

ACT

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dated 19th February, 2021

SIGNED this *day of October, 2023.*

DR. JULIUS MAADA BIO,
President.

LS



No.

2023

Sierra Leone

THE PUBLIC FINANCIAL MANAGEMENT (AMENDMENT) Short title.
ACT, 2023.

Being an Act to amend provisions of the Public Financial Management Act, 2016 for the prudent, efficient, effective, and transparent systems of financial management and internal controls and to provide for other related matters.

[

] Date of commencement.

ENACTED by the President and Members of Parliament in this present Parliament assembled.

PART I—INSTITUTIONAL RESPONSIBILITIES IN BUDGET
SYSTEMS

Responsibilities of vote controllers to budgetary agencies.

- Amendment of section 13 of Act No. 13 of 2016.
1. Section 13 of the Public Financial Management Act 2016 is amended in paragraph (b) of subsection (2) by repeal and replacing paragraph (b) with the following new paragraph-
- "(b) maintain efficient and effective systems of financial management and internal controls, and a system for resolving and implementing internal and external audit recommendations; "
- Amendment of section 13 of Act No. 13 of 2016.
2. Section 13 of the Public Financial Management Act 2016 is amended in paragraph (m) of subsection (2) by repeal and replacing paragraph (m) with the following new paragraph-
- "(m) ensure that an outgoing officer, including the vote controller, prepare and submit a comprehensive handing over notes to be signed and accepted by the in-coming officer assuming the office; "
- Amendment of section 13 of Act No. 13 of 2016.
3. Section 13 of the Public Financial Management Act 2016 is amended by inserting the following new paragraph (n) immediately after paragraph (m) of subsection (2)-
- "(n) ensure that an incoming officer including the vote controller, prepare a status report, in cases where the predecessor of that office is either dead, or has abandoned the office and for which there is no assistant to provide any information on the functions of the deceased or absconded officer; "
- Amendment of section 13 of Act No. 13 of 2016.
4. Section 13 of the Public Financial Management Act 2016 is amended by inserting the following new paragraph (o) of subsection (2)-

"(o) in consultation with the budgetary agencies' internal auditor and audit committee, within 14 days of final audit report and final management letter issued for each completed audit, develop separate implementation plans that set clear responsibilities and timelines for the implementation of both internal and external audit recommendations."

5. Section 13 of the Public Financial Management Act 2016 is amended by inserting the following new paragraph (p) of subsection (2) with the following new paragraph-

Amendment
of
section 13 of
Act No. 13 of
2016.

"(p) implement recommendations of internal and external auditors."

Responsibilities of the Vote Controllers of Sub-vented Agencies

6. Section 15 of the Public Financial Management Act 2016 is amended in paragraph (d) of subsection (4) by repeal and replacing paragraph (d) with the following new paragraph-

Amendment
of section 15
of Act
No. 13 of
2016.

(d) maintain efficient and effective systems of financial management and internal controls, and a system for resolving and implementing internal and external audit recommendations;

7. Section 15 of the Public Financial Management Act 2016 is amended by inserting the following new paragraph (m) immediately after paragraph (l) of subsection (4)-

Amendment
of section 15
of Act No. 13
of 2016.

"(m) in consultation with the budgetary agencies' internal auditor and audit committee, within 14 days of final audit report and final management letter issued for each completed audit, develop separate implementation plans for both internal and external audit that set clear responsibilities and timelines for the implementation of audit recommendations; "

Amendment of section 15 of Act No. 13 of 2016.

8. Section 15 of the Public Financial Management Act 2016 is amended by inserting the following new paragraph (n) immediately after paragraph (m) of subsection (4)-

- (n) "ensure that an outgoing officer prepare and submit a comprehensive handing over notes to be signed and accepted by the in-coming officer assuming the office; "

Amendment of section 15 of Act No. 13 of 2016.

9. Section 15 of the Public Financial Management Act 2016 is amended by inserting the following new paragraph (o) immediately after paragraph (n) of subsection (4)-

- (o) "an incoming officer including the vote controller shall prepare a status report, in cases where the predecessor of that office is either dead or has abandoned the office and for which there is no assistant to provide information on the functions of the deceased or absconded officer"

PART II - BUDGET EXECUTION AND TREASURY MANAGEMENT

INTERNAL AUDIT

Amendment of section 75 of Act No. 13 of 2016.

10. Section 75 of the Public Financial Management Act 2016 is amended in paragraph (d) of subsection (2) by repeal and replacing paragraph (d) with the following new paragraph-

- "(d) review implementation of the recommendations of internal audit, Auditor General and other external auditors;"

11. Section 75 of the Public Financial Management Act 2016 is amended by repeal and replacing paragraph (j) with the following new paragraph of subsection (2)-

Amendment
of
section 75 of
Act No. 13
of 2016.

"(j) shall prepare and submit to the Minister follow-up status report of external audit and internal audit recommendations for publication on the ministry's website, 30 days after submission of such report;"

12. Section 75 of the Public Financial Management Act 2016 is amended by inserting a new paragraph (k) of subsection (2) -

Amendment
of section
75 of Act
No. 13
of 2016.

"(k) shall categorise findings and recommendations arising from the internal and external audit reports in accordance with standard operating procedures manual on audit follow-up"

13. Section 75 of the Public Financial Management Act 2016 is amended by inserting a new paragraph (l) of subsection (2), making previous paragraph (j) to become now paragraph (l) -

Amendment
of section 75
of Act No.
13 of 2016.

"(l) perform any other functions assigned to it by the head of the agency or entity"

14. Section 75 of the Public Financial Management Act 2016 is amended by deleting the word "Director of Internal Audit" and inserting the word "Minister" under subsection (6), to now read as -

Amendment
of section 75
of
Act No. 13
of 2016.

"(6) Notwithstanding this Act or any other law, where a person fails to respond to a query or observation from the Internal Audit, his remuneration, fees and allowances shall be withheld subject to the authorization of the Minister until the officer responds to the Internal Audit's query or observation."

MEMORANDUM OF OBJECTS AND REASONS

The object of this Bill is mainly to amend the Public Financial Management Act, 2016 for proper accountability and transparent systems of financial management and internal controls.

The bill is divided into two parts -

Part I - deals with provisions for a system that shall resolve and implement audit recommendations; and

provides that a serving officer, at the time of the audit follow-up, shall not refuse the responsibility of providing information and supporting documents relating to the activities of his predecessor.

Part II - provides for the following -

- (a) ensuring consistency and comparability in the categorization of audit observations and recommendations for effective follow-up, data analysis and dissemination;
- (b) establishes a structured and disciplined follow-up process by the internal audit function for aggressive and continuous resolution and implementation of audit recommendations;
- (c) captures internal audit on the review of implementation of external audit recommendations; and
- (d) giving powers to the Minister responsible for Finance instead of the Director Internal Audit to respond to withhold remuneration, fees and allowances of a person who fails to respond to a query or observation from the Internal Audit.

Passed in Parliament this *day of* , in the year of our
Lord two thousand and Twenty Two.

PARAN UMAR TARAWALLY,
Clerk of Parliament.

THIS PRINTED IMPRESSION has been carefully compared by me with the Bill
which has passed Parliament and found by me to be a true and correct printed copy
of the said Bill.

PARAN UMAR TARAWALLY,
Clerk of Parliament.