whiles the Kenyan budget making process is participatory, the Clerk of Parliament emphasised that this is not the case in Sierra Leone.

5.5.2 “Strategies for engaging with other Key Stakeholders in the Budget Process”: By Orison Choparda/Ibrahim Jimissa.

The presentation commenced with the utilisation of two acronyms: PANEL and PRIME, which was introduced as a strategy for the working of a PBO staff in any parliamentary jurisdiction, if efficiency and effectiveness should be achieved.

The first acronym PANEL featured as follows:

- P:** Policy Familiarization and covers utilising existing document to perform required task
- A:** Accountability, which speaks to matters related to accountability based on documents used as reference.
- N:** Networking- anchored on the need to engage key institutional stakeholders.
- E:** Evidence base- ensures the use of ample referencing and empirical evidence.
- L:** Linkages- with democratic best practices of parliamentary institution

Usage of the other acronym was outlined as follows:

- P:** Proactive- ensuring the utilisation of a forecast strategy in the planning and workings of the PBO.
- R:** Responsiveness- timeliness and control through peer reviewing to maintain accountability.
- I:** Information-upholding relevant information.
- M:** Motivation- staff motivated to search for genuine information.
- E:** Evaluation-critical to be utilised on a regular basis

Making a complementary presentation, the Deputy Director of the PBO highlighted the relevant legal provisions for the establishment of the PBO. The role of the PBO is critically linked to information sourcing and gathering. The PBO he advanced rely largely on key stakeholders, both within and outside of Parliament, to help them provide them support the information needs of MPs.

He recounted that there is need to operationalise some strategies in order to improve on the budget process. Matters related to the regular review of the questionnaire used by the committee of supplies he observed should be an action point for both the Clerk of the Committee on supplies and that of the PBO Team.

5.5.3 “Knowledge Sharing on practical Budget Making Process in Parliament”: By Hon. Eric Komba Koidoyorma, Former Deputy Chairman, Finance Committee & Hon. Helen Kuyembeh, Former committee member for both Finance and PAC.

As a former member of the Finance Committee, the two Facilitators maintained that their days at the Parliament were odd, as there were no audit report coming up on time and such meetings were always close doors. It was confirmed that the work of Parliament has now progressed in recent time, due to the relative professional level of the current staff. The Facilitators also confirmed that they were part of the team of MPs that recruited some young professionals from the open service on secondment, that have now lifted the face of the parliamentary operations in recent times.

Hon. Koidoyorma mentioned that in most other parliamentary jurisdictions across the globe like Nigeria, 25% of the state budget goes to both the upper and lower houses of the legislature. He encouraged the PBO to have a good working relationship with the MoF Budget Bureau for possible lobbying purposes.

In her submission, Hon. Helen Kuyembeh mentioned that tremendous effort has been made to effect changes which has been reflected in the setting up of new structures like the Parliamentary Budget Office. She emphasized the need for the training to be rolled out to MPs themselves since the modules are very enriching to support capacity building.

The PBO she also maintained should be capacitated enough to support with the budget making process and be able to Present an accurate budget with emphasis on promoting a value for money mindset.

5.5.4 “Making Budget delivers on the expectations of Sierra Leoneans”: By Mr. Abubakarr Kamara, Director of Budget Advocacy Network (BAN)

The Director of Budget Advocacy Network commenced his presentation by indicating that budget serves as a central policy document of government, showing how it will prioritise and achieve its annual and multi-annual objectives. Apart from financing new and existing programmes, the budget he maintained is the primary instrument for implementing fiscal policy, and thereby influences the economy as a whole.

The budget he further revealed turn plans and aspirations into reality and is a contract between citizens and state, showing how resources are raised and allocated for the delivery of public services. A huge requirement for such a document is that it must be clear, transparent and credible if it is to command trust, and to serve as a basis of accountability. For budgets to work, he maintained that they should be managed within clear, credible and predictable limits for fiscal policy. A sound fiscal policy he advanced is one which avoids the build-up of large, unsustainable debts, and which uses favourable economic times to build up resilience and buffers against more difficult times.

Budget documents and data, he later revealed should be open, transparent and accessible. Clear, factual budget reports should be available to inform the key stages of policy formulation, consideration and debate, as well as implementation and review. According to the Facilitator, Budgetary information should be presented in comparable format before the final budget is adopted, providing enough time for effective discussion and debate on policy choices.

For the purpose of transparency, it was advanced that it is prudent for debate on budgetary choices to be inclusive, participatory and realistic. Parliament and citizens the Facilitator maintained should be able to engage with and influence the discussion about budgetary policy options, according to their democratic

mandate, competencies and perspectives. The national Parliament he also confirmed has a fundamental role in authorising budget decisions and in holding governments to account.

Additionally, Budgets should present a comprehensive, accurate and reliable account of the public finances. As a contract of trust between citizens and the state, it is expected that the budget document should account comprehensively and correctly for all expenditures and revenues of the national government, and that no figures should be omitted or hidden (although limited restrictions may apply for certain national security or other legitimate purposes).

The Budget execution process was recommended as one that should be actively planned, managed and monitored, this the Facilitator maintained that performance, evaluation and value for money should be integral to the budget process. Parliament and citizens need to understand not just what is being *spent*, but what is being *bought* on behalf of citizens.

In conclusion, the Facilitator recommended that every effort be made to enhance control over expenditure through regular production of budget execution reports, being responsive to line ministries and program needs through provision of funds in timely manner. He therefore concluded that a poorly formulated budget cannot be effectively executed.

Day Five – 7th August 2020

5.6.1 “Research Methodology”: By Mr. Gilbert N’habay, Deputy Director, Parliamentary Research Unit

The Deputy Director of the Parliamentary Research Unit commenced his presentation by providing relevant definitions of the research concept. He defined it as ‘Careful consideration of study regarding a particular concern or problem, using scientific methods. He also defined it as ‘the systematic investigation into and study of materials and sources in order to establish facts and reach new conclusions. He advanced his third definition as ‘An art of scientific investigation’ and therefore regarded as ‘a systematic effort to gain new knowledge’

He further identified three research significance related to knowledge addition, practice improvement and informing Policy debates. Specific characteristics of research were later outlined and listed as follows:

1. Data or knowledge is derived in real time from actual observations in natural settings.
2. Information that is obtained should be accurate and true to its nature.
3. It is based on logical reasoning and involves both inductive and deductive methods.
4. There is an in-depth analysis of all data collected with no anomalies associated with it.
5. Analytical in nature., with usage of all available data.

He further broadly identified two main types of research which are primary and secondary research. The Primary Research he confirmed is self-conducted normally responds to a specific research question and require a budget and turnaround time. The Secondary research on the other hand he mentioned is one conducted by others and typically cheap and quick to conduct. It is one that is normally referenced to a research that has already been conducted. One commonality between the two types border on the provision of information that specifically responds to a research question. It was confirmed that the PBO and Parliamentary Research Unit are structured to conduct more of secondary research.

He further highlighted the various details associated with the use of qualitative and quantitative research methods. The qualitative method approaches have to do with one-on-one interviews, case study research, focus group discussions, record keeping, observation processes and Ethnographic research. Qualitative research methods he confirmed is associated with processes related to random sampling systematic operations, advanced statistical analysis, deductive reasoning, graphical data representation and object-based research amongst others. Whiles the qualitative method is inductive in nature, the quantitative method is more deductive. The qualitative method he emphasised is non-statistical, whiles the quantitative approach is a statistical process to collect and analyse data. Whiles the qualitative method deals with open-ended questions, the quantitative method covers close-ended questions.

The Deputy Director later provided a detailed research template that covers an abstract, table of content and list of figures and tables, introduction, literature review, research methodology, research findings and analysis of findings, conclusion and recommendations and the use of appropriate referencing and appendices.

5.6.2 “Reflections and the Way forward”: By Faiz Rahman/Ibrahim Jimissa

The Objective of this presentation bordered on providing update on work done so far within the PBO, identification of strategic issues for consideration and potential challenges, as well as the provision of highlights on the way forward for the Unit.

Whiles providing details on what has been accomplished so far, the Facilitators maintained that quite a lot has been achieved, though more will be required to attain the ideal objectives of the Unit. The following were identified as critical actions that have been achieved so far:

1. Development of a District Factsheet containing vital information on population, Health, Education, the Economy, etc.
2. Provided retroactive analysis on the budget for the Education, Social welfare, and Water Resources sector (2014 – 2017).
3. Developed Quarterly Economic and Budget Brief for 2019 and Quarter 1&2 Economic and Budget Brief for 2020.
4. Collaborated with Committee Clerks in respect of PBO support to the Finance and Public Accounts Committee.
5. Built on improved relationship with INGOs through organizing series of partnership meetings.
6. Collaborated with Research Unit on issues of common interest.
7. Supported with Payroll Management/Administration – Salaries and Benefit related issues.
8. Supported with addressing NASSIT related queries for MPs.
9. PBO represented at the Joint World Bank/IMF/West Africa Institute for Financial and Economic Management (WA1FEM) Regional Training on Debt Sustainability, in 2019.
10. PBO represented at Regional Course on Public Financial Management: Debt, Budgeting, Planning and Performance in Banjul The Gambia, in 2020.
11. Currently PBO represented at the AfDB funded Econometrics Training programme using the EViews Statistical package.

They also spoke around some strategic issues related to the need for advanced capacity building, improved skills of staff in the use of Microsoft office programmes (word, power point and excel) and ongoing engagement with the Finance Committee Clerk(s) to upgrade the contents of the questionnaires issued to

MDAs during the appropriation process. A strategic priority they also mentioned will have to do with supporting the Public Accounts Committee in designing questions during post-audit report hearings, and collaboration with Committee Clerks in the preparation of PAC reports.

The PBO they further revealed does not currently have a strong mandate to discharge its functions and therefore suggested that the mandate and roles of the PBO within the country’s economic management architecture be clearly spelt out in a legislation. This should take into account an amendment on either the 2007 Parliamentary Service Commission Act and/or the 2016 Public Financial Management (PFM) Act.

They further cited some PBO legislations in other jurisdictions, which could serve as reference points for the Sierra Leone Parliament to consider taken forward. They included the following:

Kenya – Public Financial Management (PFM) Act, 2012

Uganda – Budget Act, 2001

South Africa – Money Bills Amendment Procedure and Related Matters Act, 2009

Liberia – Act passed by the Liberian National Legislature in 2010

Canada – Federal Accountability Act, 2006

South Korea – National Assembly Budget Act, 2003

United States of America – Congressional Budget and Impoundment Control Act, 1974.

Potential Challenges to the Survival of the PBO and its work were also highlighted and related to limited funds, limited access to timely information, high and overwhelming demands from MPs, limited staff capacity and strength and lack of conducive office space and much needed office furniture, equipment, tools and other office supplies.

Going Forward they maintained that their focus will be on the production of quarterly economic and fiscal Briefs, periodic fiscal infographics, policy and bill costing, research publications and reports and macroeconomics forecasts. The leadership of Parliament it was also suggested should take concrete actions in mobilising the required support needed to enhance the effective functioning of the PBO.

6.0. EMERGING ISSUES AND FINDINGS

Following various presentations and contributions during the workshop, the under-mentioned are emerging issues or findings which could serve as lessons for the participants and the leadership and management structures within Parliament:

Emerging issues for Learning
1. Poorly formulated budgets cannot be effectively executed
2. For the PBO to be more effective in its mandate delivery, it should be laden with motivated staff who should be committed to deliver on those mission critical task, and not merely reliance on study visits to other Parliaments.
3. Parliament should be committed to raise the bar on providing conclusive oversight on the Executive and making them to account to citizens through the implementation of pro-poor budgets.
4. The inclusive nature of the workshop with the involvement of staff from other Units and Departments demonstrates the fact that cooperation and collaboration ensure better and improved outcomes.
5. The inclusive and participatory approach in a budget formulation and execution process is bound to produce more favourable outcomes.

6. There is need for the demonstration of a stronger political will in parliament in holding the MDAs accountable, especially the MoF.

7. When a budget making Parliament determines ceilings for MDAs, it truly attains its autonomy and takes control of the budget making process.

7.0 RECOMMENDATIONS/WAY FORWARD

The training of PBO and other Parliamentary staff was considered timely and of immense importance to build internal capacity, as well as ensure inter-departmental collaboration and cooperation. Followings various deliberations during the workshop, recommended actions have been identified to serve as the way forward during the post-workshop period:

Recommended Actions
1. The PBO to visit other jurisdictions with the view of learning best practices in carrying out their mandate.
2. It was suggested that independence of the PBO in Parliament be maintained, meaning there is need for some restructuring, to enable it carry out its mandate without any influence and control. It should therefore become a stand alone unit or department. It was suggested that a special legislation be in place to effect the necessary changes.
3. Conscious effort be made to ensure that the District factsheet is urgently distributed through the sponsorship of the UNDP.
4. Staff attachment on institutional learning to line MDAs. The Parliamentary management to ensure engagement frameworks are signed with relevant MDAs.
5. PBO to establish a solid working relationship with Key stakeholders such as Statistics Sierra Leone for the purpose of of obtaining more relevant data for research work.
6. It was suggested that the PBO be adequately informed on specific legislative bills or statutory instruments that are passed into law in the well of Parliament, especially those that are finance related. It was recommended that the state budget be taken first through the PBO in the future before committee on supply's review.
7. It was recommended that the PBO does more public awareness from within and outside Parliament on their roles and responsibilities. That should be inclusive of robust media platforms. .
8. The PBO to work closely with the Ministry of finance, more particularly the budget bureau in expiding the National Budget Process.
9. It was recommended that effort be made to recruit more specialists in the area of Financial and policy analysis.
10. ThePBO be fully capacitated to produce periodic fiscal infographics, policy and bill costing, quarterly economic and fiscal briefs, research publications and reports and macroeconomics forecast.
11. There should be parliamentary leadership willingness in the follow-up of the recommendations of PBO on the budget.
12. Timely financial related research should be done and made available to MPs to feed them on emerging finance related bills

13. The budget questionnaire to be periodically reviewed so that it is simplified and well understood by MDAs.

14. There is genuine need for capacity building of MPs on the appropriation process.