

## BILL

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*dated 31st March, 2023*

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No.



2023

Sierra Leone

### A BILL ENTITLED

**THE AUDIT SERVICE (AMENDMENT) ACT, 2023**

Short title.

Being an Act to amend the Audit Service Act, 2014 to provide for the eligibility criteria for the appointment of the Auditor-General, the financial independence and budget autonomy of the Audit Service and to provide for other related matters.

[ ] Date of commencement.

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

1. Section 1 of the Audit Service Act, 2014 is amended by -

- (a) the substitution of the definition of "public money" with the following new definition -

"public money" means all money in the custody or under the control of the State or of a person acting on behalf of the State and includes money -

- (a) received by or on behalf of the State as State revenues; and
- (b) held in trust for a person other than the State;

- (b) the insertion immediately after "International Organisation of Supreme Audit Institutions (INTOSAI)" the following new definition-

"top-tier audit firm" means an audit firm of or among the highest rank, level, importance, or quality;

2. Section 11 of the Audit Service Act, 2014 is amended by the insertion immediately after paragraph (f) of subsection (2), the following new paragraph -

"(g) receive the annual financial statements for the previous financial year submitted by the vote controllers of the following entities in accordance with subsection (1) of section 86 of the Public Financial Management Act, 2016 (Act No. 13 of 2016)

- (a) a sub-vented agency;
- (b) a central government entity;
- (c) a local government including a local council and a Chiefdom Administration;

- (d) a public money including a social security fund and the Consolidated Fund".

3. Section 12 of the Audit Service Act, 2014 is amended

- (a) in paragraph (a) by the repeal and replacement of that paragraph with the following new paragraph -

- "(a) request that the Accountant-General or any other person who receives a query or observation in a draft management letter from the Audit Service shall submit, to the Audit Service, a return with the necessary justification, explanation or reaction to the query or observation, not later than 15 days after its receipt;";

- (b) by the insertion of, immediately after paragraph (f), the following new paragraph -

- "(g) recommends that the emolument and allowances of a person who fails or refuses to-

- (i) submit the annual financial statements for the previous financial year in accordance with subsection (1) of section 86 of the Public Financial Management Act, 2016 (Act No. 13 of 2016); or

- (ii) reply to an audit query or observation in the draft management letter within the appropriate period specified in paragraph (a),

be withheld for so long as the officer fails to reply."

- (c) by the insertion immediately after subsection (1), the following new subsection-

"(2) A reply to an audit query or observation in the draft management letter required to be submitted to the Auditor General under paragraph (a) of subsection (1), shall include the following -

- (a) a justification, explanation or reaction to the observation or query of the Auditor-General;
- (b) an action plan to resolve the issue raised by the Auditor-General;
- (c) a timeline to resolve the issue;
- (d) the identity of the officer responsible to address the issue."

4. Section 13 of the Audit Service Act, 2014 is amended by the repeal and replacement of that section with the following new section -

**"Budget  
proposal  
of Audit  
Service.**

13. (1) The Audit Service shall have an Auditor-General who shall be the head of the Audit Service, appointed pursuant to section 119 of the Constitution of Sierra Leone and on such terms and conditions as may be approved by the President.

(2) A person shall not be appointed under subsection (1), unless he -

- (a) is a citizen of Sierra Leone;
- (b) is a member, of good standing, of a professional body of accountants;

- (c) has 15 years relevant post qualification experience as a Chartered Accountant or its equivalent; and
- (d) has served for at least 10 years at senior management level in a recognised institution, of which 5 years must have been in auditing.

(3) The Auditor-General shall retire from office on attaining the age of 60 years.

5. Section 28 of the Audit Service Act, 2014 is amended by the repeal and replacement of that section with the following new section -

**'Appointment of Auditor-General.**

28. (1) The budget proposal of the Audit Service shall be prepared and submitted to Parliament and Parliament shall ensure that any Appropriation Bill passed, has made adequate provision for the budgetary requirement of the Audit Service.

(2) The Audit Service shall, when preparing,

- (a) revenue estimates to be included in a budget proposal under subsection (1) -
  - (i) identify all activities that already generate revenue or have a potential to generate revenue;
  - (ii) assess efficiency of assessment and, or collection, where applicable, and accuracy of past revenue estimates;
  - (iii) indicate in a budget proposal, assumptions of the revenue estimates and plans to change fees and charges;

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- (iv) explain the rationale for changes in fees and charges;
  - (v) list all revenues to be collected by the budgetary agency as provided by an act of Parliament; and
  - (vi) include all revenue collected, if any;
- (b) expenditure estimates to be included in a budget proposal under subsection (1) -
- (i) incorporate the recurrent expenditures for ongoing and new projects and also payments to settle outstanding multiannual commitments;
  - (ii) reflect the impact of new policy measures and any changes in costs of current policy measures;
  - (iii) prioritise policy measures within expenditure ceilings and in accordance with the Fiscal Strategy Statement and the budget call circular;
  - (iv) ensure that the expenditure estimates are consistent with personnel, strategic, and procurement plans; and
  - (v) include all recurrent and capital expenditure of the budgetary agency;
- (c) grant estimates to be included in a budget proposal under subsection (1) -

- (i) the rationale for the grant;
- (ii) the amount of the grant;
- (iii) the potential financing source and cash flow;
- (iv) the disbursement schedule.
- (v) the medium term budgetary impact, including any additional recurrent costs associated with the programme or project; and
- (vi) alignment to the strategic priorities of the Audit Service.

(3) The submission of the Audit Service budget proposal under subsection (1), shall be made 6 weeks to the submission of the State Budget by the Minister responsible for finance.

(4) Subject to subsection (1), the Minister responsible for finance shall release recurrent budgetary allocations on a quarterly basis."

6. Section 33 of the Audit Service Act, 2014 is amended by the repeal and replacement of that section with the following new section

**Audit of  
Audit  
Service  
accounts.**

33. (1) Parliament shall, in exercise of its functions under section 119 of the Constitution of Sierra Leone, appoint an independent, private, top-tier audit firm, through competitive bidding to audit the accounts of the Audit Service."

## MEMORANDUM OF OBJECTS AND REASONS

The purpose of this Bill is to provide for the eligibility criteria for the appointment of the Auditor-General, the financial independence and budget autonomy of the Audit Service and to provide for other related matters.

MADE THIS 30TH DAY OF MARCH, 2023.

MOHAMED LAMIN TARAWALLEY  
*Attorney-General and Minister of Justice*

FREETOWN  
SIERRA LEONE