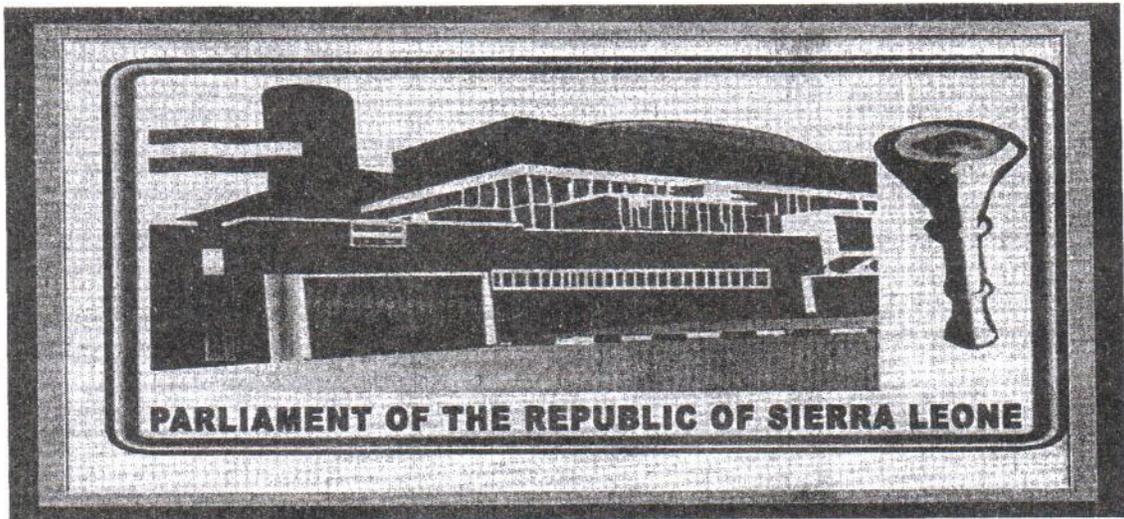


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OAU DRIVE, TOWER HILL, FREETOWN

THIRD SESSION OF THE FIFTH PARLIAMENT OF THE SECOND
REPUBLIC OF SIERRA LEONE

CONSOLIDATED SECTORAL APPROPRIATION REPORT [PART 3]
ON THE
RECURRENT AND DEVELOPMENT BUDGET ESTIMATES, 2021

SUBMITTED BY:

Francis A. Kaisamba

HON. FRANCIS A. KAISAMBA
CHAIRMAN, COMMITTEE ON FINANCE

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1. INTRODUCTION

Mr Chairman, Honourable Members, the Local Councils in Sierra Leone were established by the Local Government Act of 2004. The aim of resuscitating the local governance structure after the civil war, was to enhance durable peace, responsive local development and the core tenets of democracy, which encompasses transparency, accountability, inclusive participation and the rule of law.

The said Bill seeks to consolidate efforts aimed at restoring fiscal discipline in the management of the Economy under the theme **“Economic recovery for Job creation and Human Capital Development.”** In this regard, this Report on Local Councils is in line with the Government’s New Direction Policy.

1. SCOPE OF THE EXERCISE

Mr Chairman, Honourable Members, this Report covers 30 MDAs as listed in the 2021 Appropriation Act. The hearings on the 2021 Budget lasted for five days and Part 3 of this Report covered the following:

Vote	Div.	Vote Description	Amount [Le]
107	00	Ministry of Local Government & Rural Dev.	4, 863, 092, 700
110	14	Local Government Service Commission	1,000,000,000
720	01	Freetown City Council	8, 795, 799,699
719	01	Western Area Rural District Council	2, 572, 039,994
713	01	Bo City Council	1,356,141,602
721	01	Port Loko City Council	944,346,502
709	01	Kambia District Council	4, 037,015, 102
717	01	Moyamba District Council	4, 192, 287,013
706	01	Kono District Council	2, 652, 007,196
722	01	Karene District Council	2,315,071,399
707	01	Makeni City Council	1,208, 309,373
705	01	Koidu New Sembehun City Council [KNSCC]	3,063,086,667
708	01	Bombali District Council	2,148,799,352
702	01	Kailahun District Council	5,087,289,622
721	01	Port Loko District Councils	944,346,502
107	05	Provincial Secretary’s Office, Port Loko	2,538,836,600
107	04	Provincial Secretary’s Office, Makeni	2,881,499,100
723	01	Falaba District Council	1,806,998,484

703	01	Kenema City Council	1,389,235,011
723	01	Pujehun District Council	4,238,679,241
704	01	Kenema District Council	2,690,372,050
712	01	Tonkolili District Council	4,712,945,848
710	01	Koinadugu District Council	3,415,821,610
714	01	Bo District Council	2,825,161,342
107	03	Provincial Secretary Office - Kenema	2,580,793,000
107	02	Provincial Secretary Office - South	2,919,232,100
716	01	Bonthe District Council	2,004,179,642
715	01	Bonthe Municipal Council	1,924,701,861

2. PROCEDURE

Mr Chairman, Honourable Members, before the exercise commenced, summon letters and open-ended questionnaires were sent out to all Vote Controllers, requesting their presence, both past and present core staff. In line with S.O. 66[1], Vote Controllers, Accountants and other senior officials were requested to respond to questions relating to their budgetary allocations, state their challenges and provide explanation on how they have been carrying out their mandate. This was meant to determine the efficient and prudent use of financial resources.

During the course of the exercise, the Committee observed traditionally established parliamentary procedures; i.e., reading the relevant provisions in the Constitution and the Standing Orders to emphasise the Committee's legal standing, and putting auditees on oath to ascertain the authenticity and accuracy of their responses, as inscribed in Section 93, Sub-section 6[a] of the 1991 Constitution of Sierra Leone. Besides, in line with S.O. 73[20], the hearings were open to the public, but this Committee admonished media houses about premature publications of Committee decisions as contained in S.O. 75[1-3].

3. OBJECTIVES

Mr Chairman, Honourable Members, the Committee conducted hearings to achieve the following objectives:

- examine the MDAs recurrent and capital budget estimates and make recommendations on them for the attention of the House;

- ascertain whether the FY 2019 and 2020 allocations were adequate and judiciously expended;
- examine progress and critical challenges of the Councils in service delivery and also proffer possible recommendations;
- ascertain the level of development projects undertaken by Councils to meet the SDGs and their revenue generation status;
- ascertain the legislative compliance on the PFM Act, Public Procurement Act, Income Tax Act, National Social Security and Insurance Trust Act;
- ascertain the level of cooperation and collaboration among Sectors and Councils in service delivery; and

4. SECRETARIAT

Sectorial Committee Clerks

5. GENERAL OBSERVATIONS AND RECOMMENDATIONS

Mr Chairman, Honourable Members, the Committee observed from the review of the filled questionnaire and discussions with officials of the above mentioned Local Councils and other MDAs the following:

- The Sectorial System had challenges with timing for the entire process. MDAs had challenges with the new questionnaire and preparation to attend the hearing with their staff at short notice. **The Committee recommends that in future adequate timeframe is provided for the process.**
- There was sharp drop in revenue generation amongst Local Councils for the FY 2019-2020, which was attributed to the outbreak of COVID - 19 and its attendant policy measures, non-compliance, lack of man power and lack of updated revenue cadastre system. **The Committee recommends that Councils strengthen their community engagement models and property valuation systems in order to maximise revenue generation. The Ministry should also collaborate with all Local Councils across the country in the area of revenue, especially in resolving the issues around revenue sharing with the various chiefdom administrations.**

- Devolved Sectors are not accounting for various revenue lines to the Council administration. **Thus, the Committee recommends that the CAs are involved as signatories to those accounts and also disclosed revenue sources and indicate expenditures in their annual work plans from those sources.**
- The overall transfers to Councils is far less than **10%** of the total Government budget; hence pose a glaring disconnect between the allocations to Councils and the services delivery expected of them according to the LGA of 2004. **The Committee therefore recommends that government increases Councils' allocations to match with the services they deliver to the people.**
- The Committee observed that since 2019 to date, a total of **Le 65.9bln** was allocated, but only **Le 57.5bln** was transferred to these Councils, leaving an undisbursed amount of **Le8.4bln**. **The Committee recommends that government transfers the outstanding allocations in order to ensure budget credibility and enhance trustworthiness.**
- The Committee also noted that Budget allocations to these Local Councils dropped drastically by **42%** [from **Le 65.9bln** in 2019 to **Le 38.3bln** in 2020 and **Le 36.7bln** in 2021. The Committee considers this budget cut as materially significant with the tendency of affecting service delivery and undermines the attainment of the SDGs. **The Committee recommends that the Ministry of Finance reallocates resources from the central sectors to the devolved sectors where most of the services are being accessed by the people.**
- The Committee further noted that Councils are also in compliance with PFM Financial reporting and auditing exercises. This was why all Councils, with the exception of Kambia District Council, had unqualified audit opinion expressed on their most recent Audited Financial Statements.
- A good number of Local Councils are not prioritising their expenditure lines from own source revenues to community development projects, but rather on administrative costs. In that regard, the Committee recommends that Councils

allocate considerable amount from their own source revenue to community development project to improve the lives of the tax payers in terms of health, education, social services, etc.

- The Committee learnt that donations and grants received by Councils on behalf of the people are not tabled in Parliament. **The Committee therefore recommends that Section 118 [7] of the 1991 Constitution of Sierra Leone is strictly complied with at all times.**

6. SPECIFIC OBSERVATIONS AND FINDINGS

VOTE (107 – 00) MINISTRY OF LOCAL GOVERNMENT & RURAL DEV.

Mr Chairman, Honourable Members, this Ministry is responsible for providing leadership, policy formulation, coordination and oversight of all Provincial and District Offices ,22 City and Local Councils and all 190 Chiefdom Administrations; in order to ensure prudent local governance to also improve the welfare of the people and eradicate poverty in the country.

In 2020 FY, this Ministry submitted an original budget of **Le 4,066,900,000.00** in line with its budget ceiling to the Ministry of Finance, but was allocated **Le 2,393,500,000.00**. However, the Ministry received **Le 1,375,170,000.00**, a donor fund of **Le 505,895,000.00** and a supplementary budget of **Le 210,000,000.00**. Thus, the Ministry's receipt was **Le 2,091,065,000.00** and expended same on mainly capital projects undertaking and recurrent expenditures such as office and general, local and overseas travelling, vehicle maintenance and fuel.

In FY 2021, this Ministry submitted an original budget of **Le 161,615,000,000.00** and budget ceiling was not given to the Ministry by Ministry of Finance. The Ministry was however allocated **Le 4, 863, 092, 700.00** as mentioned 2021 Appropriation.

The Ministry is reported to have approved key deliverables that are in line with the SDGs such as undertaking projects within the De-amalgamation process in terms of logistics to district offices and Chiefdom administrations, popularising the National

Decentralisation Policy, review process of the Chieftaincy Act and construction of Court Barrays and procurement of vehicles for Paramount Chiefs.

The Committee considers this allocation as inadequate and therefore recommends a supplementary allocation to enable the Ministry perform its service delivery function nationwide.

VOTE 110 – 14 LOCAL GOVERNMENT SERVICE COMMISSION

Mr Chairman, Hon. Members, the Local Government Service Commission as stated in section 38[1] of the Local Government Act 2004, is charged with the responsibility providing regulatory performance management and management functions to the system of decentralized governance through Local Councils.

In 2020 FY, the Commission made a budget submission of **Le 5,041,600,000.00**, far above its budget ceiling of **Le 365,000,000.00**. The Commission was however allocated the sum of **Le 952,200,000.00** as listed in the Appropriation Act of 2020. The Committee noted that the Commission had a rollover of **Le 85,972,000.00** from 2019 and **Le 647,000,000.00** received from GoSL regular budget [including supplementary budget], and expended **Le 601, 735, 275.00**. The balance of **Le 131,236,725.00** was reported to be in its bank account.

For 2021 FY, the Commission made a budget submission of **Le 6, 005, 000, 000.00** far above its ceiling of **Le 952,200,000.00**. The Commission was however allocated **Le 1,000,000,000.00** as listed in the Appropriation Act of 2021. The Committee observed a huge decrease in the Commission's original budget submission, which according to the Executive Secretary would affect the following activities:

- review of human resource guide will be affected;
- Performance Appraisal Systems for the staff of the Council would be affected;
- Monitoring and Evaluation;
- Management and Functional Review of the 22 Local Councils; and
- office space and administrative running cost.

VOTE [720 -01]: FREETOWN CITY COUNCIL

Mr Chairman, Hon. Members, the Freetown City Council [FCC] is the Municipal Government of the city of Freetown, the capital of Sierra Leone. The Freetown City Council was established in 1893 and is one of the oldest Municipal Governments in Africa. The Freetown City Council is responsible, generally, for promoting the development of the locality and welfare of the people in the Freetown Municipality with resources at its disposal acquired through licenses, dues, rates and the support from both the Central Government and Donor support.

In 2020 FY, an amount of **Le 15,475,341,610** was allocated to the Council from the Finance Ministry, but the Council received **Le4, 322,719,230.00** as Government Regular Budget to the Council. An amount of **Le 2,581,000,000.00** was received as an allocation for the National Cleaning Exercise and **Le 2.14bln** rolled over from 2019. Council also received **Le 1,861,147,030.57** for the construction of schools within the municipality. The committee noted a drop in the FCC budget from **Le 15,475,341,610** in 2020, to **Le 11,626,489,850** for 2021

The Committee observed that Council experienced a decrease of **Le21bln** in revenue collection. This, according to the Chief Administrator, was as a result of the suspension of property rates collection in 2020 by the Ministry of Local Government due to COVID – 19 measures, non-collection of revenue on building permits, artisanal fishing licenses, fishing boats and sand boats due central government monopolisation of collection process. The committee noted that the shortfall in revenue collection needs the urgent intervention of government in order to enhance the revenue generation for the effective service delivery to the people of Freetown.

The Committee noted with concern that donations and grants received by Councils on behalf of the people are not brought to the attention of Parliament.

In view of the above, the Committee recommends that Government expedites the formulation of guidelines on property rates for the approval of Parliament as soon as possible. The Committee also urges Management to put in place strategies gearing towards maximising revenue collection.

VOTE [719 -01] WESTERN AREA RURAL DISTRICT COUNCIL

Mr Chairman, Honourable Members, in 2020 FY, this Council made a budget submission of **Le5, 479,264,449.00** in line with the ceiling, but allocated the sum of **Le 3,038,958,622.00**. It was however noted that Council received a supplementary budget of **Le 1,029,129,757.00**, from the Government and **Le 87,300,000.00** from RMFA and other sources **Le 918,753,000.00** totalling **Le 5,074,141,379**.

For 2021 FY, Council made a budget submission of **Le 3,123,679,636.00**, but was allocated the sum of **Le 2, 572, 039,994.00**. The Committee noted a drop in the Council's budget from **Le 4,824,645,129** in 2019 to **Le 3,038,958,622** in 2020, registering **37%** drop. It was further reduced by **Le 2,572,039,994** for 2021, registering **47%** when compared to the 2019 allocation.

The Council's FY2020 revenue target was **Le 12,000,000,000.00**, but only generated **Le 1,538,052,976.00** with a huge variance. Responding to questions relating to the variance and the drastic fall in revenue collection between FY2019 and FY2020, the CA attributed that to poor compliance on the part of taxpayers, poor internal control measures, irregularities, non-availability of the cadastral system and boundary limitation between FCC and WARDC, etc.

In view of the above, the Committee advised Management to put in place effective and efficient revenue collection strategies, so that the 2021 revenue target is met. The Committee further encouraged Management to ensure that the outstanding payments to NRA and NASSIT are made without further delay. The Committee viewed the allocation to WARDC as inadequate and therefore recommends a supplementary budget allocation.

VOTE 701- 01 BO CITY COUNCIL

Mr Chairman, Honourable Members, in 2020 FY, Bo city Council made a budget submission of **Le 5,693,716,000.00**, but was allocated **Le 2,635,597,067** below its original budget submission. Council further received donations from Commonwealth and UNDP to the tune of **Le 2,782,244,567.00**.

For 2021 FY, Council was allocated the sum of **Le1, 356,141,602.00**, out of an original budget submission of **Le 2, 177, 474, 310.00**.

The Committee noted a drop in the BCC budget from **Le 3,226,013,324** in 2019 to **Le 2,635,597,067** in 2020, registering **18%** decrease, and **Le 1,356,141,602** in 2021, registering **58%** decrease when compared to 2019 FY. The Committee observed that the decrease would adversely affect operational costs and service delivery materially.

The Committee observed that the Bo City Council has a domestic debt comprising of retirees benefits, NASSIT contributions and suppliers for which Council has instituted payment plans from their own source revenue.

The Committee considered this allocation as inadequate and therefore recommends a supplementary budget allocation.

VOTE (721-01) PORTLOKO CITY COUNCIL

Mr Chairman, Honourable Members, Creation of the Portloko City Council came from Cabinet conclusion in 2011 to amalgamate Chiefdoms in Sierra Leone. As a result of the process 41 additional Chiefdoms and 2 districts [Falaba & Karene] and the Portloko City Council respectively were approved by Parliament on 25th September 2017.

In 2020 FY, this Council was allocated the sum of **Le 1,087,860,281**, which was in line with its budget ceiling. Port Loko City Council also received donor supports of **Le 92,259, 343** and a supplementary budget of **Le 1,328,468,489** during the period under review.

Of the **Le 325,000,000** revenue target in 2020 FY, but Council only collected the sum of **Le 52,606,000**.

Responding to questions relating to the activities of the new Council, the Chief Administrator revealed that there was low collection of taxes within the district due to few economic activities and lack of compliance. He however assured the Committee that Management had begun working with the police and other law enforcement agencies to ensure compliance. The CA further stated that lack of office space,

equipment and logistics, and lack of existing data to mobilise own source revenue had been posing serious challenge.

For 2021 FY, Council was allocated the sum of **Le 1,396,866,768**, which the Committee deemed inadequate to undertake development activities.

The Committee recommends a supplementary budget to the Council to establish and carry out its decentralized activities and also urged the Ministry of Finance and Local Government & Rural Development to address the staffing condition appropriately.

VOTE [709-01] KAMBIA DISTRICT COUNCIL

Mr Chairman, Honourable Members, Kambia District Council's major revenue sources are its own source revenue, statutory grant transfers and EU donor project grant. In 2020 FY, Council's revenue target was **Le 9,157,676,342.88**, but generated the sum of **Le 8, 830,647,802.00**. The CA revealed that revenue target was not met due to low level of community participation and commitment to Council activities, conflict over ownership of revenue sources between the Council and Chiefdom administration and inadequate staff strength and sensitisation strategies. He however recommended transits fees for local commodities, loading and offloading fees for local commodities, levy on bike riders as sources to increase revenue collection.

In 2020 FY, the Ministry of Finance allocated **Le 4,945, 383, 979.00** to this Council, but **Le 4,337,177,466.00** as Government's regular budget and a supplementary budget of **Le 212,228,326.04**.

For 2021 FY, the Ministry of Finance allocated **Le 4,037,015,102** to this Council. The Committee noted a drop in Council's budget from **Le 7,116,274,914** in 2019 to **Le 4,945,383,979** in 2020, registering **30.5%** drop, and **Le 4,037,015,102** for 2021, registering **43%** when compared to 2019 FY.

Responding to questions relating to the activities of the new Council, the CA revealed that moneys received on behalf of the people of that locality from development partners are utilised wisely. He stated that some of the staff are new with little or no experience.

He highlighted the following as major challenges affecting Council's ability to provide services to the people.

- lack of office space, equipment and logistic; and
- lack of existing data to mobilise own source revenue; and
- lack of enough revenue allocation.

The Committee held the view that if revenue target is achieved and donor funds are properly utilised, Council would become the envy of many administrators.

The Committee observed that Council had an outstanding debt of **Le 95,888,150.00**, which Management had promised to pay **25%** on quarterly basis from their own source. With regard the approved deliverables for the FY 2019 – 2020, the CA stated that Council rehabilitated a primary school, constructed car wash for the youths, rehabilitated staff quarter, cultivated 35 hectares of rice farm, constructed a perimeter fence and rehabilitated Council's building.

The Committee recommends a supplementary budget for Kambia District Council to establish and carry out its decentralised activities and other development projects.

VOTE 701 01 –MOYAMBA DISTRICT COUNCIL

Mr Chairman, Honourable Members, Moyamba District Council collected a revenue to the tune of **Le 955, 859, 463** in 2020, out of a revenue target of **Le 1, 557, 910,000.00**. The Committee observed that Council's revenue target for 2021 FY was **Le 1, 658, 000,000.00**. The Committee encouraged Management to step up efforts in its revenue mobilisation drive.

Questioned Council's inability to meet its revenue target, the CA disclosed the following challenges:

- lack of proper sensitisation drive due to COVID – 19 pandemic;
- Conflict of interest between Chiefdom Administration and Council Administration on revenue collection and Sharing;
- attitude of people to not paying tax;

- Property rate is hardly come by;
- insufficient staff;
- limited publicity; and
- the perception of the community people with regards to tax.

The Council further revealed their challenge from Mining Companies on property tax for the Committee's intervention.

In 2020 FY, the Ministry of Finance allocated **Le 4,100,274,573** and a budget submission of in 2021 **Le 5, 074, 329, 848.00**, but was allocated **Le 4, 192, 287,013.00**. The Committee noted a drop in Council's budget allocation of **22%**.

The Committee further noted that Council received donations/grants from RMFA, which were utilised on road rehabilitation. The Committee also observed that Council's major expenditure lines fell within fuel, repair and maintenance, local travels, construction of seven additional bed rooms at the mini stadium, etc. The Committee urged and encouraged Council to extend its activities to community development projects.

In view of the above, the Committee deemed Council's 2021 allocation as adequate and therefore recommends its approval by this Honourable House.

VOTE [706 – 01] KONO DISTRICT COUNCIL

Mr Chairman, Honourable Members, in 2020 FY, the Ministry of Finance allocated **Le 2,997,017,732**, but Council received **Le 704,700,278**. The Committee noted a drop in Council's budget from **Le 5,190,724,025** in 2019 to **Le 2,997,017,732** in 2020, registering **42%** drop.

For 2021, this Council was allocated the sum of **Le 2,652,077,196** by the Ministry of Finance.

Responding to questions relating to challenges confronting this Council, the CA highlighted the non-availability of the Diamond Area Community Development Fund [DACDF], which he said was contributing about **40%** of Council's own source revenue. He added that a lot of mining companies in the district are not ready to honour their corporate social responsibilities. The CA further mentioned boundary demarcation

between this Council other districts as another major challenge in revenue collection. The CA concluded that the chieftdom authorities are denying this Council the right to collect revenue in their respective Chieftdoms and that the properties of some mining companies are to be assessed. In view of these challenges, the CA disclosed that Council only collected **Le 4,127,943,579.00**, out of a revenue target of **9,062,927,512.00**.

After thorough review of Council's activities, coupled with the numerous challenges, the Committee recommends the following:

- **the Local Government Service Commission look into the welfare of Council's staff;**
- **Mines and Local Government Committees look into the matter relating to non-payment of property tax by Meya Mining Company;**
- **Council's 2021 allocation of Le 2,652,077,196 be approved by this Honourable House.**

722 KARENE DISTRICT COUNCIL

Mr Chairman, Honourable Members, Karene District Council came into operation as a result of the recent boundary delimitation that witnessed the reintroduction of the Council, with the primary motive to ease administrative inconveniences. The Council is borne out of two existing districts: Portloko and Bombali. It comprises of 13 Chieftdoms with five crossing points which clearly defined its accessibility challenges.

As a new establishment, Council only commenced effective operation, following the disbursement of some funds by the Government under the supplementary budget approved by this Honourable House in July, 2018.

For the FY 2020, it generated the sum of **Le206, 935,000.00** as against its target of **Le 451, 377,500.00**. Accounting for the shortfall in its original revenue target, the Chief Administrator highlighted the following reasons:

- anticipation of suspension of timber logging operations which is the highest revenue source;
- lack of mobility to access some revenue potential areas,

- lack of Finance to undertake a district wide cadastral system to evaluate properties and businesses in the district,
- Compliance of chiefdom authorities to pay precept to council
- lack of trained staff to undertake mobilization of revenue; and
- Corona Virus pandemic prevented collection of revenues.

The Chief Administrator further assured that robust measure had been put in place to increase revenue generation through proper collaboration with Chiefdom administration.

For 2020 FY, the Council made a budgetary submission of **Le2, 464,571,278.00**. This submission was critically reviewed by the Ministry of Finance and eventually allocated the sum of **Le 1,848,428,548.00**. The Council reported to have also received a rollover of **Le 1,546,661,636.00**.

The Committee therefore recommends for supplementary budget allocation to address critical challenges such as infrastructural, capacity building and revenue generation.

VOTE [707 – 01] MAKENI CITY COUNCIL

Mr. Chairman, Honourable Members, the Council’s main revenue sources for both financial years are:

Grants for devolved function activities

funds from GoSL for specific functions such as road maintenance, school bus, National Cleaning services

Own source revenue collected from residents and properties in the Municipality such as property rates, business licences, market dues, license fees and charges

Development partners- UNDP support to eradicate COVID -19.

The Council’s revenue target in 2019 was **Le1,500,000,000.00** but raised the sum of **Le 1,311,770.847** out of their own source revenue.

For the FY 2020, it generated the sum of **Le 1,400,000,000.00** which is also below the target of **Le 1,700,000,000.00**. The Chief Administrator admitted the drop with some of the challenges:

Serious threat from the Boundary delimitation between the City and District Council within seven miles radius

Challenge with the Cadastral system

Overlap between the local government policy and the Act in terms of implementation

Untimely disbursement of funds and transfer of very minimal development grants

Problems related to revenue collection for the various streams

in the Financial Year 2019, the Council was allocated the sum of **Le 1,797,378,328.00** by the Ministry of Finance, but ended up receiving the sum of **Le 981,732,298,00** and also received allocation for school bus, national cleaning and road maintenance to the tune of **Le 2,067,598,256.00** and its own source revenue of **Le 1,311,770,847.00** totalling **Le 4,361,101,311.39**. The Council did not also receive Donation, grant or loan from any external institution. The Chief Administrator further recommended other available revenue sources for FY 2021 such as the identification and assessment of new properties and support from World Bank through urban Resilience cities to meet its target of **Le 2,000,000,000.00**.

Also, in 2020 Financial Year, an amount of **Le 1,389, 814,675.00** was allocated to the Council from the Finance Ministry, but the Council received the sum of **Le 1,389,814,675.00** as the Government of Sierra Leone Regular Budget to the Council. An amount of **Le 1,732,879,668.00** was received as Supplementary Budget allocation to the Council. This was also followed by a grant of **Le 87,493,000.00** given to the Council by the United Nations Development Programmes [UNDP].

The Chief Administrator in his response underscored that the Geo-Mapping which was done in the District has posed some challenges in terms of revenue collecting between and among other districts. He stressed on the long and short term plans of the Council for which he based on the level of revenue collection.

Responding to questions, the Chief Administrator revealed that his Council has helped so much in the promotion of Local Content Policy within the District as 95% of contracts within the District are awarded to the locals.

The Council reported the following approved deliverables for both financial years: increase access to health services within the Municipality, capacity building for teachers and school heads, procurement of consumable drugs, distribution of teaching and learning materials, sensitization on sexual reproductive and gender base violence, rehabilitation of some schools, increase the supply of staple food crops for food security, prevention of domestic animals from infections and ensure a clean Municipality.

The Committee urged the Local Government Service Commission to speed up the recruitment process for three core staff that are vacant in the Council. The Committee also noted that the Council still had outstanding payment to NRA and NASSIT respectively which they should adhere to from their own source revenues.

The Committee recommends for a supplementary budget to the Council to establish and carry out its massive Municipal functions.

705 KOIDU NEW SEMBEHUN CITY COUNCIL [KNSCC]

Mr Chairman Hon. Members, the Parliamentary approved budget for the Kono District Council for 2019 FY was **Le 11,849,197,050**. The amount actually received by this Council from January to September of the same year was **Le 9,126,951,869.3** and donor funding from RMFA of **Le 833,508,711.3** received as grant/loan in the District. Furthermore, the Council collected revenue of **Le 9,126,951,869.3** out of a target of **Le 11,849,197,050** for the **2019 FY**.

In FY 2020, this Council's budget submission was **Le 12,066,290,550.20**, but was allocated **Le 5,023,578,653.65**, including donors funding from RMFA Supplementary budget, other revenue and GoSL Regular Budget. The Council collected revenue of **Le 5,023,578,653.65** out of a target of **Le 12,066,290,550.20** for the **2020 FY**. The reason for not exceeding our revenue target is due to the outbreak of **COVID 19**, late disbursement, tax evasion and lack of sufficient staff which created an agentive impart on our revenue generation.

For **FY 2021**, in conformity with its revised ceiling, the Kono District Council submitted a budget of **Le 12,473,914,535.01** pending approval by this House. Revenue target of the Council for the **FY 2021** is **Le 12,473,914,535.01**

The Committee recommends for approval of this Council's allocation.

708 BOMBALI DISTRICT COUNCIL

Mr Chairman, Honorable Members, the Bombali District Council revenue target for 2020 financial Years amounted to **Le1, 062, 426,383** respectively. Actual own source revenue collected sum up to **Le126, 349,203 in 2020** Financial Year. Funds received for the Road Maintenance Fund (RMF in **FY 2019** amounted to **Le1,932,865,492.50** and **Le1,066,222,722.69 in 2020** Financial Year. The Bombali District Council received from its allocation the sum of **Le 5,778,019,032** including roll over **and Le 3,895,682,803.60**. For the Financial Year **2019/2020** the Council expended **Le 8,313,170,347 and Le 2,004,657,210** for the year **2019/2020**.The council failed to meet its revenue target because of boundary delimitation tax payers are confused as to where to pay their property rates because of proximity and the our break of the pandemic **COVID 19**.The council is challenge with poor revenue mobilization and small number staff employed.

For the Financial Year **2021** the Bombali District Council has been allocated with the sum **Le 3,011,454,105** with a revenue target of **Le 1,071,453,851**.

The Committee notes with concern that the Council is yet to fully operationalise the cadastral system which can be used to value assets owned by individuals, groups and businesses in the district, thereby inhibiting the Council from collecting the targeted revenue from business licenses and property rates which form more than 40% of its targeted revenue. The Committee therefore urged the Council to put all efforts in place for the full operationalisation of cadastral system in 2021 financial Year. Mr. Chairman, Hon. Members the Committee recommends for approval the 2021 Financial Year allocation of the Bombali District Council.

702 KAILAHUN DISTRICT COUNCIL

For FY-2020, the Council's was allocated a total sum of **Le 4,561,412,296.50** excluding indirect transfers. The committee during the scrutiny process noted that the council:

- Did not have a vote service ledger
- Did not have a Bank Statement for the FY 2019 and part 2020

It is however the observation of the committee during the scrutiny process that the council:

- Do not have a vote service ledger
- Do not have a Bank Statement for the FY 2019 and 2020
- In 2020, total expenditure slightly exceeded total budget received which the Council subscribed to late disbursement.

The Committee considers the allocation adequate and recommends that all projects in the Council must be properly monitored to ensure value for money.

721 PORT LOKO DISTRICTS COUNCILS

Mr Chairman, Hon. Members, the Port Loko District Council, like all other councils in Sierra Leone, was established by the Local Government Act of 2004. The aim of revamping the local governance structure, after the civil war, was to enhance sustainable peace, responsive local development and encourage decentralisation.

In **2020 FY**, the Council, in adherence to Section 45 (1) of the Local Government Act, 2004 and Section 41 (1) of the Financial Administration Regulations of 1998 collected revenue of **Le 502,138,412** far below a target of **Le 1,533,425,000**. Commenting on the poor performance of the Council in revenue collection, the Vote Controller informed the Committee that was largely due to closure of the mining companies in the District. These mining companies, he went further, were the major source of revenue generation [mining royalties].

For **FY 2020**, the original budget submission of the Port Loko District to the Ministry of Finance was **Le 8,539,059,581** but after examination of this submission, the Ministry

allocated to the Council **Le 4,794,502,282** and the same amount was received by the Council. **As** at 30th September of the same year, the Council's expenditure amount to **Le 4,103,952,364** and the difference of **Le 690,549,918,000** was reported in the bank balance and balance sheet.

Mr Chairman, Hon. Members, for FY 2021, the Council's original budget submission to the Ministry of Finance was **Le 7,625,671,346** but was allocated **Le 5,667,322,526**. It was underscored by the Chief Administrator during the hearings that the decrease of **Le1, 958,348,820** from the Council's original budget submission will affects the achievements of it set deliverables and appealed to the Committee to see reasons to recommend a supplementary allocation to the Council.

The Committee admonished the Council to improve on its revenue generation and recommends the approval of Council's 2021 budget allocation.

107-05 PROVINCIAL SECRETARY'S OFFICE, PORT LOKO

Mr Chairman, Honourable Members, the Provincial Secretary's Office in Port Loko was Approved a budget of **Le 2,226,473,500** by the Ministry of Finance for **2019 FY**, but received **Le 2,350,800,000** above its approved The office also received an enhancement budget **of Le 124,326,500**.expended on local travels, vehicle maintenance, fuel, coordination of Presidential visits and supports to District Offices, running costs of the office generator, general supplies, salaries, and administrative costs. The supporting documents requested by the Committee were not produced for verification and the handling its financial records.

Mr Chairman, Honourable Members, for **2020 FY**, the Provincial Secretary's Office made a budget submission of **Le 2,726,500,000** to the Ministry of Finance out of a budget ceiling **Le 2,186,100,000**, but was allocated the sum of **Le 1,019,100,000** This indicated a decrease in the budget allocation for this Office when compared to last year's allocation. If the **Le 1,019,100,000** is released to this Office, the Committee viewed it as adequate, but urged the Provincial Secretary to improve on their financial records management systems.

Mr Chairman, Honourable Members, the Provincial Secretary's Office submitted a budget to the tune of Le, **2,782,500,000** for its intended programmes of activities in **2021 FY**. However, the sum of **Le, 2,538,800,000** has been allocated to the Provincial Secretary's Office for the **FY 2021**. In order to effectively implement its planned activities, adequate funds for this Office must be provided and released on time.

Thus, the Committee recommends the approval of the sum voted for the Office, but strongly cautions the Office to improve on its Public Financial Management reporting.

107 -44 PROVINCIAL SECRETARY'S OFFICE, MAKENI

Mr Chairman, Hon. Members, according to the Appropriation Bill 2020, the Provincial Secretary's Office in Makeni was allocated a budget of **Le 2,481,200,100** by the Ministry of Finance. However, the Vote Controller reported that the Office has received and expended **Le1, 523,500,000**. During scrutiny, the Committee observed that the amount received was expended on local travels, vehicle maintenance, fuel, running costs of the office generator, general supplies and administrative costs.

For 2021 FY, the Provincial Secretary's Office made a budget submission of **Le 3,343,100,000** but was allocated the sum of **Le 2, 881, 499, 100**. This indicated an increase in the budget allocation for this Office when compared to last year's allocation. Thus, the Committee viewed this allocation as adequate and recommends its approval.

723 FALABA DISTRICT COUNCIL

Mr Chairman, Honourable Members, the creation of Falaba District Council came from a Cabinet conclusion in 2011 to amalgamate Chiefdoms in Sierra Leone. As a result of the process 41 additional Chiefdoms and 2 districts; Falaba & Karene in the North and North West Region respectively, were approved by Parliament on 25th September 2017. The District is made up of 13 Chiefdoms, 4 Parliamentary Constituencies and 18 political wards.

For 2020 FY, the Council sets an amount of **Le 5,670,336,045** as their revenue generation target and actually generated **Le 2,799,013,983**. The Council however, set a revenue Target for 2021 at **Le 4,296,280,944**. The Committee notes a drastic reduction of revenues generated in 2019 and 2020, and failure to reach their revenue generation targets for both FYs. The Vote Controller said the reasons for not meeting/exceeding their targets were due to the following:

- The absence of a property cadastre system to determine the district receive potential, especially on property rate;
- Under staffing;
- Low revenue to recruit revenue collectors;
- Business community dominated by petty traders;
- Huge tax invaders;
- Lack of mobility for revenue mobilisation;
- More sensitization needed to build up the mind-set of the people to pay tax;
- Conflict of interest between Local Council and Chiefdom administration;
- Corona virus outbreak; and
- Poor road condition characterised in the district.

Mr Chairman, Honourable Members, for 2020 FY, the Council had a budget of **Le 4,822,141,708.07** showing an increment over the previous year's budget. The Council received **Le 1,924,808,403** for quarters 1-3 from government regular budget, **Le 1,324,957,048** from government supplementary budget, and **Le 319,500,000** from own source revenue.

Mr Chairman, Honourable Members, in 2020 FY, Falaba District Council received a total fund of **Le 3,569,265,451**. The Council expended **Le 2,313,743,989** from its budget allocation including supplementary budget.

The Committee demanded for a submission of a list of the activities the Council undertook in the FY 2020. The Council did not incur any public debt for the period under review.

Mr Chairman, Honourable Members, the Ministry of Finance allocated **Le 1,806,998,848** to the Council for 2021 its revenue Target for 2021 was set at **Le 4,296,280,944**.

To enhance its revenue generation, Falaba District Council proposed Property tax on Machinery, Equipment and Tourism as its other available sources of revenue for 2021 FY.

The Committee appreciated the prudent use of resources and recommends **Falaba** Council for a supplementary provision as a newest Council with much development **aspirations**.

704 KENEMA CITY COUNCIL

Mr Chairman, Honourable Members, Kenema City Council has a vision to promote the socio-economic status of the residents of the City through the provision of quality service delivery and poverty eradication in a more transparent and inclusive manner for the development of the entire City.

For the Financial Year, 2020, the Council set a revenue target of **Le 3,298,475,263.45** but, collected **Le 1,786,706,764.59** as at 30th September, 2020, which is far below its original target. The revenue under review was generated as own source revenue through local tax, property rates, market dues or tolls, licenses, business registration, fees and other charges. In line with its development aspirations in the period under review, the Council expended the sum of **Le 1,006,348,154.78**. After close scrutiny, it was observed that the Council maintained a bank balance of **Le 780,358,609.81** from its own source revenue as at end September, 2020.

Commenting on the shortfall in its revenue generation in the year under consideration, the Council attributed the fall to the following factors, among others:

- In adequate capacity relating to personnel and logistics to collect the much needed revenue.
- Struggle in the collection of revenue between the City Council and its counterparts in the District Council as the latter does not have large revenue base.

- Sharing of local tax between the Council and Chiefdom Administration.
- The outbreak of the COVID-19 pandemic.
- Resistance by business some operators to undertake registration at local level after their registration with the central government.

In addition to the above, the Council also reported that it faced challenge in the compliance rate and political interference in the collection of revenue.

To meet its development aspirations in the Financial Year 2021, the Council has made a revenue projection to the tune of Le 5,221,475,167.45. To enhance revenue generation therefore, the Council recommended the following:

- The expansion of tax collection to motor bike riders
- The devolution of additional functions to local councils (including the communication aspect of the Ministry of Information and Communication and some aspects of the Ministry of Lands and Housing, especially on town planning).

Reporting on its Regular Budget for the Financial Year, 2020, the Council confirmed receipt of **Le 5,170,917,593.66** as total transfers from central Government. The Council expended Le 3,869,562,092.66 to implement various activities especially on devolved sectors. As at end September this Year, the Council maintained a bank balance to the tune of **Le 1,301,355,501.00**. As part of its activities in the Financial Year 2021, the Council proposed to undertake the following deliverables, among others:

- to improve access, completion and equal opportunities on education. This will be achieved by fabricating 240 sets of 3 seater school furniture to be distributed among 6 primary schools in the City. This will also include minor rehabilitation on two primary schools, providing them with ramp facility to make them disable friendly.
- Construction of one health facility in the City
- Construction of two PHUs in the City
- Provision of support to one bedroom to expand the Kondebotihun MCHP staff quarter; and
- Procurement of 60 acres of land to make provision for cemetery, dump site and national park.

For the year under review, the Council admitted that it has obligation to settle huge liabilities it incurred as public debts. Given its current financial status, the Council is, however, left with no alternative but to seek the intervention of the Central Government for a bail out.

For 2021 Financial Year, the sum of **Le 1,389,235,011.00** has been proposed as allocation to the Council by the Ministry of Finance subject to the approval of Parliament. Mindful of the revenue potentials of the Council, the Committee views the proposed allocation as adequate and recommends its approval.

718 PUJEHUN DISTRICT COUNCIL

Mr Chairman, Honourable Members, the Local Government Act, 2004, gives responsibility to Local Councils in Sierra Leone to promote the development of their respective localities and the welfare of the people in their locality, using the resources they receive from Central Government, own source and development partners.

As at the 30th September, 2020, Council generated the sum of **Le 463,403,772.51**, as against its original revenue target of **Le 1,375,011,907.95**. From the above revenue analysis, it is apparent that the Council's performance in revenue mobilization for the period under review was abysmal.

Commenting on his Council's revenue performance, the Chief Administrator attributed the shortfall on revenue generation to the following:

- Inadequate mobility to gain access to hard to reach areas
- Tax evasion by property owners
- The lack of cooperation among Paramount Chiefs to share with the Council, revenue collected within their localities
- Revenue leakages
- The lack of political will to expedite court actions brought against defaulters.

Commenting on his Council's achievements, the Chief Administrator mentioned the Council's support in the rehabilitation of health and market centres across the District.

He also mentioned the support provided by the Council in the training of nurses in the District.

With regards transfers from the Central Government and other forms of revenue received and expended in the Financial Year under examination, the Council admitted receipt of **Le 3,940,125,411.51**, which included a rollover of **Le 2,433,562,189.00** from 2019, **Le 1,043,159,450.00** recurrent budget transfer and **Le 463,403,772.51** from own source revenue. In line with its development agenda for the period under review, the Council utilised **Le 1,986,802,340.00** and left with a balance of **Le 1,953,323,071.51** as at end September, 2020.

The council's approved activities for the Financial Year, 2021 included the following:

- Construction of three water wells at Bumper Perri, Gbondapi and Blama
- Rehabilitation of one PDC Primary School
- Rehabilitation of Council's Staff Quarter
- Fabrication of 150 set of school furniture for PDC Primary School
- Rehabilitation of one PHU in the District, etc.

To expand on its revenue base in the Financial Year, 2021, the Council has proposed to undertake the following projects:

- Imposition of jetty landing fee
- Construction of additional market stores
- Construction of solar kiosks
- Construction of guest houses.

To enhance its development programmes, the Ministry of Finance has proposed to allocate **Le 4,238,679,241.00** to the Council subject to the approval of Parliament. Against this background, the Committee considers the proposed allocation to the Council as adequate and recommends its approval.

The Committee considers this allocation fairly adequate for approval.

704 KENEMA DISTRICT COUNCIL

For the F. Y 2020, The Council Made original budget submission to the MoF the sum of Le **5,267,986,934.00** but was allocated for the same year **Le 2,834,283,467**. The Council received an allocation of **Le 2, 009, 226, 143** and with donor support of **Le 1,545,000,000**. Own source revenue generated amounted to **Le 379,950,200** from a revenue target of Le **1, 370, 839, 734**. Reasons advanced by the Chief Administrator for revenue shortfall include the following:

- Inadequate capacity to collect revenue - personnel and logistics
 - Property tax cadastral not set up which serves as a major loss of revenue for council
 - Mining community development fund for FY 2019 and 2020 has not been paid to Council.
 - Sharing of local tax (precept) with Chiefdom Administration is also a challenge
- For FY 2020, the Council's expenditure on its key deliverables as at end of quarter three amounted Le **2,440,316,580**.
- Inadequate personnel to manage the affairs of certain departments & units of the Council
 - Conflict between the local government Act and certain Sectorial policies especially in the area of control over revenue
 - Lack of control over devolved sector staff
 - Late transfer/disbursement of funds for in-year sector activities

For FY 2021, the Councils original budget submission to MoF is **Le 2,741,028,338** but the sum of **Le 2,690,372,050** as stated on the Recurrent and Development Expenditure Estimates awaits Parliament's approval.

The Committee recommends that a Parliamentary Committee on Transparency carefully probe into the administration of this Council.

712 TONKOLILI DISTRICT COUNCIL

In 2020 Financial Year the Council received an amount of **Le 5,030,448,041** from the Finance Ministry which together with a closing balance of **Le 3,336,585,933** gave an opening balance of **Le 8,367,033,974** for this Council..

Whilst probing the Council, the Committee **noted** the following:

- Low compliance in the collection of own source revenue from mining companies in the District;
- Lack of proper mobility for own source revenue mobilization;
- Late disbursement of funds from Central Government;
- Lack of garbage truck or vehicle in the District which is making the collection of garbage collection difficult in the District;
- The disagreement or misunderstanding between the District Council and the City Council in the area of revenue collection was earmarked as another challenge.
- Council received the sum of **Le 83,000,000** as donor from UNDP
- Lack of mobility for own source revenue mobilization;
- Late disbursement of funds from Central Government;
- Lack of garbage truck or vehicle in the District which is making the collection of garbage collection difficult in the District;
- The disagreement or misunderstanding between the District Council and the City Council in the area of revenue collection was earmarked as another challenge. .

For the 2020 Financial Year, the Council was able to generate the sum of **Le 789,285,538.00** out of its own source revenue.

Responding to questions relating to the activities of the Council, the Chief Administrator revealed that there was low collection of taxes in the District especially in the 2020 Financial Year as a result of Covid-19 among other reasons, but that they were able to undertake some key deliverables such as construction of dump sites, VIP toilets, rehabilitation of some markets, rehabilitation of some schools, and PHUs, and maintenance of council admin building

The Committee recommends that the budget is fairly adequate but requires the Finance Committee's probing into its financial operations.

VOTE [710 – 01] KOINADUGU DISTRICT COUNCIL

The Council's revenue target in 2019 was **Le 1,414,795,075.00** but raised the sum of **Le 531,335,058.00** out of their own source revenue.

For the FY 2020, it generated the sum of **Le534,269,000.00** as against its target of **Le1,432,045,075.00**. Accounting for the shortfall in its original revenue target, the Chief Administrator highlighted the following reasons:

- Because of the tradition wherein the collection of business licenses and property tax normally commence in Mid – November every year so it is now we have started the collection
- Secondly, since the inception of Local councils the market due collection has been in the hands of Chiefdom Administration, but with frantic dialog with the Paramount Chiefs and the District Officer we were able to develop an MOU on the collection of market due in both Wara Wara Yangala and Semgbeh Chiefdoms. "The joint collection is in progress and by the close of the year the Council will exceed the amount stated above", he assured.

Mr Chairman, Honourable Members, for the FY 2019, the Ministry of Finance approved a regular budget of **Le 5,350,590,916.75** for the Koinadugu District Council. Since the commencement of the FY 2019, the Council has so far received **Le 2,752,132,844.00** from GoSL regular budget for quarter 1 and 2 and a rollover **Le2, 936,889,346.00**. In addition, the Council also received supplementary budget allocation of **Le826, 000,000.00**. The Council received Donor funding from NaCSA and RMFA to the tune of **Le 615,494,000.00**, and **Le572, 500,000.00** respectively and Own Source Revenue of **Le 508,335,058.00** out of actual revenue collected of **Le531, 335,058.00** at which the targeted revenue was **Le 1, 414, 795, 075.00** for the year under review.

In totality therefore, the Council has received **Le 7,703,016,190.00**. According to the documents presented to the Committee, the Council has expended **Le 6,818,956,940.00** and maintained a bank balance of **Le 884,059,250.00** as at 30th December 2019.

Mr Chairman, Hon. Members, according to the Vote Controller, the donor funding reported was exclusively utilized for the maintenance of feeder roads within the district.

Mr Chairman, Honourable Members, for the FY 2020, the Council's original budget submission to the Ministry of Finance was **Le 5,550,620,916.75**, same as its budget ceiling. The Council was allocated **Le 5,550,620,916.75**. The Council actually received the sum of **Le5,025,948,233.83** including supplementary budget, in which Government regular budget was **Le 3,086,947,625.00** for quarter 2 and 3. In addition, the Council also received own source revenue of **Le 509,269,,000.00** out of collected revenue of **Le534, 269,000.00** at which the targeted revenue was **Le 1, 432, 045, 075.00** for the year under review.

In totality therefore, the Council has received **Le 5,025,948,233.83**. According to the documents presented to the Committee, the Council has expended **Le 4,662,762,069.00** and maintained a bank balance of **Le 363,186,164.83** as at 30th September 2020.

Mr Chairman, Honourable Members, for the FY 2021, the Council's original budget submission to the Ministry of Finance was **Le 4,113,690,002.00**, same as its budget ceiling. And the sum of **Le3, 415,821,610.00** was approved. It was underscored by the Chief Administrator during the hearings that the decrease of **Le 697,868,392.00** from the Council's original budget submission will affects Primary proper agricultural activities, road rehabilitation for Farmer, Health coverage as Falaba and Koinadugu are using the only government hospital in Kabala.

The Committee admonished the Council to improve on its revenue generation and recommends the approval of the Council's 2021 budget allocation.

714 BO DISTRICT COUNCIL

In the Financial Year 2020, the Council was allocated the sum of **Le 3,809,519,624.00** from its original submission of **Le 4,480,370,502.00** by the Ministry of Finance but ended up receiving the sum of **Le 4,270,711,245.00** and also received a supplementary allocation of **Le 1,866,419,231.00** as rollover.

Own source revenue collected from residents and properties such as property rates, business licences, market dues, license fees and charges, local taxes, mineral royalties etc. Mining Companies in the District are still on exploration activities which prevented them to pay taxes and Sharing of tax (precept) is also a big challenge.

In the Financial Year 2020, the Council was allocated the sum of **Le 3,809,519,624.00** from its original submission of **Le 4,480,370,502.00**. by the Ministry of Finance but ended up receiving the sum of **Le 4,270,711,245.00** and also received a supplementary allocation of **Le 1,866,419,231.00** as rollover.

The Council reported to have expended most of its allocations on sectoral activities and administrative cost. The Council also approved the following deliverables for both financial years: increase access to health services, procurement of consumable drugs, distribution of teaching and learning materials, sensitization on sexual reproductive and gender base violence, rehabilitation of some schools, increase the supply of staple food crops for food security, prevention of domestic animals from infections etc.

The Committee urged the Local Government Service Commission to speed up the recruitment process for the vacant position of the Chief Administrator in the Council and also urged that the Council improve its revenue collection.

Like the Ministry of Finance, the Committee rigorously examined the Council's budget and concluded that its allocation is adequate and recommends its approval.

VOTE 107 03 PROVINCIAL SECRETARY'S OFFICE, KENEMA

Mr Chairman, Honourable Members the Provincial Secretary's Office, Kenema is one of the administrative offices at the local level with specific mandate to coordinate Presidential visitations.

Reviewing this Office's 2019 and 2020 allocations and budgetary expenditure, the following were observed:

- this Office actually made an original budget submission of Le 3,460,900 Billion but the Ministry of Finance approved **Le 2,222,300,000** Billion and was allocated with **Le 1,852,100,000** for the Financial Year 2020.

- In 2019, Financial Year the regular government of Sierra Leone support for quarter four amounts to **Le 730,800,000**. For the Financial Year 2020 The Provincial Secretary's Office received a total of **Le 1,260,000.00 Billion** and expended **Le 1,260,000,000.00 Billion** ,administrative cost for Financial Year 2020 amounts to **Le 1,260,000,000bln**

10.1Financial Year 2021

For the coming Financial Year the Ministry of Finance has allocated the sum of Le 2,580,793,000 .The Committee however made the following observations:

- the reduction in this Office's allocation will affect the activities of local travelling of the Resident Minister, coordination of presidential visits and other office running costs.
- over **60%** of this Office's allocation this amount is being spent on fuel, stationary and local travelling, which does not operational and running costs of this Office in terms of prudent financial management. For instance, the Office lacks computers, internet facilities and stationery, but spent huge amount of moneys on travels.

The Committee acknowledged the important role of this Office in the coordination of Presidential visits and ably representing the Ministry of Local Government in the provinces and advocates for an approval of reasonable and justified budgetary estimates to cover administrative and operational expenses.

VOTE [107-02] THE PROVINCIAL SECRETARY'S OFFICE (SOUTH)

Mr Chairman, Honourable Members, the demand for administrative and service delivery at local level is rapidly increasing. The workload of the Office of the Provincial Secretary is increasing especially for; Chiefdom de-amalgamation, crowning of Paramount Chiefs nationwide to meet the needs of the decentralization service delivery, coordination of dignitaries' visit and advice to Resident Minister on policy matters.

FY 2019 and 2020 in retrospect

In 2019 and 2020 FYs, the Provincial Secretary's Office in the South was allocated **Le 3,074,100,000** and **Le 2,552,300,000** respectively. The Committee noted that the allocations were not reflective of the performance of the Office in terms of prudent public financial management. For example, the budget expenditure analysis indicates that huge amount of the 2019 and 2020 allocations were expended on local travelling, coordination of presidential visits and administrative and operating cost. The Committee noted that basic facilities for the running of this office were lacking, i.e., internet facilities and stationery.

During the questioning, the Committee found it extremely difficult to do due diligence to the MDAs expenditure as there were limited documents presented to substantiate expenditure. When queried, the Permanent Secretary disclosed that they used most of their funds on administrative cost and coordination of President's visits. He disclosed that the office is yet to receive for the 4th Quarter of 2019. Furthermore, he revealed that they were working on low budget which is not timely and the office received the amount of **Le 70,000,000** for the 3rd Quarter. He expressed dissatisfaction that he was in close supervision of four Districts but has still not been provided with official vehicle.

FY 2021 Budget Estimate

For 2021 FY, a submission of **Le 3,453,800,000** was made but was allocated **Le 2,552,300,000**. He said the submission was done by the Ministry of Local Government without directly informing or consulting the Permanent Secretaries in the Regions. According to him, he said they had pleaded over the years for a separate budget from that of the Ministry of Local Government but their plea is yet to be actualized. In order to effectively implement its planned activities, adequate funds for this Office must be provided and released on time, the Permanent Secretary (South) said.

Thus, the Committee recommends for an increment of the sum voted for the Office for FY 2021 by way of supplementary budget, but strongly cautions the Office to improve on its Public Financial Management reporting.

VOTE (716-01) BONTHE DISTRICT COUNCIL

For 2020 Financial Year, Parliament approved **Le 5,612,568,908** for Bonthe District Council, besides the sum of **Le 429,496,116** was allocated by the Road Maintenance Fund Administration (RMFA). Total amount received from GoSL is Le 1562,862,642, own source revenue of 500,000,000 and Le 507,307,903 from RMFA, making grand total of **Le 2,570,170,454**. The Council reported a balance of **Le 514,973,292**. Actual expenditure on key deliverables of the Councils and Sectors totaled **Le 2,850,000,000**

In the F.Y 2020, under review, revenue projections from the following sources like tax revenue, non-tax revenue fees and charges and surface rent amounted **Le 1,271,280,981**. Actual revenue collected as at 30th September, 2020 totaled **Le 493,987,991**, according to presented questionnaire.

Reasons advanced for revenue shortfall include lack of mobility, unwillingness of Paramount Chiefs to share revenue with Councils, inadequate funds, political interference.

For 2021 Financial year, the Council made a budget submission of **Le 2,678,768,349** above its ceiling of **Le 2,021,129,856**. However the sum of **Le 2,004,179,642** as stated on the Recurrent and development expenditure estimate awaits Parliamentary approval.

Key Findings & Recommendation

The Committee considered that since this Council expects support from RMFA, own source revenue and donor partners, the allocated sum **Le 2,004,179,642** is viewed as adequate and recommends it approval.

VOTE [715-01] BONTHE MUNICIPAL COUNCIL

Mr Chairman Honorable Members, Bonthe Municipal Council is one of the 22 Councils in the Local governance structure. In 2019 FY, the Council submitted a budget of **Le 2,405,407,278** the ministry of finance approved budget was **Le 2,405,407,278** with an actual allocation of **601,351,819.50** the received the sum of **Le 646.351, 819.50** from government regular budget and own source revenue generated with a rollover of **Le 836,920,717.60 from 2018** FY. The total expenditure of this Council for the **FY**

2019 Le 1,960,074,450.10. The committee also observed that out of revenue target of **Le 162,930,020** only **Le 46,320,000** was collected from local tax, sand dues, property rates, market dues, community center revenue, guest house revenue etc.

In 2020 FY, the Council submitted a budget of **Le 1,828,157,007** and same was approved with an actual allocation of **Le 1,828,157,007**, this Council actually received **Le 1,845,337,007** from the government regular budget and own source revenue generated with an actual expenditure of **Le 1,153,977,445**. Asked to suggest possible ways of increasing revenue generation for the Council, the Chief Administrator stated that the Council should introduce robust revenue collection strategies, review the mining policies to ensure that certain percentage from payments of surface rents is paid into councils account.

Mr Chairman, Honorable Members, For the FY 2021, This Council submitted a budget of **Le 2,235,720,535** to the Ministry of Finance and **Le 1,924,701,861** was allocated.

The Committee considers this amount as adequate and therefore recommends for its approval to enable the Council implements its projects.

CONCLUSION

Mr Chairman, Honourable Members, pursuant to Section 111 Sub-section [3]1 and S.O. 66[1&2], the Committee on Finance unanimously recommends that the entire budget Heads, including the Sub-Heads listed below, stand part of the schedule and that the recommendations contained therein be approved in order to enhance effective service delivery to the nation.

Table 1: MDAs Account Heads and their Allocations for 2021			
Vote	Div.	Vote Description	Amount [Le]
107	00	Ministry of Local Government & Rural Dev.	4, 863, 092, 700
110	14	Local Government Service Commission	1,000,000,000
720	01	Freetown City Council	8, 795, 799,699
719	01	Western Area Rural District Council	2, 572, 039,994
713	01	Bo City Council	1,356,141,602

721	01	Port Loko City Council	944,346,502
709	01	Kambia District Council	4, 037,015, 102
717	01	Moyamba District Council	4, 192, 287,013
706	01	Kono District Council	2, 652, 007,196
722	01	Karene District Council	2,315,071,399
707	01	Makeni City Council	1,208, 309,373
705	01	Koidu New Sembehun City Council [KNSCC]	3,063,086,667
708	01	Bombali District Council	2,148,799,352
702	01	Kailahun District Council	5,087,289,622
721	01	Port Loko District Councils	944,346,502
107	05	Provincial Secretary's Office, Port Loko	2,538,836,600
107	04	Provincial Secretary's Office, Makeni	2,881,499,100
723	01	Falaba District Council	1,806,998,484
703	01	Kenema City Council	1,389,235,011
723	01	Pujehun District Council	4,238,679,241
704	01	Kenema District Council	2,690,372,050
712	01	Tonkolili District Council	4,712,945,848
710	01	Koinadugu District Council	3,415,821,610
714	01	Bo District Council	2,825,161,342
107	03	Provincial Secretary Office - Kenema	2,580,793,000
107	02	Provincial Secretary Office - South	2,919,232,100
716	01	Bonthe District Council	2,004,179,642
715	01	Bonthe Municipal Council	1,924,701,861