



## PARLIAMENT OF SIERRA LEONE

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# REPORT OF THE PUBLIC ACCOUNTS COMMITTEE (PAC) ON THE CONSIDERATION OF REPORTS OF THE AUDITOR - GENERAL ON THE ACCOUNTS OF SIERRA LEONE FOR THE FINANCIAL YEARS 2021 AND 2022



PRESENTED BY:

DEPUTY SPEAKER & CHAIRMAN  
PUBLIC ACCOUNTS COMMITTEE [PAC]  
SIERRA LEONE PARLIAMENT

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## LIST OF ACRONYMS

ACC	-	Anti-Corruption Commission
AG	-	Auditor General
AGD	-	Accountant General Department
APG	-	Advance Payment Guarantee
AO	-	Accounting Officer
ASSL	-	Audit Service Sierra Leone
AVDP	-	Agriculture Value Chain Development Project
BoQs	-	Bill of Quantities
BSL	-	Bank of Sierra Leone
CA	-	Chief Administrator
CRF	-	Consolidated Revenue Fund
CRS	-	Corporate Social Responsibility
DAO	-	District Agriculture Officers
DS	-	Development Secretary
EU	-	European Union
EDSA	-	Electricity Distribution and Supply Authority
EGTC	-	Electricity Generation and Transmission Company
FCC	-	Freetown City Council
FO	-	Finance Officer
FSRP	-	Food System Resilience Programme
FY	-	Financial Year
GPFS	-	General Purpose Financial Statement
IA1	-	Internal Auditor

ICB	-	International Competitive Bidding
ICT	-	Information and Communication Technology
IFMIS	-	Integrated Financial Management System
IPCs	-	Interim Payment Certificates
IT	-	Information Technology
LG	-	Local Government
LGSC	-	Local Government Service Commission
LPO	-	Local Purchase Orders
MDAs	-	Ministries, Departments and Agencies
MoF	-	Ministry of Finance
MoU	-	Memorandum of Understanding
MNOs	-	Mobile Network Operators
NASSIT	-	National Social Security and Insurance Trust
NCB	-	National Competitive Bidding
NLe	-	New Leones
NPPA	-	National Public Procurement Authority
NMA	-	National Minerals Agency
NRA	-	National Revenue Authority
PAC	-	Public Accounts Committee
PAYE	-	Pay-As-You-Earn
PEPs	-	Politically Exposed Persons
PFMA	-	Public Financial Management Act, 2016
PFMRU	-	Public Financial Management Reform Unit
PRA	-	Petroleum Regulatory Agency
PO	-	Procurement Officer

PPP	-	Private Public Partnership
PSC	-	Public Service Commission
PS	-	Permanent Secretary
PVs	-	Payment Vouchers
RRVCP-		Regional Rice Value Chain Project
RfQ	-	Request for Quotation
SLE	-	Sierra Leonean Leone
SLRA	-	Sierra Leone Roads Authority
TIN	-	Tax Identification Number
UADF	-	Universal Access Development Fund

## ACKNOWLEDGEMENTS

The Public Accounts Committee (PAC) wishes to express its sincere gratitude to the various individuals and institutions that contributed to the successful completion of this inquiry and the preparation of this report on the 'Annual Reports of the Auditor General'

**The Committee extends its appreciation to the following:**

### **The Auditor General and Staff of the Audit Service Sierra Leone**

They provided comprehensive audit reports and detailed insights and clarifications during the inquiry process. The cooperation and expertise of the audit team were invaluable in enabling the PAC to better understand the issues raised and to formulate appropriate recommendations.

### **Staff and Management of MDAs**

The PAC acknowledges the constructive engagement of the leaderships of MDAs and project management teams, who provided extensive documentation, data, and testimonies, despite their busy schedules. Their openness and willingness to cooperate with the inquiry contributed significantly to the Committee's understanding of the challenges faced during the implementation of government programmes.

### **Parliamentary Research and Administrative Staff:**

The PAC appreciates the diligent work of the research and administrative staff who assisted in organising the hearings, conducting research, and preparing the documentation required for the inquiry. Their dedication and support enabled the Committee to operate efficiently and complete this report within the prescribed timeframe.

Finally, the Committee would like to express its appreciation to all Members of Parliament and Committee Members who contributed their time, expertise, and dedication to this inquiry. Their collaborative efforts and professional conduct ensured that the inquiry was conducted thoroughly and impartially, serving the interests of good governance and public accountability.

The Committee hopes that the findings and recommendations contained in this report will be used constructively to enhance the effectiveness, efficiency, and transparency of future public sector projects and programmes.

## EXECUTIVE SUMMARY

In line with Section 93(1), (3), and (6) of the Constitution of Sierra Leone Act No. 6 of 1991, and pursuant to Order 70(6) of the Standing Orders of Parliament, the PAC has thoroughly reviewed the Auditor General's Reports for the Financial Years 2021 and 2022. This report outlines the PAC's findings, recommendations, and commitments to strengthen financial accountability and governance across Ministries, Departments, Agencies (MDAs), and Local Councils in Sierra Leone.

The PAC's mandate to scrutinise public financial management remains pivotal to fostering transparency, efficiency, and effective use of public resources. The inquiry covered critical areas of revenue management, expenditure controls, procurement, payroll systems, and asset management.

### Key Findings:

#### 1. Financial Irregularities:

- Instances of payments without adequate supporting documents were observed.
- Non-remittance of statutory deductions, such as withholding tax, PAYE and NASSIT contributions.
- Budget overruns and expenditures not aligned with approved plans.

#### 2. Procurement Breaches:

- Recurring infractions, including failure to follow established procurement laws.
- Use of inappropriate procurement methods, leading to financial inefficiencies.

#### 3. Revenue Management Concerns:

- Significant revenue arrears owed by taxpayers and poor follow-up mechanisms.
- Uncollected revenues in MDAs and Local Councils due to weak enforcement structures.

#### 4. Project Delays and Abandonments:

- Numerous government projects remain incomplete due to poor funding, contractor inefficiencies, and lack of project management oversight.

#### 5. Weak Internal Controls:

- Inadequate reconciliations, ineffective assets management practices, and poor records management were noted across several institutions.

### Recommendations:

- Strengthen internal controls, including monthly reconciliations, assets coding, and timely payroll updates.
- Enforce procurement regulations with strict penalties for breaches to deter violations.
- Recover revenue arrears and implement efficient follow-up mechanisms for taxpayers.
- Prioritise completion of ongoing projects before initiating new ones.
- Enhance collaboration with anti-graft agencies, ensuring PAC oversight remains central to addressing audit concerns.

**Achievements:**

The PAC held **40 sittings**, scrutinised irregularities, and developed a robust follow-up mechanism to monitor the implementation of audit recommendations. Significant progress has been made in enhancing accountability and transparency in public spending.

This report serves as a foundation for improving governance, promoting fiscal discipline, and ensuring value for money in the management of public resources. The PAC remains resolute in holding public institutions accountable and urges all stakeholders to collaborate in addressing systemic weaknesses identified in this report.

**Recoveries:** Through its rigorous oversight, the PAC facilitated the recovery of **NLe23,152,942.66**, comprising general and taxpayer-specific recoveries.

**COMMITTEE MEMBERSHIP**

According to Standing Order 70 [1], the Public Accounts Committee is comprised of the following:

No	Name	Position	Political Party
1	Hon. Ibrahim Tawa Conteh	<i>Chairman</i>	SLPP
2	Hon. P.C. Desmond Mahayei Kargobai	<i>Deputy</i>	PCMP
3	Hon. Hon. Jibrila Sur Moiye	<i>Member</i>	SLPP
4	Hon. Dixon M. Rogers	<i>Member</i>	SLPP
5	Hon. Aaron Aruna Koroma	<i>Member</i>	APC
6	Hon. Sallieu Osman Sesay	<i>Member</i>	APC
7	Hon. Emilia Lolloh Tongi	<i>Member</i>	SLPP
8	Hon. Francis Amara Kaisamba	<i>Member</i>	SLPP
9	Hon. Hawa Siafa	<i>Member</i>	SLPP
10	Hon. Ibrahim Aziz Bangura	<i>Member</i>	APC
11	Hon. P.C. Haja Bintu F.M. Kajue Koroma VI	<i>Member</i>	PCMP

## PAC SECRETARIAT

The PAC Secretariat supported the Committee and collated the results into this report. The Secretariat served as the primary advisor to the Members, offering helpful information regarding processes and a roster of the relevant officials and experts who needed to be present at the hearings.

### The Secretariat comprises the following staff:

Augustine Sesay	-	Deputy Director and Head of Secretariat [PAC]
Musa L. A. Foullah	-	Deputy Director, Official Reports [Hansard] [PAC]
Hon. Alieu Ibrahim Kamara	-	Consultant, Office of the Deputy Speaker
Sheku Lamin Turay	-	Director, Parliamentary and Public Relations Department [PAC]
Lovinda Marie Kanu	-	Senior Stenographer [PAC]
Sayo Conteh	-	Committee Clerk [PAC]
Magdalene Samba	-	Committee Clerk [PAC]
Lucian Lamin	-	Principal Stenographer [PAC]
Edward B. Koroma	-	Videographer Officer [PAC]
Sulaiman Bah	-	Media Relation Officer [PAC]
Salieu G. A. Kamara	-	ICT Technician [PAC]
Mustapha Sheriff	-	Sound Technician [PAC]

### Audit Service Sierra Leone Staff:

Morie Lansana	-	Ag. Deputy Auditor- General, ASSL
Mohamed Mustapha	-	Principal Auditor, PAC Division, ASSL
Christian Chinsman-Williams	-	Auditor, PAC Division, ASSL
Philip Goba	-	Training Manage, ASSL

## INTRODUCTION

### *Background*

The PAC was established to ensure accountability, transparency, and proper use of public resources to manage government finances. The PAC's remit includes examining the findings and recommendations outlined in the Auditor General's Annual Report and ensuring that government Ministries, Departments, and Agencies (MDAs) are held accountable for using public funds.

This report examines the expenditure and financial management practices of Sierra Leone's MDAs and Local Councils for the fiscal years 2021 and 2022. The investigation was launched in response to findings highlighted in the Auditor-General's Annual Reports, which raised serious concerns about irregularities in the use of public funds. The reports identified various financial and operational issues

in key areas, such as procurement, revenue management, project execution, and payroll management across public institutions. The PAC, tasked with ensuring accountability and transparency in the management of public resources, has undertaken a comprehensive review of these reports to assess compliance with public financial management laws and regulations.

The primary objective of this inquiry was to investigate the financial irregularities identified in the 2021 and 2022 Auditor-General's reports and to assess the overall efficiency and effectiveness of public expenditure management. The PAC aims to evaluate how government funds were used by MDAs and Local Councils, specifically assessing whether these entities adhered to financial regulations and achieved the intended outcomes of public spending. Additionally, the inquiry seeks to determine whether recommendations from previous audit reports have been implemented to address recurring issues. Through this investigation, the PAC aims to provide Parliament with a detailed understanding of the irregularities and offer recommendations to improve governance and financial accountability.

The scope of this report covers the financial years 2021 and 2022 and encompasses a wide range of public institutions. The PAC reviewed the expenditure and financial management practices of Ministries and Departments, Public Enterprises and Commissions, and Local Councils. The report specifically focuses on areas such as procurement and contract management, payments and expenditure management, revenue collection, salary and payroll management, and asset management. The inquiry also includes an analysis of irregularities, including Imprest not retired, statutory deductions not paid, and other non-compliant financial practices identified during the audit.

## TERMS OF REFERENCE

### *Mandate of the Committee*

The PAC operates under the constitutional and parliamentary provisions that require it to ensure accountability and transparency in public financial management. **Section 119(2)** of the **1991 Constitution of Sierra Leone** mandates the Auditor-General to audit and submit annual reports on public expenditure to Parliament. The PAC is responsible for examining these reports to ensure that the government's use of public funds adheres to established legal frameworks.

Furthermore, **Section 93(3)** of the Constitution empowers the PAC to investigate or inquire into the activities and administration of ministries and departments, as well as to examine any proposals for legislation that may arise from these inquiries. This broad mandate ensures that the PAC has the authority to scrutinise all aspects of government expenditure and recommends legislative reforms when necessary.

In addition, **Order 70(6)** of the Standing Orders of the Sierra Leone Parliament further strengthens the PAC's mandate, granting it the power to examine the annual accounts, special reports of the

Auditor-General, and the accounts of statutory corporations and boards, even during parliamentary recess

### *Powers of the Public Accounts Committee*

To fulfill its oversight responsibilities effectively, the PAC is vested with significant powers as outlined in **Section 93(6)** of the Constitution. These powers include:

- **Enforcing the attendance of witnesses:** The PAC has the authority to summon individuals to testify before the Committee, examining them under oath, affirmation, or otherwise.
- **Compelling the production of documents:** The Committee can require any relevant documents or records to be presented for its examination, ensuring that it has access to all necessary evidence.
- **Issuing a commission or request to examine witnesses abroad:** In cases where necessary witnesses are outside Sierra Leone, the PAC has the legal authority to commission their testimony or statements remotely.

These powers, equivalent to those vested in a High Court during trial, provide the PAC with the necessary tools to ensure that its inquiries are thorough and that its oversight of government financial operations is effective.

## OBJECTIVES OF THE REVIEW

### *General Objective*

The main objective of this review is to:

- i. Investigate irregularities with financial impact identified in the Auditor-General's Reports for the financial years 2021 and 2022, with a focus on improper use of public funds and non-compliance with public financial management laws and regulations.
- ii. Assess the adherence of MDAs, Local Councils, and other public institutions to financial regulations, ensuring that public funds were allocated and utilised for their intended purposes.
- iii. Evaluate the effectiveness of internal controls, governance structures, and financial management processes within these entities, and assess the implementation of recommendations from previous audit reports to address deficiencies in public financial management.

### *Specific Objectives*

The specific objectives of the review are to:

- i. Identify instances of financial mismanagement in the MDAs, Local Councils, and other public institutions during the 2021 and 2022 financial years, with particular attention to procurement, revenue collection, and expenditure management.

- ii. Investigate compliance with procurement laws and practices, including identifying cases where contracts were awarded without following proper procedures and assessing the impact of these breaches on public expenditure.
- iii. Examine revenue management practices across the audited institutions to determine whether revenues were properly assessed, collected, recorded and were utilised for the purposes intended.
- iv. Evaluate the implementation of rural development programs, particularly within Local Councils, to assess the efficiency and effectiveness with which public funds were utilised for infrastructural and service delivery purposes.
- v. Assess the adequacy of internal controls within the entities to prevent financial irregularities, fraud, and mismanagement, and to ensure compliance with financial regulations.
- vi. Review the progress made by MDAs and Local Councils in implementing recommendations from previous audit reports, with a view to identifying areas where further corrective action is needed.
- vii. Provide recommendations to Parliament aimed at strengthening public financial management systems and ensuring efficient and transparent use of public resources across MDAs.

## SCOPE OF THE INQUIRY

The PAC was authorised to review all aspects of the annual reports of the Auditor General and beyond for the 2021 and 2022 Financial Years including:

The inquiry covered:

**Scope:** Financial years 2021 and 2022.

**Entities Examined:** The PAC reviewed the accounts and financial management practices of MDAs, Public Enterprises, Commissions, and 18 Local Councils.

**Expenditure Areas:** The inquiry focused on procurements and contracts management, payments and expenditure management, revenue collection, salary and payroll management, and assets and stores management.

**Key Irregularities Investigated:** The inquiry scrutinised irregularities, such as Imprest not retired, statutory deductions not paid, and instances of non-compliance with procurement regulations. These areas were investigated to determine the root causes of mismanagement and propose corrective actions.

For the financial years 2021 and 2022, the hearings were conducted in Parliament and at regional headquarters of the various District and City Councils.

### ***Reporting Requirements***

The PAC was tasked to produce a comprehensive report that would include:

- **Findings:** A detailed account of financial, managerial, and procedural irregularities identified during the inquiry.
- **Recommendations:** Specific recommendations aimed at improving governance, financial management, and project oversight within MDAs and Councils.
- **Implementation Plan:** A proposed timeline and framework for the implementation of corrective actions by MDAs and Councils.
- **Follow-Up Mechanism:** Recommendations for establishing a follow-up mechanism to track Council's progress in implementing the proposed recommendations.

## **METHODOLOGY**

The PAC employed a systematic and evidence-based approach in its inquiry into the financial management practices of MDAs, Local Councils, and Public Enterprises for the financial years 2021 and 2022. The inquiry was carried out under the technical leadership of the **Auditor General**, with additional support provided by the Secretariat, ensuring that all aspects of the review were thorough, objective, and aligned with the Committee's mandate.

### ***Evidence Collection Process***

The PAC's approach to evidence collection was comprehensive, combining both **oral and written submissions** from Controlling Officers of the MDAs, Local Councils, and Public Enterprises cited in the **Auditor-General's Reports** for 2021 and 2022. This allowed the Committee to gather firsthand explanations and clarifications regarding specific financial irregularities identified in the reports. In particular, the PAC:

**Reviewed Submissions:** The Committee systematically reviewed written submissions and supporting documents from the audited institutions, cross-referencing them with oral testimonies provided during the hearings. This ensured that the Committee's findings were well substantiated.

**Technical Leadership by Auditor General:** The technical input from the **Auditor General** was crucial in guiding the PAC's review of complex financial data, ensuring that the analysis was accurate and based on sound auditing principles. The **Audit Service Sierra Leone (ASSL)** also played a key role by providing technical expertise during the hearings.

### *Stakeholder Collaboration and Consultations*

The PAC worked closely with other key institutions to ensure a holistic investigation into the financial irregularities:

**Support from the Secretariat:** The Secretariat provided administrative and technical support, ensuring that the PAC's processes were efficient and that all necessary information was available for review.

### *Site Visits and Inspections*

To verify the status and quality of project implementations, particularly those relating to infrastructure development in Local Councils, the PAC conducted site visits. These visits enabled the Committee to directly observe the projects and compare same with the financial records and reports provided, ensuring that funds were used as intended.

### *Data Analysis and Reporting*

The PAC conducted a **robust analysis of financial data**, reviewing contracts, procurement processes, expenditure reports, and revenue management practices. The Committee ensured that all findings were triangulated using the data from the Auditor-General's Reports, testimony from key officials, and independent technical consultations.

### *Reporting Process*

A **preliminary draft report** was prepared based on the evidence gathered during the hearings and consultations. This draft was reviewed internally by PAC members and externally by independent experts to ensure that it is comprehensive, accurate, and objective. The final report, which included detailed findings, conclusions, and recommendations, was presented to Parliament for further action.

### **Commitment to Transparency and Accountability**

Throughout the review process, the PAC remained committed to addressing the financial irregularities identified in the Auditor-General's Reports. By working with various stakeholders and ensuring that both fiscal issues and managerial shortcomings were thoroughly examined, the PAC aimed to improve the management of public resources and enhance transparency and accountability in the financial administration of the public sector.

# SECTION I

## ACHIEVEMENTS OF THE PUBLIC ACCOUNTS COMMITTEE (PAC)

## **ACHIEVEMENTS OF THE PUBLIC ACCOUNTS COMMITTEE (PAC)**

The PAC has contributed positively to the performance of accountability and good governance in Sierra Leone's public sector. Also, the Committee's oversight function has been paramount in ensuring that there is value for money on all public expenditures and the concerns raised by the Auditor General are adequately responded to. The following are some of the key achievements made during the consideration of the Auditor-General's Reports on the Accounts of Sierra Leone for the Financial Years 2021 and 2022:

### **1.1 Enhanced Oversight and Accountability in Public Spending**

In examining reports of the Auditor-General, the Committee considered in-depth and analysed over 80 businesses that owe the Government of Sierra Leone huge sums of money and were therefore considered valuable in the recuperation of lost public funds and bringing them into compliance with financial regulations.

The work of the PAC has also been very instrumental in bringing MDAs to book for financial mismanagement, among other irregularities that surface from the Auditor-General's reports. These hearings provided an opportunity to scrutinise the financial practices of various public institutions and enforce corrective measures where necessary. As a result, the PAC has increased the level of transparency regarding how public resources are allocated and spent.

### **1.2 Strengthening follow-up mechanisms for corrective action**

To ensure that the recommendations made during its sittings were effectively enforced, the PAC developed a follow-up mechanism. This is through the continuous checking of actions taken by the MDAs and other stakeholders with regard to the recommendations made by the Committee. Through this system, the PAC managed to keep track of the progress of corrective actions and ascertained that audit matters were attended to and the lapses, which might have resulted in the financial irregularities, avoided.

This improved follow-up has been the key underpinning to the accountability framework across the public sector, in ensuring that public institutions take their financial responsibilities seriously and comply with the set rules and guidelines by the government.

### **1.3 Number of Committee Sittings for the period**

The Committee held **40** sittings, which afford the opportunity for an in-depth consideration of the Reports of the Auditor General on the Accounts of Sierra Leone for the financial years 2021 and

2022. Indeed, the meetings were the avenues through which extensive discussions on the findings and observations in the reports were adequately canvassed.

#### **1.4 Public Scrutiny and Live Streaming of Proceeding**

The PAC has maintained an open-door policy that ensures its proceedings are accessible to the public. This includes live streaming of its hearings, which allows for greater public engagement and transparency. The involvement of citizens in the hearings has strengthened public confidence in the accountability process, as individuals and civil society organisations can witness the scrutiny of public expenditure firsthand. By enabling real-time participation, the Committee has fostered a culture of openness and trust in governance.

## STATUS OF SELECTED LOCAL COUNCILS, MINISTRIES, DEPARTMENTS, DONOR-FUNDED PROJECTS, PUBLIC ENTERPRISES AND COMMISSIONS AUDIT ISSUES BY CATEGORY

The PAC conducted public hearings on the Auditor General's (AG) reports for MDAs, Donor-Funded Projects, Public Enterprises, Commissions and Local Councils for the financial years **2021 and 2022**. The hearings aimed at addressing financial irregularities, governance issues and audit findings flagged up in the AG's reports. **18 Local Councils** and **31 MDAs** (including the General Purpose Financial Statement), participated in the public hearings on the 2021 and 2022 AG's reports. Besides issues examined under the GPFS, **210** audit queries for MDAs and **139** for Local Councils were exhaustively examined for both periods.

The status of the audit issues examined by the PAC, as mentioned in the AG's report for the FYs 2021 and 2022, is summarised in the table below:

MDAs			
Category of Issues	2021	2022	Total
<i>Resolved Issues</i>	55(26.2%)	82(39.0%)	137(65.2%)
<i>Unresolved Issues</i>	16(7.6%)	27(12.9%)	43(20.5%)
<i>Partially Resolved</i>	10(4.8%)	20(9.5%)	30(14.3%)
<b>Total</b>	<b>52(38.6%)</b>	<b>86(61.4%)</b>	<b>210(100%)</b>
LOCAL COUNCILS			
<i>Resolved Issues</i>	44(31.7%)	64(46%)	108(77.7%)
<i>Unresolved Issues</i>	4(2.9%)	14(10.1%)	18(12.9%)
<i>Partially Resolved</i>	5(3.6%)	8(5.8%)	13(9.4%)
<b>Total</b>	<b>53(38.1%)</b>	<b>86(61.9%)</b>	<b>139(100%)</b>

**Table 1:** Status of Selected Local Councils, MDAs' Donor-Funded Projects, Public Enterprises and Commissions Audit Issues by Category

As shown in the table above, out of **210** audit issues covered for MDAs and **139** for Local Councils, **137** and **108** for MDAs and Local Councils were resolved respectively, thus reflecting commendable efforts by Managements of both MDAs and Local Councils in addressing audit findings. For 2021 FY, **55** audit queries on MDAs and **44** on Local Councils were resolved. By **2022**, the number of resolved issues increased significantly to **82** for MDAs and **64** for Local Councils, representing improved responsiveness and stronger oversight by the PAC. This highlights a positive trend in addressing financial irregularities and implementing audit recommendations. Of the cumulative total of **349** audit issues examined for both MDAs and Local Councils, **245** were resolved, representing **70.2%** for both periods, leaving **104**, indicating **28.9%** either unresolved or partially resolved. *(See Appendices A for the Resolution Matrix covering 2021 and 2022 for selected Local Councils, MDAs' donor-funded projects, public enterprises, and commissions.)*

The ability of MDAs and Local Councils to resolve **70.2%** of audit queries for both financial years is a positive reflection of the effectiveness of management teams and their commitment to compliance and risk minimisation. However, recurring audit findings that remain unresolved year after year can undermine donor confidence and also affect service effective delivery.

Despite the notable improvements in addressing audit issues, the fact that **29.8%** of the audit queries remained unresolved or partially resolved revealed a significant concern of the PAC. Strengthening internal controls and ensuring full implementation of audit recommendations will be crucial in further improving financial accountability and good governance.

## MDAS, DONOR-FUNDED PROJECTS, PUBLIC ENTERPRISES AND COMMISSIONS RESOLVED AUDIT ISSUES

This section presents a summary of the audit findings from previous reporting periods (FY 2021 and 2022) that have been successfully resolved by Ministries, Departments and Agencies and Public Enterprises. These are outlined in the Table below:

**Table 2:** *MDAs, Donor-Funded Projects, Public Enterprises and Commissions Audit Issues Considered Resolved by the Committee with Further Recommendation*

No	MDAs /Components	Audit Findings	Committee Findings /Recommendations
1.	GENERAL PURPOSE FINANCIAL STATEMENTS (GPFS) - 2023	<p><b>Non-Inclusion of Revenue Arrears in the GPFS:</b></p> <p>The AG's report disclosed that arrears totaling US\$540,780 (approximately Le5.8 billion) for the National Minerals Agency (NMA) and <b>Le2.3 billion</b> for the Petroleum Regulatory Agency (PRA) were not recorded in the General-Purpose Financial Statements (GPFS).</p>	<ul style="list-style-type: none"> <li>• The Committee requested the NMA to submit a list of companies whose licenses had been canceled. <i>The NMA complied, providing the necessary documents, and the Committee considered the issue regarding the NMA's arrears resolved.</i></li> <li>• <i>The PRA also submitted the required document, and the Committee recommended that the issue concerning the PRA's arrears be considered resolved.</i></li> </ul>
2.	MINISTRY OF FINANCE - 2022	<p><b>Actual Expenditure Exceeding Budgeted Expenditure</b></p> <p>The audit report noted an exceeding expenditure to the tune of <b>NLe 9,753,579</b> and <b>NLe 46,358,033</b> in respect of staff cost, and recurrent and capital expenditure respectively.</p>	<p>Management disclosed that:</p> <ul style="list-style-type: none"> <li>⇒ the budget overrun with respect to staff cost was because some critical staff who were badly needed were posted to the Ministry of Finance, but they were not budgeted for. Even though the Ministry faulted the Accountant General, being the institution that paid the salaries directly to the said staff, it was however noted that the Ministry made the request without thinking about the financial implications and thus disregarded the provisions in Sections 112 and 116 of the Constitution, and the PFM Act of 2016 and its Regulation</li> <li>⇒ regarding recurrent and capital expenditure, the Ministry invested in NRA in terms of purchasing cash machines and that investment was reported to have increased revenue generation, and that audit recommendations have been fully automated, so that they can be seen in real-time; and</li> <li>⇒ payments of subscriptions on behalf of Sierra Leone to International Organisations, coupled with the depreciation of the Leone, and the increase in the prices of goods and services in the period under review contributed to the budget overrun.</li> </ul>

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			The Committee expressed optimism that such investments in NRA revenue software would maximise revenue collection. It was also noted that due to poor budgeting or failure to capture unforeseen circumstances, the action of the Ministry contravenes the 1991 Constitution, the PFM Act of 2016, and its Regulations. The Committee therefore recommends that nobody should expend funds outside the approved budget by Parliament.
3.	NATIONAL REVENUE AUTHORITY (NRA) - 2022	<b>Cash Advance for a Cancelled Contract</b> The audit report disclosed that an advance payment of NLe240,000 was made to a supplier after the cancellation of the contract. However, NLe210,000 had been recovered, leaving a balance of NLe30,000.	The Committee observed that the NLe30,000 was paid after the Committee ordered such payment within 72 hours. The Committee expressed strong disapproval of Management's strange behaviour and added that no advance should have been made for a cancelled contract, even though the amount in question has been fully recovered.  <i>As a result, the Committee recommended that the issue be removed from the audit report. They also warned that repeating such planned action would result in harsh penalties.</i>
		<b>Personal assets in offices</b> The audit report unveiled that assets, such as refrigerators, TVs, tables, and other furnishing items seen in different provincial offices were claimed to be staff members' personal belongings.	<i>The Committee noted from its discussions with Management that this issue has been addressed and therefore recommended that it be closed. However, the Committee cautioned Management to provide adequate working tools for their staff, so as to discourage the culture of using personal tools for official work.</i>
4.	ROAD MAINTENANCE FUND ADMINISTRATION (RMFA)	<b>Funds Transferred by the Road Maintenance Fund Administration [RMFA] to the Sierra Leone Roads Authority [SLRA].</b> The audit report revealed the following: a. Bimak Company Limited was awarded a contract worth NLe730,377 by SLRA to construct a	From its discussions with Management and evidence presented, the Committee noted the following: ⇒ the contracts relating to Largo Bridge and Sarolla have been fully executed as the retaining walls have been backfilled; ⇒ the contractors cleared all the debris and deposited same

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		<p>retaining wall and side drains in Sarolla, Kissy, but the retaining walls were not backfilled as stated in the contract agreement;</p> <p>b. SLRA awarded contracts totalling <b>NLe 4,598,500</b> for surface and drainage cleaning works within the Freetown municipality, but some debris was not properly disposed of, posing a risk of flooding. Additionally, some drainages were only cleaned once, instead of the twelve-week period specified in the contract;</p> <p>c. in the implementation of the contract awarded for the premix patching works on selected streets within the Freetown municipality, Bo, and Makeni cities for a contract sum of <b>NLe2,680,102</b>, the following were noted:</p> <p>⇒ the premix patching in Freetown municipality was not done as per the contract because the potholes were not properly cut, shaped, and compacted, leading to some potholes reopening;</p> <p>⇒ contrary to the contract agreement, concrete was used in premix patching, instead of asphalt and SLRA engineers failed to provide details of premix patching in Central Business District, thereby inhibiting the verification of the activities undertaken;</p> <p>⇒ premix patching was carried out at Circular Road/Model Junction, but no proper drainage system, causing water to overflow, destroying 119 asphalt during rains.</p> <p>d. SLRSA awarded contracts for road marking within the Freetown municipality for a contract amount of <b>NLe1,318,050</b>. However, the</p>	<p>on designated locations, but the rubbles spotted by the audit team could have been dumped there by residents around the project sites;</p> <p>⇒ most of the roads have deteriorated to a point that they are no longer serviceable unless they are resurfaced/overlaid, but the lack of funds resulted in the use of concrete premix patching, which only provided temporal relief;</p> <p>⇒ since using asphalt was not feasible during the wet season, concrete was used as an emergency option to address the problem;</p> <p>⇒ the right paint that can reflectorised was later procured and the end date of the contract was clearly captured in the agreement; and</p> <p>⇒ some of the projects are still ongoing, while road marking, drainage clearing and premix patching are done annually.</p> <p>The Committee however dispelled the justifications that it was due to the age of the roads, coupled with funding gaps that led to the replacement of asphalt with concrete in the premix patching. The Committee added that the contract agreement provided for asphalt premix patching and not concrete.</p> <p><i>The Committee declared queries relating to drainage cleaning, road marking, Sarola and Largo Bridge resolved. However, it cautioned that moving forward, Management should adhere to the terms of the contract agreements and that unfinished projects must be completed before starting new ones. Once more, Management was warned against awarding contracts when the funds needed to complete a project are not available.</i></p>

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		<p>following were observed:</p> <p>⇒ the contractor was yet to complete the contract more than a year after the 30% advance payment of NLe395,415 was made, and there is no proof that the Authority has taken any action;</p> <p>⇒ the contractor was requested to stop work after 30% of completion because the materials procured by the contractor were not in line with the contract specifications, and the type of paint used was not reflectorised; and</p> <p>⇒ the contract's commencement date was March 2022, but there was no evidence of the end date in the agreement.</p> <p>e. a contract of NLe454,265 was awarded for the Largo Bridge deck construction, but the auditors discovered that the work had not started, despite payment being made to the contractor.</p>	
5.	SIERRA LEONE ROADS AUTHORITY (SLRA)	<p><b>Delayed Execution of Contracts</b></p> <p>The audit report revealed that contracts worth Le55,590,144 were awarded for culvert construction, road markings, and maintenance, but these projects were not completed within the agreed timeframe as they were still ongoing at the time of the audit in August 2023.</p>	<p>In his response, the Director General stated that inadequate funding was largely responsible and those available were disbursed in piecemeal. The DG further stated that they have reduced maintenance activities from 11 thousand to 4 thousand kilometers. He concluded that the increase in the pump price of fuel would help to address the problem.</p> <p><i>As the Committee announced the resolution of this audit query, it pointed out that delayed completion of road construction had a significant financial impact on the nation's socio-economic growth. As a result, it suggested that instead of focusing on constructing more roads that could not be completed on time, SLRA should focus on fewer roads that are achievable.</i></p>
		Recurrent and Capital Expenditure	<i>Following the review of submissions, the PAC observed the</i>

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		<p><b><i>Contract Agreement between the Gento Group of Companies and the Sierra Leone Road Authority</i></b></p> <p>The 2022 financial year audit revealed discrepancies in the payment process for the <b>US\$42.78 million</b> contract between the <b>Gento Group of Companies</b> and the <b>Sierra Leone Road Authority (SLRA)</b>. Of the total contract value, <b>US\$39.68 million</b> had been paid, leaving an outstanding balance of <b>US\$3.1 million</b>.</p> <p>The key issue was the issuance of <b>Interim Payment Certificate (IPC 1A) worth US\$5.46 million</b> in 2018 due to delayed payment of IPC 1, despite records showing that the <b>Road Maintenance Fund Administration</b> had already paid IPC 1 in 2016. The <b>Audit Service Sierra Leone (ASSL) verification report (2018)</b> confirmed that no certified arrears were outstanding.</p> <p>Additionally, <b>IPC 5 claims totaling US\$13.52 million</b> were made for project suspension losses. However, there was <b>no documented engineer's instruction for work suspension</b>, contradicting <b>Clause 40.1</b> of the contract. The claim was also <b>not verified by ASSL or the Ministry of Finance's Internal Audit Department</b>, yet <b>US\$13.48 million</b> was paid in 2022, leaving a balance of <b>US\$45,849</b>.</p>	<p><b><i>following:</i></b></p> <p>⇒ <b>Lack of Proper Documentation:</b> The failure of the Fiscal Risk Management Department (FRMD) at the Ministry of Finance to submit key documents on time led to misunderstandings in the audit report.</p> <p>⇒ <b>Legitimacy of Payments:</b> The Committee confirmed that <b>all payments made to the Gento Group were consistent with contractual terms</b>, and there was no evidence of double payment.</p> <p>⇒ <b>Project Delays and Justified Claims:</b> The claims for delay payment interest and suspension of works, including the <b>US\$13.5 million for loss and damages (IPC 5)</b>, were valid under the contract.</p> <p>⇒ <b>Need for Strengthened Oversight:</b> The PAC stressed the importance of ensuring <b>timely documentation and transparent engagement</b> between government institutions and contractors to prevent similar discrepancies in the future.</p> <p><b><i>Resolution:</i></b></p> <p>⇒ <b>Deduction of Fine:</b> The PAC instructed the <b>Accountant General</b> to deduct <b>NLe 5,000</b> from <b>Mr. Joseph A. Fatorma's salary</b> for failing to submit a <b>Minute Paper</b> to the auditors. This document, addressed to the <b>Financial Secretary</b>, requested an amendment to a <b>June 3, 2022</b> minute concerning <b>township road payments in Hastings, Waterloo, Jui, and Tombo (Procurement</b></p>

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			<p>No. SLRA/OMD/ICB/2015/0002). The requested amendment corrected the <b>Interim Payment Certificate number from IPC1 to IPC1A</b> and adjusted the payment submission date from 2018 to 2020.</p> <p>⇒ <b>Resolution of Contract Inquiry:</b> The PAC deemed the contractual issues between the <b>Gento Group of Companies and SLRA resolved</b> and instructed that this matter be <b>removed from the audit report</b>.</p>
		<p><b>General Observations</b> Imprests not sent to provincial offices thereby hindering the day-to-day running of the offices.</p>	<p>The audit report disclosed that the provincial offices were not funded by the Authority as imprests were not sent to these offices for the period under review. As a result, staff were constrained with paying utility bills and meeting other day-to-day expenditures.</p> <p>In his response, the DG mentioned that they had started addressing the issue and assured the Committee that this particular matter would not reappear in the subsequent audit report.</p> <p><i>Taking the DG at his words, the Committee declared this matter resolved but cautioned Management to ensure that the provincial offices are adequately funded, to enable staff to pay their utility bills and meet other routine expenditures.</i></p>
6.	IMMIGRATION DEPARTMENT 2022	<p><b>Outstanding Royalty not Paid by Netpage</b> The AG's report, revealed that from January to December 2022, approved royalty payment of 8% per sale of each e-passport shall be paid to the Government of Sierra Leone by Netpage [third party representative of HID CID Limited]. The report concluded that outstanding royalty of <b>US\$429,627</b></p>	<p>The Committee noted the following, after carefully reviewing and analysing the agreement between Netpage and the Government of Sierra Leone:</p> <p>⇒ the original contract presented to Parliament in 2013, which expired in 2023, did not impose royalty payments to the Government, but mainly aimed at adjusting amounts to match the US dollar and the Bank of Sierra</p>

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		was not paid to the Government of Sierra Leone for e-passports produced in 2022.	<p>Leone exchange rate;</p> <p>⇒ the Committee faulted the Immigration Department and the Ministry of Internal Affairs for failing to table the new agreement to Cabinet for consideration and finally to Parliament for approval; and</p> <p>⇒ it would be a serious constitutional breach if the Government requested Netpage to pay royalty because the 1991 Constitution of Sierra Leone forbids people or organisations from signing or entering into agreements that require payments to the Government without parliamentary endorsement or authorisation.</p> <p><i>Based on the above, the Committee resolved that:</i></p> <p>⇒ <i>the matter was deemed resolved and thus recommended that it be removed from the audit report. However, PAC refused to ask Netpage to pay the full amount because the agreement that the auditors based their conclusion was never approved by Parliament, but encouraged Immigration to engage Netpage, in order to establish a win-win situation;</i></p> <p>⇒ <i>the Ministry of Internal Affairs and Immigration Department should review the unapproved agreement and include certain provisions geared towards maximising revenue and submit the same to Parliament for approval; and</i></p> <p>⇒ <i>to successfully patrol our porous borders, the Immigration Department should submit legislation to the Parliament that will guarantee the independence and autonomy of the institution.</i></p>

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7.	UNIVERSAL ACCESS DEVELOPMENT FUND [UADF]	<p><b>Non-submission of Financial Statements and Internet Service Providers</b></p> <p>The audit report disclosed that all Mobile Network Operators (MNOs) and Internet Service Providers (ISPs) are required to submit their Financial Statements to the UADF at the end of every accounting period in order to enable the UADF to calculate the levy to be collected from these service providers. The report however disclosed that some MNOs and ISPs did not submit their 2021 Annual Financial Statements to the UADF, despite several requests. Hence, the auditors could not ascertain the accuracy and completeness of the 2021 revenue disclosed in the UADF's Financial Statements.</p>	<p><i>The Committee reviewed evidence of action taken to address the query and therefore considered same as resolved. The Committee recommended a follow-up action during its public hearings on the FY2023 audit report.</i></p>
8.	AGRICULTURE VALUE CHAIN DEVELOPMENT PROJECT [AVDP]- 2021	<p><b>Intended Outcomes of the Contracts for the Supply of Groundnut Shellers not Achieved</b></p> <p>The audit report disclosed that the AVDP contracted Wingin Heavy Duty Machine Company for the supply and installation of 14 groundnut shellers for an amount of <b>Le621,600,000</b>, but the contractor has only supplied 4 after the delivery period has elapsed. The AG's report further disclosed that instead of the NCB, the national shopping method was used.</p>	<p>The Committee observed from the review of documents, such as delivery notes, distribution lists and its engagements with AVDP Management team that the Company has concluded the installation of the remaining 10 machines, but they were delivered after the stipulated timeframe and that the wrong procurement method was used.</p> <p><i>Based on the foregoing, the Committee considered this audit query as resolved. However, PAC condemned, in the strongest terms, Management's deliberate violations of Section 37[2] of the Public Procurement Act, 2016 and the terms and conditions of the contract agreement, and thus cautioned that in future, a repeat of such violations would attract severe penalties.</i></p>

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		<p><b>Payments without Adequate Supporting Documents</b></p> <p>The AG's report revealed that of the <b>Le2,521,674,622</b> queried amount, supporting documents totalling <b>Le2,498,674,622</b>, registering <b>99%</b>, were presented during the audit verification exercise, leaving a balance of <b>Le23,000,000</b> without adequate supporting documents.</p>	<p>The Project Manager submitted the documents to the Committee, disclosing that the delay was as a result of misfiling, but assured the Committee that Management had put in place measures that geared towards strengthening internal controls which would reduce the risk of being surcharged.</p> <p><i>The Committee, after reviewing the documents presented, marked the query resolved due to the adequacy of the documents and therefore recommended its deletion from the audit report. Management was cautioned to improve their records management through structured trainings of the officers handling such important files.</i></p>
		<p><b>Withholding Tax Deducted but not Paid to the NRA</b></p> <p>The audit report disclosed the following:</p> <p>⇒ withholding taxes totaling <b>Le191,657,257</b> were deducted from the payments made to suppliers and contractors for goods, services and works contracts in 2021, but there was no evidence of NRA receipts to confirm such payments; and</p> <p>⇒ AVDP deducted <b>5.5%</b> withholding taxes totalling <b>Le594,866,551.68</b> from staff salaries, but no evidence of payments was made to the NRA; and instead of <b>10%</b> total tax that should have been deducted from staff salaries, <b>5.5%</b> was deducted, leaving total unpaid staff taxes of <b>Le701,922,721</b>.</p>	<p>The Project Manager tendered in evidence documents in respect of <b>Le191,657,257</b>, <b>Le594,866,551.68</b> and <b>Le701,922,721</b>, adding that the issue relating to the non-deduction of the full <b>10%</b> from staff salaries was as a result of miscalculations, but the full amount had been recovered and paid same to the NRA. Management further revealed that the other payments were delayed due to some works contracts still ongoing at the time of audit.</p> <p><i>Upon reviewing the documents, the auditors confirmed their [documents] authenticity and adequacy, and the Committee recommended that the issue be removed from the audit report after it was declared resolved. Management was admonished that going forward, Sections 116 and 117 of the Income Tax Act, 2000 must be strictly</i></p>

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			<i>complied with, otherwise penalty charges would be imposed.</i>
9.	AGRICULTURE VALUE CHAIN DEVELOPMENT PROJECT (AVDP) – 2022	<b>Assets Management</b> The AG's report revealed multiple deficiencies in fixed assets management, including missing registration details for vehicles and motorbikes, outdated assignments of assets worth US\$388,982.66 to former employees, 74 assets unavailable for verification, assets not coded and the locations of some assets not documented.	The Committee observed from the review of the assets register that it has been updated and all relevant information that was not captured, such as assets not coded, documentation of movement of assets, etc. has now been included.  <i>The Committee resolved this query and recommended its removal from the audit report, but Management was urged to code and record all Project assets in the assets register, as uncoded assets can be difficult to trace and are susceptible to theft.</i>
		<b>Delays in Completing the Inland Valley Swamp Works</b> The audit report revealed significant delays in completing the 1,200ha IVS rehabilitation project across eight districts. Some youth contractors reported that service providers abandoned works and left them unpaid.	The Committee reviewed evidence of collaboration between the PMU and MAF on the community-driven approach for IVS rehabilitation and development.  <i>Therefore, the Committee declared the issue resolved and recommended its deletion from the audit report.</i>
		<b>Purchase of Fertilisers and Late Delivery of Seed Rice</b> The audit report disclosed that 3,600 bags of 50kg fertilizers valued at NLe4,068,000 remained undistributed nearly a year after purchase, potentially reducing potency. Additionally, 117 bags valued at NLe132,210 were unaccounted for in six districts.	The Committee reviewed evidence of action taken to apply modern farming practices in IVS development and rehabilitation.  <i>Based on the submitted documents, the issue was considered resolved and recommended its removal from the audit report. The Committee further encouraged Management to improve inventory management and timely distribution of fertilizers and other items.</i>

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		<p><b>Evaluation and Award of Contracts</b></p> <p>The audit report mentioned that the procurement of farm tools followed National NCB, but deviated from the bid criteria by awarding discrete line items instead of full lots. According to the audit report, this approach lacked legal basis under Section 49(3h) of the Public Procurement Act, 2016.</p>	<p><i>The Committee reviewed the IFAD “No Objection” and other supporting documents and based on what was observed, it recommended that the issue be considered resolved. However, the Committee further advised strict adherence to standard procurement regulations at all time.</i></p>
		<p><b>Expired Performance Bond</b></p> <p>The audit report stated that performance securities for 20 agreements related to IVS rehabilitation expired before project completion, violating Clause 37.1 of the contract.</p>	<p>The Committee reviewed correspondence sent to the banks for renewal of expired securities. <i>In that regard, the Committee considered this query resolved and recommended that it be deleted from the audit report.</i></p>
		<p><b>Cocoa Clonal Garden</b></p> <p>The audit report indicated that the establishment of a 15ha Cocoa Clonal garden in Pendembu (10ha) and Kpuwabu (5ha) was not completed within the revised timeline of 31<sup>st</sup> December 2022. High mortality rates of clones, attributed to poor planting conditions, affected progress.</p>	<p>The Committee reviewed management’s response regarding replanting on 12ha and plans for the remaining 3ha.</p> <p><i>Based on evidence submitted, the Committee considered the matter resolved and recommended it deletion from the audit report.</i></p>
10.	MINISTRY OF AGRICULTURE (HQ) - 2022	<p><b>Distribution Lists not Available to Account for Uniforms</b></p> <p>The audit report disclosed that NLe 98,784 was spent on office uniforms for 92 females and 160 male staff, but signed beneficiary lists for 47 and 79 uniforms were verified, leaving a balance of 45 and 81 uniforms without distribution evidence. The report also revealed that some staff did not receive uniforms for years.</p>	<p>In his response, the Chief Accountant tabled documents to support his submission that the matter under discussion has been settled.</p> <p><i>From the review of the distribution lists, the Committee observed that the remaining 45 uniforms for female and 81 for male staff have been distributed. As a result, the Committee deemed this issue resolved and thus recommended that it be removed from the audit report.</i></p>

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		<b>Standing Imprest not Retired</b> The audit report noted that of the NLe400,055 queried amount, retirement details totaling NLe373,355, representing 93% were submitted and verified, leaving a total of NLe26,700.	The Chief Accountant tendered in evidence documents to support his submission that the issue had been settled, adding that the delay was as a result of misfiling.  <i>While declaring this matter resolved and therefore recommended that it be removed from the audit report, the Committee noted the relevance of records management, revealing that it speeds up the retrieval of information, eliminate risks and ensures compliance.</i>
		<b>Payments without Adequate Supporting documents</b> The audit report revealed that out of NLe 5,835,142.99, supporting documents totalling NLe 5,725,382.99 [98%] were submitted for various activities, leaving a balance of NLe 109,760.	<i>Documents presented to the PAC revealed that that the issue has been settled and therefore recommended its removal from the audit report.</i>
		<b>Rehabilitation Work not Done</b> The audit report disclosed that: ⇒ On the 27 <sup>th</sup> of December 2022, NLe148,550 and NLe148,600 were spent on the rehabilitation of the Teko Training Center and staff quarters in Bombali District respectively. The audit team's attempts to physically verify the work done proved futile and the DAO revealed that he had no idea of such a rehabilitation exercise; ⇒ On October 20, 2022, NLe147,900 was spent on the rehabilitation of the Ministry's guesthouse and staff accommodation in Kenema, but the auditors could not physically inspect the site, and the DAO in Kenema expressed doubt about such a project.	The Chief Accountant revealed that there was an error in the voucher description regarding the rehabilitation of Teko Training Center and staff quarters in Bombali District, stating that instead of rehabilitation of the administrative building, it was mistakenly captured as 'staff quarters' and that was why the DAO did not believe whether this project was undertaken. He concluded that apart from this mistake, all the rehabilitation projects were completely executed and the facilities are available for inspection.  From the review of documents, the Committee found that the Ministry followed procurement processes and the projects were fully implemented. However, it doubted the authenticity of a claimed error in the description, which was considered deliberate because it could have been detected and rectified by the Procurement Committee before implementation.  <i>The Committee strongly advised the Ministry that if a</i>

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			<i>similar error is reported in the future, Management would be asked for a refund without recourse to the Consolidated Revenue Fund [CRF]. However, the Committee declared this query closed.</i>
11.	NATIONAL COMMISSION FOR SOCIAL ACTION [NACSA] - 2022	<p><b>Construction of Cocoa &amp; Coffee processing Centre</b> The audit report revealed that:</p> <ul style="list-style-type: none"> <li>• a 5,000 litre water tank was installed, but the hand-dug water well was not deep enough, causing muddy water to gush out;</li> <li>• the fermentation room floor lacked slope, thereby allowing cocoa slime to settle on the floor;</li> <li>• a concrete suspended slab was not constructed, and visible cracks appeared in the concrete pavement and store floor;</li> <li>• a generator was provided, but uneconomical due to fuel price hikes; and</li> <li>• the wooden dry floors were not to the required standard, and a machine dryer was not provided for proper cocoa drying.</li> <li>•</li> </ul> <p><b>Omissions of Transactions from the Financial Statements</b> audit report disclosed that the revised Financial Statement [FS] that was submitted recognised grant revenue totaling NLe 42,349,346 and expenses totaling NLe 31,929,663.50, but the journals or corrections regarding the overstatements and inconsistencies that were found in the FS and QuickBooks were not submitted for audit verification.</p>	<p><i>The Committee observed that the errors have been resolved, but Management was warned that the Committee would impose severe penalties if the issues reappear in the FY2023 audit report.</i></p> <p>To demonstrate that the problem had been fixed, the Commissioner presented the updated FS, journals, and QuickBooks to the Committee, but expressed confusion at this problem being included in the report, despite the fact that the documents were submitted to the auditors.</p> <p>The Committee marked this audit query as resolved and Management was advised to maintain a way book, where auditors sign for particular documents received from the Commission.</p>

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		<p><b>Inconsistencies in the Financial Statements</b></p> <p>The AG's Report stated that several issues, including understatement of expenditure by NLe 74,195, overstatement of expenses by NLe 211,607, overstatement of receivables by NLe 12,084, and overstatement of revenue by NLe 830,416. The auditors verified office and operating costs but did not submit the breakdown and expenses from QuickBooks. Additionally, the Financial Statements did not include a specific reference to the financial reporting used for the year ended 31<sup>st</sup> December 2022, and revenue, expenses, and cash were understated or overstated.</p>	<p>The Commissioner tabled copies of the revised FS, journals and the QuickBooks General Ledger to show that the issue had been resolved. The Commissioner reiterated that the documents were submitted to the auditors and was surprised to see this issue being captured in the audit report.</p> <p><i>The Committee recommended that this matter be deleted from the audit report because it has been flagged as resolved. On the other hand, Management was told to keep a way book in which auditors sign for each document that is received and perform routine reconciliations.</i></p>
		<p><b>Comprehensive Fixed Assets Register not Submitted</b></p> <p>The audit report revealed that several assets, including furniture, office equipment, motorbikes, and vehicles, were not included in the fixed assets register and were not coded. Asset costs were not included in the Financial Statements except for those bought within the last two years. Some assets were claimed to be owned by the Commission staff, but not distinguished from those controlled by the Commission.</p>	<p>After reviewing the assets register, the Committee discovered that it had been updated and every asset has been marked with unique code and recorded in the register. The Committee emphasised the need for keeping accurate and current fixed assets register, revealing that doing so would facilitate tracking of the movement of all assets owned by the Commission and the provision of precise information about them.</p> <p><i>The Committee declared this issue resolved and therefore recommended that it be deleted from the audit report. Management was however encouraged to ensure that in future assets are coded and captured in the assets register immediately they are acquired, including their costs. Assets owned by staff should be distinguished from those controlled by the Commission.</i></p>

No	MDAs /Components	Audit Findings	Committee Findings /Recommendations
12.	NATIONAL SOCIAL SECURITY & INSURANCE TRUST [NASSIT] - 2021	<b>Vehicles Life Cards</b>  The AG's report mentioned that the Trust also failed to register one vehicle jointly with the staff and NASSIT, and did not submit life cards and insurance documents for four vehicles with acquisition costs totaling <b>Le1,049,671,250</b> for audit.	<i>The Committee has resolved the life card issue for the four vehicles and therefore recommends removing it from the audit report.</i>
		<b>Ineffective Payroll and Staff Management</b>  The AG's report stated that the social security contribution was based on employees' gross earnings from February to December, resulting in a 10% contribution costing the Trust an extra <b>Le2,432,772,885</b> . This decision also reduced PAYE tax to the NRA by <b>Le319,941,306</b> . Additionally, employees' net salaries were reduced by <b>Le629,925,766</b> . The decision to increase employees' contribution by <b>Le2.4bln</b> at the Trust's and contributor's expense is not considered prudent financial action, as it could give NASSIT staff a pension advantage over other public sector staff.	<i>The Committee deemed this matter resolved after noting that the Trust had reverted into deducting from staff basic salary. The Management was forewarned not to deduct from employees' gross salaries going forward.</i>
13.	GUMA VALLEY WATER COMPANY [GUMA]-2022	<b>Fixed Assets Register not Properly Maintained</b> The audit report revealed that the revised fixed assets register that was submitted for verification did not provide breakdown information for the property, plant, and equipment opening balance and depreciation charge as of January 1, 2018. This led to the inability to verify the accuracy and completeness of these PPEs, questioning the reliability of the Statement of Financial Position as of December 31, 2022.	Upon reviewing the assets register, it was noted that the register has been updated and changed to include the relevant facts that were initially elided.  <i>The Committee recommended that this issue be dropped from the audit report as it was deemed resolved. The Committee did, however, advise officials that keeping an up-to-date assets register would help Management keep track of and oversee the Company's assets because it offers specific details like location, worth, and condition.</i>

No	MDAs /Components	Audit Findings	Committee Findings /Recommendations
		<b>Bills Paid into the Wrong Account</b> The audit report disclosed that Management continues to collect payments over the counter, which it deemed to be dangerous and old-fashioned because a lot of these payments were deposited in the wrong account.	<i>The Committee recommended that this query be deleted from the audit report as it was deemed addressed. On the other hand, Management was advised to transfer any funds paid into the incorrect account and provide the auditors with proof of such transfers for validation. Once more, Management should stop taking payments over the counter and instead encourage customers to deposit moneys into the appropriate account.</i>
		<b>Ineffective Staff Management</b> The Committee observed from the review of documents that the issue has been addressed.	<i>The Committee pronounced the matter resolved and recommended that it is taken out of the audit report. Nonetheless, the Committee detested the ongoing hold-up in providing documents to the auditors and warned that the Committee would not stand for this in the future. Instead, they should improve on their prompt submission of relevant documents.</i>
		<b>Ineffective and Poor Stores Management</b> The AG's report revealed that most of the administrative errors that the auditors discovered have been fixed, such as installing fire extinguishers in different stores and providing monthly report on the state of the inventory in those stores, among other things.	<p>Although this issue has been declared unresolved pending audit confirmation, Management has been warned that if they do not properly address all issues relating to internal control weaknesses before the 2023 audit exercise concludes, they will face severe consequences.</p> <p><i>The Committee observed that a lot of Government institutions owed the Company billions of Leones. The Committee advised Management to disconnect those owing GUMA except Connaught, PCMH and Ola During Hospitals. The Committee further encouraged Management to ensure installation of prepaid meters in all government institutions.</i></p>

No	MDAs /Components	Audit Findings	Committee Findings /Recommendations
14.	MINISTRY OF LANDS HOUSING AND COUNTRY PLANNING [HQ] - 2022	<b>Staff Receiving DSA without Evidence of Attending Functions</b> The audit report revealed that the Ministry allegedly paid DSAs of Le 367,126.72 to staff in Lungi Economic City, but there was no evidence to confirm these activities, including requests, concept notes, and back-to-office reports.	The Principal Accountant tabled documents in respect of the queried amount of Le 367,126.72, adding that the issue had been resolved.  <i>The Committee, having reviewed the documents, noted that they were sufficient and therefore marked this issue as resolved.</i>
		<b>Artificially Procurement Splitting to Evade National Competitive Bidding Method</b> The AG's report revealed that in contravention of Section 37[2] of the PPA of 2016, the Ministry artificially split the following procurement activities into smaller amounts, using RFQs instead of the NCB method, in a bid to evade competitive procurement procedures: ⇒ the procurement of stationery amounting to ⇒ Le144,900 for January to December 2022 was split into three contracts, thereby avoiding the use of NCB. similarly, the procurement of computers and ancillaries to the tune of Le 462,500 was split into eight contracts, thereby avoiding the use of NCB.	In his response, the PS disclosed that procurement activities were done based on the allocations the Ministry received from the Ministry of Finance on a quarterly basis; and as a result, the RFQ method of procurement was the only appropriate option considering the timeframe.  <i>Declaring this query resolved, the Committee observed that Management lacked proper procurement planning and thus recommended that in future, proper procurement planning is carried out in order to avoid splitting of procurement transactions.</i>
15.	SIERRA LEONE ROAD SAFETY AUTHORITY - 2022	<b>Payment without Adequate Supporting documents</b> The audit report stated that £3,500 was paid for two staff members who were scheduled to travel overseas for a work assignment, but the staff members never took the trip or reimbursed the money.	The Committee ordered the Finance and HR Directors to refund the money within 72 hours. The Committee is happy to report to this Honourable House that the full amount has been refunded.  <i>Contingent upon the above, the Committee declared this issue resolved and therefore recommended its deletion from the audit report.</i>

No	MDAs /Components	Audit Findings	Committee Findings /Recommendations
		<p><b>Payment made as Corporate Social Responsibility</b> The audit report disclosed that the CSR Policy was not adopted by the Board, but the sum of NLe584,785 spent as CSR was approved. It was further noted that the Authority spent money on activities that are already part of their duties under the cover of CSR.</p>	<p>The Committee observed that the Board approved the amount even though the CSR Policy was unapproved.</p> <p><i>Therefore, the Committee deemed this matter resolved, but Management was warned against spending sums of money on activities that are already part of their duties and thus cautioned that a repeat of this would attract severe consequences. Management was also cautioned to ensure that the CSR Policy is approved by the Board without further delay.</i></p>
		<p><b>Management of Revenue</b> The audit report disclosed that revenue totalling NLe471,600 was not reflected in the Authority's account, despite the fact that the bank signed and stamped the pay-in-slips attested to receipt of the specified amount.</p>	<p>The Committee ordered the Management of Union Trust Bank [UTB] to credit the Authority's Account the sum of NLe460,400 within 72 hours, while the Head of Station of SLRSA in Kenema was instructed to pay NLe11,000 for failing to perform daily reconciliations as provided for by Section 122 of PFM Act.</p> <p>The Committee inferred that if regular reconciliations were performed, this matter would have been detected earlier and action taken immediately to forestall further loss or damage.</p> <p><i>Because the full amount of NLe 471,600 had been recouped and paid to the SLRSA, the Committee declared this query as resolved and therefore recommended that it be deleted from the audit report. As instructed by the Committee, the Head of Station was suspended for two weeks, and upon resumption of duty, he was transferred to another branch below the rank of Head of Station for carelessness and negligence of duty.</i></p>
16.	MINISTRY OF FISHERIES AND MARINE RESOURCES – 2022	<p><b>Excess Daily Subsistence Allowance Paid to Staff</b> The audit report mentioned that two employees were nominated to attend the 27<sup>th</sup> COP27 of the UNFCCC in Egypt, receiving DSAs totaling NLe 103,059 from</p>	<p>The Committee learned from the review of documents that the Ministry's request was based on the UN rate, but the Ministry of Finance reviewed and used a different rate.</p> <p><i>The Committee declared this query resolved and therefore</i></p>

No	MDAs /Components	Audit Findings	Committee Findings /Recommendations
		the Ministry of Finance. However, the DSA recalculated by the auditors using the UN International Civil Service Commission DSA rate amounted to NLe60,664.28; thus resulted in an excess payment of NLe 42,394.73.	<i>recommended that it be removed from the audit report.</i>
17.	SIERRA LEONE AIRPORT AUTHORITY- 2022	<p><b>Payments without Adequate Supporting Documents;</b> The AG's report revealed that an outstanding amount of NLe25,000 was not fully retired in respect of Corporate Social Responsibility.</p>	<p>The Committee discovered from documents reviewed that the outstanding amount of NLe25,000 has been fully retired.</p> <p><i>The Committee determined that the issue has been fixed after carefully going over the documents; and as a result, recommended its removal from the audit report. However, Management was advised to make sure that payment vouchers are accompanied with sufficient supporting documents going forward.</i></p>
		<p><b>Restricted Access to Offices</b> The audit report stated that the keys to some offices were withheld by former employees of the Authority because their end-of-service benefits were not yet paid.</p> <p><b>End-of-service Benefit not Paid</b> The audit report revealed that the 265 affected employees have not received their end-of-service benefits.</p>	<p>It was however noted from Management's submission that the keys have been retrieved from the staff and thus declared this query as addressed and consequently recommends its removal from the audit report.</p> <p>The Committee observed from Management presentation that SUMA Group of Company provided the funds and the affected staff have been paid. The Committee did, however, commended Management for appropriately handling this issue and noted that the institution is accountable for paying employees' end-of-service benefits after being removed or sacked.</p> <p><i>In this regard, the Committee declared that the matter be closed and thus recommended its deletion from the audit report.</i></p>

No	MDAs /Components	Audit Findings	Committee Findings /Recommendations
18.	SIERRA LEONE PORTS AND HARBOUR AUTHORITY [SLPA]- 2022	<p><b>Prohibited Haulage Vehicles Using the Ports</b></p> <p>The audit report revealed that in January 2022, haulage trucks utilising the ports to load and unload commodities were subject to on-the-spot inspections by SLRSA, which grants permits and authorisations for cars and other machinery to operate on Sierra Leonean roadways. A list of cars that were disallowed was sent to the auditors by the Safety Manager for their consideration, but five cars that were barred by the SLRSA continued to operate without SLRSA permission.</p>	<p><i>The Committee noted that this particular matter has been addressed and therefore recommended that the query be deleted from the AG's report. The Committee however advised that in future, vehicles that are barred by the SLRSA should not be allowed to operate without SLRSA's permission.</i></p>
19.	MINISTRY OF TECHNICAL AND HIGHER EDUCATION [HQ] - 2021	<p><b>Imprest without Adequate Retirement documents</b></p> <p>The AG's report disclosed that retirement documents, such as concept notes, attendance lists and a back to office report were not made available to the auditors for inspection.</p>	<p>The Senior Accountant submitted the documents to the Committee, but mentioned that several transactions were still in progress at the time of the audit. The Committee reminded Management that special Imprest must be retired within 30 days as provided by law.</p> <p><i>Declaring this query resolved and therefore recommended its deletion from the audit report, the Committee noted the inordinate delay in submitting documents to the auditors and strongly advised that the Accounting Officer improves on timely submission of documents.</i></p>
		<p><b>Allowances paid to Sierra Leoneans Studying Abroad</b></p> <p>The audit report disclosed that from the total of NLe2,421,847.91, expenditure returns totalling NLe2,398,795.68 representing 99% of the queried amount were submitted and verified, leaving a balance of NLe23,052.23.</p>	<p>The Committee received and verified expenditure returns valued NLe23,052.23, which was the outstanding amount.</p> <p><i>In view of the fact that the documents have been submitted, the Committee declared the audit query resolved. Management was however cautioned that in future, documents are submitted to the auditors at the time of audit to avoid the risk of penalty charges.</i></p>

No	MDAs /Components	Audit Findings	Committee Findings /Recommendations
		<p><b>TVET Education not Sufficiently funded</b> The audit report mentioned that the Ministry lacked funds to provide equipment and lab space necessary to carry out scheduled programmes. It was also noted that donors have specific areas of interventions, such as trainings instead of providing equipment.</p>	<p><i>The Committee observed that Management did not create this problem and therefore declared same resolved. However, Management was cautioned to ensure adequate budgetary provision for the acquisition of equipment.</i></p>
		<p><b>Use of wrong Procurement Method</b> The audit report unveiled that the Ministry split procurement activities to circumvent the threshold that requires competitive bidding processes. Accordingly, requests for quotation methods were used for civil works on the MTHE's office building, costing <b>Le451,670,000</b>, and in sourcing the supply of assorted toner cartridges for various offices to the tune of <b>Le388,400,000</b>. The Ministry failed to adhere to the approved procurement plan, which outlined the use of national competitive bidding procedures for better value-for-money.</p>	<p>The Committee observed that moneys were not lost/wasted and that the threshold in each procurement activity was not above <b>NLe 100,000</b>, despite the Ministry using incorrect procurement procedures.</p> <p><i>The Committee considered this audit query as resolved and therefore recommended its removal from the audit report, the PAC described Management's action as deliberate and thus warned that if such deed reoccurred, a stern action would be taken against the responsible officers.</i></p>
20.	<b>MINISTRY OF BASIC AND SENIOR SECONDARY EDUCATION - 2021</b>	<p><b>No Evidence of Procurement Processes Followed</b> The audit report disclosed that the following:  ⇒ during a midterm evaluation workshop on the implementation of the Free Quality School Education programme, there was no proof that procurement procedures were followed in the payment of <b>Le 211,600,000</b> for food and accommodation. This payment included <b>Le27,600,000</b> in goods and service tax [GST], for which the NRA did not receive a GST invoice or receipt as evidence of payment; and  ⇒ the National School Feeding Secretariat paid a consultant <b>Le 60,600,000</b> in March 2021 for the School Feeding Policy without demonstrating</p>	<p>The Committee's engagement with Management and documents submitted revealed the following:  ⇒ competitive bidding was used for the procurement of catering services and provision of accommodation during a mid-term review workshop on the implementation of the Free Quality School Education Scheme;  ⇒ the service provider was responsible for the payment of GST directly to NRA and payment had already been done; and  ⇒ the <b>Le60,000,000</b> was transferred to the National School Feeding Programme Account for additional assignment of the consultant earlier hired by the World Food Programme [WFP] for consultancy service to the</p>

No	MDAs /Components	Audit Findings	Committee Findings /Recommendations
		proper procurement processes, resulting in a lack of value-for-money.	National School Feeding Secretariat.  <i>The Committee declared this query resolved and therefore recommended its deletion from the audit report. However, the Committee noted with concern the undue delay in availing documents to the audit team and strongly advised that Accounting Officers should always ensure that supporting documents are submitted for verification at the time of audit.</i>
		<p><b>Unauthorised changes to MoF's Terms of payments</b></p> <p>The AG's report uncovered that the certification of authorisation from the MoF for the payment terms included in the supply of TLMs was received after the audit exercise; and as a result, the auditors could not verify the document. Again, Management was with the opinion that 70% was too much to pay at the end of full delivery and that was why they requested MoF's permission to divide the money in that proportion.</p>	<i>While declaring this query resolved, the Committee pointed out that although MBSSE might have had good intentions when making those changes, the lack of MoF authority made the entire process unlawful. The Committee further suggested that going forward, Management should obtain legal counsel before making any changes to contracts, since failure to do so might result in the relevant officers being held personally liable for their conduct.</i>
		<p><b>Irregular addendum to the original contracts for the supply of diets</b></p> <p>The AG's Report revealed seven addenda to the original contracts for diet supply to government boarding home schools, exceeding the 25% threshold in the PPRs of 2020. These addenda, totaling Le3,471,926,337, were not adopted competitively, leading to a value-for-money issue. This contravened Section 149[7] of the PPRs of 2020, which requires additional requirements to be treated as new procurement requirements if a contract modification increases the contract value by more than 25%.</p>	<p>Documents submitted revealed that the Ministry obtained clearance from NPPA for contract extension for three months for all the seven schools, and there were no modifications to the existing contracts or additional requirements for the schools, and therefore no need for addenda to the original contracts.</p> <p><i>The Committee deemed this issue settled because the Ministry was granted approval by NPPA for extension of the contracts and not addenda to the original contracts. Management was however advised to be mindful of Section 149[7] of the PPRs of 2020 moving forward.</i></p>

No	MDAs /Components	Audit Findings	Committee Findings /Recommendations
		<p><b>Other Non-compliance in the Procurement Management and Contract Administration</b></p> <p>The AG's Report unveiled the following:</p> <p>⇒ the Assistant Director of Procurement [ADP] issued two different sets of Request for Quotations [RFQs] to three bidders for computers and printers worth <b>Le 123,200,000</b>, attempting to divide the procurement into lower value and avoid the NCB procurement method. However, two contracts were awarded to the same supplier, violating Section 29[3] of the Public Procurement Act of 2016. Catering services worth <b>Le171,900,000</b> was also procured with the use of RFQ, rather than the NCB based on the value of the services. The procurement of these goods and works has not been as competitive and transparent and value-for-money not obtained;</p> <p>⇒ a contract worth <b>Le103,590,800</b> was granted to a foreign contractor, despite the NCB procurement method's requirement for local consultation. The Ministry of Works and Public Assets was not consulted for architectural design services. An advance payment of <b>Le31,332,450</b> was made without an advance payment guarantee, violating Section 140[4] of the PPR, 2020;</p> <p>⇒ the contract values for five programmes/activities, totaling <b>Le877,120,000</b>, matched the budget estimates, indicating collusion between the head of procurement and suppliers. This led to uncompetitive procurements, resulting in a breach of value for money.</p>	<p>In his response, the ADP stated that:</p> <p>⇒ after the procurement was done in FY 2019 and supplies were delivered, requests for payments were submitted to the AGD, but payments did not happen in FY2019 due to lack of funds. He added that all returned vouchers were resubmitted in FY2020, but again payment did not happen till 2021;</p> <p>⇒ UNICEF delayed to release the funds for training to collect data for JSS and SSS subsidy utilisation, causing time constrain. The activity was conducted in different regions and times, using an advertised open bidding process with equal access to all eligible bidders; and</p> <p>⇒ the Ministry of Works and Public Assets could not provide services due to staff constraints. Owing to the project's urgency and commitment to UNICEF, the MBSSE hired a private consultant. All procurement processes were followed, and the consultant submitted the design before advance payment was made, eliminating the need for an APG.</p> <p><i>In view of the foregoing, the Committee declared the issue regarding suspected collusion between the ADP and Suppliers resolved since no evidence was presented before the PAC to substantiate the allegation. However, the Committee expressed serious concern over the Ministry's flagrant disregard for Section 29[3] of the Public Procurement Act of 2016 and recommended that Management adhere to procurement regulations moving forward.</i></p>

No	MDAs /Components	Audit Findings	Committee Findings /Recommendations
		<p><b>Double Salaries Paid to a Public Servant</b> The AG's report revealed that a former Assistant Director of Procurement in the Ministry, who was offered employment in the Sierra Leone Free Education Project, continued to receive salaries in the Ministry for three months, totaling <b>Le118,063,086</b> and <b>Le89,302,140</b> respectively.</p>	<p><i>The Committee observed that the amount in question has been recovered and paid to the CRF, and therefore declared this query resolved.</i></p>
		<p><b>Unverified Fixed Assets</b> The audit report revealed a lack of a comprehensive inventory register, increasing the risk of losing assets without notice. The audit team could not physically inspect goods worth <b>NLe79,300,000</b>, including the delivery of office supplies valued at <b>NLe13,500,000</b>, which no staff had acknowledged.</p>	<p>The Committee noted from the stores clerk and the inventory register that the assets in question were distributed to various offices within the Ministry. However, the auditors verified them, which is why the query did not appear in the 2022 audit report.</p> <p><i>In view of the fact that the audit team had verified the existence of the said assets, the Committee declared this issue resolved and therefore recommended its removal from the audit report. Management was however counselled that in future a comprehensive inventory register is maintained and availed upon request.</i></p>
		<p><b>Pay-As-You-Earn [PAYE] Tax not deducted from Contract Staff Salaries</b> The AG's Report revealed that the application of tax rates [5% and 10.5%] was inconsistently used in the computations of PAYE taxes from the salaries of contracts staff. In some instances, a 5% tax rate was used, whilst in other instances, a 10.5% was used. These inconsistencies resulted in the Ministry failing to accurately deduct and pay total PAYE taxes of <b>Le179, 635,000</b> to the NRA.</p>	<p>The Senior Accountant responded by presenting the NRA receipt, stating that the issue had been resolved.</p> <p><i>The Committee declared this matter resolved, but urged Management to take Section 116 of the Income Tax Act of 2000 into serious consideration going forward.</i></p>

No	MDAs /Components	Audit Findings	Committee Findings /Recommendations
		<p><b>Ineligible Payments to an Entity</b> The AG's report revealed that the Ministry paid <b>Le551,225,200</b> to a beneficiary for consultancy and technical assistance for the establishment of a Public Private Partnership Unit, but there was no evidence of a contractual relationship with the alleged beneficiary. The audit team noted that the consultant or representative should have requested for balance payment, but there was no evidence of this. There was no evidence that the PPP Unit is functional within the Ministry; thus doubting prudent utilisation of the funds.</p>	<p>The PS unveiled that the PPP Unit is part of the Ministry's Organogram and was headed by a Director, but passed away in 2020. He further disclosed that the vacancies in the Unit had not been filled because the request was not accepted by the Ministry of Finance and the PSC. Submitting the contract agreement to the PAC, the PS concluded that there is no agreement without a contractual relationship.</p> <p><i>Pronouncing this query resolved, the Committee advised Management to ensure that the PPP Unit be made functional with the required number of staff for effectiveness and efficiency.</i></p>
		<p><b>Uncompetitive Recruitment of Consultants</b> The AG's Report revealed that payment of salaries of <b>Le151,000,000</b> to two consultants in the Delivery Team Unit of the Ministry were not supported by evidence, leading to uncompetitive recruitment and failure to hire the best candidates for the job.</p>	<p>From the review of documents presented to the PAC, it was noted that recruitment procedures for the two consultants were followed, but documents, such as adverts, interview report, appointment letters, etc. were not made available to the auditors at the time of audit.</p> <p><i>In view of the above, the Committee declared this query resolved and thus recommended that it be deleted from the audit report. Nevertheless, Management was advised to improve on timely release of accountable documents to the auditors and ensure proper records management.</i></p>
		<p><b>Non-delivery or Short Supply of Educational Items</b> The audit report revealed the following: ⇒ In December, 2020, the Ministry signed contracts worth <b>NLe113,800,000,000</b> for the supply of Teaching and Learning Materials. It was however revealed that <b>60%</b> advance payment was made as of March 2021, and <b>100%</b> delivery was expected by June 2021. The report also revealed that TLMs</p>	<p>The Committee's engagements with Management and documents availed revealed the following: ⇒ some contractors were unable to pre-finance their operations after the Ministry of Finance's delayed the payments and that resulted in their contracts being executed later than anticipated; ⇒ although the Committee earlier decried the <b>60%</b> advance payment being too huge, it was later noted that</p>

No	MDAs /Components	Audit Findings	Committee Findings /Recommendations
		<p>valued at NLe48,177,603,975 were not delivered, and some suppliers defaulted to supply the equivalent of the advance payment.</p> <p>⇒ the Ministry signed a contract for printing and supply of civic education books in 2021, with a 30% advance payment made in November. However, no evidence of complete delivery and the suppliers' advance payment guarantees and performance bonds expired. It was further noted that 11,218 books valued at NLe290,000,000 were not supplied. The report highlights concerns about the contractors' performance and delivery of the civic education books.</p>	<p>the payment was for two suppliers, 30% apiece;</p> <p>⇒ the Ministry conducted verification exercise a year after the contracts were fully executed and verification reports normally informed request for payments;</p> <p>⇒ the Originals of the APG were submitted to the Accountant General, but the photocopies were availed to the Committee;</p> <p>⇒ WINMAT Publishers Limited delivered all Civic Education textbooks as per contracts and after receiving approval from the Ministry of Finance Committee's Stores and Inventory Department, a completion certificate from MBSSE's Stores and Inventory Unit was issued.</p> <p><i>Even though some contractors did not meet the deadlines as stipulated in the contract agreements, it was however found that the contracts were fully executed and thus declared this query resolved. However, Management was cautioned that going forward, the ability of the suppliers or contractors to pre-finance their contracts is considered as a requirement before contracts are awarded.</i></p>
		<p><b>Unauthorised Changes to Ministry of Finance [MoF] Terms of Payments</b></p> <p>The AG's report disclosed that MBSSE ignored MoF's payment requirements for eight TLM contracts. The MoF authorised payment term was 30% advance payment and the balance 70% after the presentation of the signed delivery note by the supplier. However, this was changed without their consent. The MBSSE</p>	<p>The Committee observed that the certification of authorisation from the MoF for the payment terms included in the supply of TLMs was received after the audit exercise; and as a result, the auditors could not verify the document. Again, Management was with the opinion that 70% was too much to pay at the end of full delivery and that was why they requested MoF's permission to divide the money in that proportion.</p>

No	MDAs /Components	Audit Findings	Committee Findings /Recommendations
		inserted 30% advance payment, 30% upon bill of lading presentation, 30% upon delivery and acceptance, and 10% upon the Ministry's verification and certification.	While declaring this query resolved, the Committee pointed out that although MBSSE might have had good intentions when making those changes, the lack of MoF authority made the entire process unlawful. The Committee further suggested that going forward, Management should obtain legal counsel before making any changes to contracts, since failure to do so might result in the relevant officers being held personally liable for their conduct.
21.	MINISTRY OF HEALTH AND SANITATION [HQ] - 2021	<p><b>Payment without Supporting documents</b> The audit report revealed that of a total withdrawal of Le12,202,073,757 from the Ministry's Imprest Account, supporting documents were submitted for payments totalling Le7,212,780,982, with Le4,989,292,775 remaining as balance.</p>	<p>The Director of Financial Resources tendered in evidence documents to the Committee, adding that the issue had been addressed. He disclosed that the delay for the submission of documents was due to the fact that most of the transactions were still ongoing.</p> <p>After a methodical review of the document, the Committee observed that they were adequate, but it deplored the manner in which the Ministry disbursed huge sums of money without supporting documents, maintaining that payment vouchers without adequate supporting documents could be considered as doubtful transactions.</p> <p><i>Considering the aforementioned, the Committee deemed this matter resolved; and as a result, recommended that it be expunged from the audit report. Additionally, Management was warned that failing to provide the relevant documents on time will result in harsh disciplinary action.</i></p>
		<p><b>Expenditure Returns Not Available for Overseas trainings</b> The audit report disclosed that the Ministry</p>	From the Committee's conversations with the Ministry and its evaluation of the evidence presented, it was noted that the outstanding NLe 397,514 has been settled. However, the

No	MDAs /Components	Audit Findings	Committee Findings /Recommendations
		continued to pay for overseas trainings without receiving expenditure returns, despite previous audit recommendations. The report disclosed that of the Le 2,803,873, supporting documents totalling Le 2,406,359 were provided and verified, leaving a balance of NLe 397,514.	Committee further discovered that the Ministry has been having trouble obtaining expenditure returns, including airline ticket receipts from the beneficiaries.  <i>In that regard, the Committee declared this issue closed and recommended its removal from the audit report. Nevertheless, the Committee urged Management to establish a bonding agreement with every trainee supported by the Ministry, so that they continue to serve the institution for a period of time before leaving, if they so desired.</i>
		<p><b>Bank Statements Not Submitted</b> The AG's report uncovered that of the 91 bank accounts, bank statements for 31 accounts were not submitted and withdrawals totalling Le 3,978,934.66 and US\$198,228 were made from the 60 bank statements submitted during verification. Payment vouchers and accompanying documentation for those withdrawals were not supplied, despite many requests.</p> <p><b>Statutory Deductions Not Paid</b> The AG's report revealed that NASSIT contribution, withholding and PAYE taxes from selected hospitals and other healthcare facilities totalling NLe 3,018,461.87 were not deducted and paid to the various institutions.</p>	<p>The Committee noted that a reminder was issued on the 30<sup>th</sup> January, 2024, requesting the submission of the 31 outstanding bank statements, but no submission was made. However, the Committee received bank statements which were verified.</p> <p><i>In view of the above, the Committee declared the matter closed and thus recommended its removal from the audit report.</i></p> <p>From the review of documents submitted and the Committee's discussions with Management, the following were noticed that:</p> <p>⇒ the National Emergency Medical Services [NEMS] paid NLe805,498 to NASSIT, but withholding taxes to the tune of NLe302,453.64 and PAYE totalling NLe900,923 are still outstanding;</p> <p>⇒ Sierra Leone Social Health Insurance [SLeSHI] Scheme [NLe328,011.80], PCMH Hospital [NLe111,341.27], Connaught Hospital [NLe487,652.35], Lakka Hospital [NLe19,125.01] and King Harman Road Hospital [NLe63,456.80] have been paid in full; and</p>

No	MDAs /Components	Audit Findings	Committee Findings /Recommendations
			<p>⇒ a payment plan has been developed between the National Emergency Medical Services [NEMS] and NRA to offset withholding and PAYE taxes totalling NLe1,203,376,64.</p> <p><i>The Committee marked the queries relating to SLeSHI, PCMH, Connaught Hospital, Lakka Hospital, King Harman Road Hospital and National Emergency Medical Services in respect of NASSIT resolved. Management was advised, nonetheless, to make sure they adhere strictly to the payment schedule agreed upon by NRA and NEMS.</i></p>
22.	MINISTRY OF SOCIAL WELFARE [HQ] - 2021	<p><b>Contract Awarded to the same Supplier Using Different Names</b></p> <p>The AG's report unveiled the following:</p> <p>⇒ the Ministry awarded a contract worth <b>Le 1,451,250,000</b> to "IN 2 Sierra Leone Ltd." for skills training tools for persons with disabilities, despite the contractor's name changed to "IN 2 Sierra Leone Travel Limited." The Freetown City Council certificate was issued on 11<sup>th</sup> August 2021, but the evaluation was done on 9<sup>th</sup> August 2021, disqualifying "IN 2 Sierra Leone Ltd."</p> <p>⇒ On 19<sup>th</sup> October 2021, a contract worth <b>Le 85,581,681</b> was awarded to "IN 2 Sierra Leone Travel Ltd." for the Minister's travel to the United States, but the submitted clearances and certificates were for "IN 2 Sierra Leone Ltd." instead of "IN 2 Sierra Leone Travel Ltd."</p>	<p>The Committee's discussions with Management and the review of procurement activities for 2022, 2023 and 2024 revealed the following:</p> <ul style="list-style-type: none"> <li>❖ IN 2 Sierra Leone Limited and IN 2 Sierra Leone Travel Limited belonged to the same supplier, but IN 2 Sierra Leone Limited is the Parent company; and</li> <li>❖ when this query was brought to light in the 2021 audit report, the Ministry ceased awarding contracts to IN 2 Sierra Leone Travel Limited.</li> </ul> <p><i>With that being observed, PAC declared the query resolved and therefore recommended deleting it from the audit report due to the submission of the business registration certificate for IN 2 Sierra Leone Limited and the Ministry's cessation of contracting IN 2 Sierra Leone Travel Limited. The Committee further warned that on no account the Ministry award contract to IN 2 Sierra Leone Travel Ltd.</i></p>
		<p><b>Selection Criteria for Grant to Welfare Institutions not fully followed</b></p> <p>The AG's Report disclosed the following:</p>	<p>The Committee noted from Management's submission and documents reviewed that the selection criteria for grants to welfare institutions was followed, but the documents to</p>

No	MDAs /Components	Audit Findings	Committee Findings /Recommendations
		<p>⇒ there was no Selection Committee established to objectively assess welfare institutions' eligibility for government grants in accordance with the standards specified in the Ministry's Grants Policy; and as a result, Le 570,000,000 was disbursed to a number of welfare institutions whose eligibility for the grant was doubtful; and</p> <p>⇒ for instance, the criteria document states that community stakeholders must recommend the beneficiary organisation to support the organisation's request for grants. The auditors were unable to determine the grant impact of welfare institutions that received grants due to the dearth of community stakeholder recommendations, monitoring reports and the period of their existence.</p>	<p>substantiate claims were not submitted to the auditors. It was further observed that the monitoring aspect was not done due to financial constraints, but Management has committed to conducting the exercise once funds are available.</p> <p><i>The Committee cautioned Management to incorporate this issue in the 2025 budget after it was declared resolved. However, the Committee promised to take stern action against the Ministry if funds were disbursed without evidence of follow-up monitoring activities.</i></p>
		<p><b>Imprest not Retired</b> The Audit Report unveiled that of Le 85,666,000, retirement documents for imprests totalling Le 55,616,000 were not made available for verification.</p>	<p>In his response, the PS presented photocopy documents worth Le 55,616,000, adding that the originals were submitted to the Accountant General. The PS further revealed that imprests are not usually provided to MDAs until full retirement details are presented.</p> <p><i>While pronouncing this query settled and therefore recommended its deletion from the AG's report, the Committee expressed concern that submitting original documents to other entities was a risky endeavour and thus directed that the originals are retrieved and sent to the auditors for authentication.</i></p>
		<p><b>Inadequate Control over Assets Management</b> The AG's report uncovered the following: ⇒ in 2020, an International Organisation donated 32 motorbikes to the Ministry, but only 16 were</p>	<p>From the review of the assets register and the Committee's discussions with Management, it was observed that with the exception of the issue relating to vehicles and motorbikes without life cards, which has to be verified, all other issues in</p>

No	MDAs /Components	Audit Findings	Committee Findings /Recommendations
		<p>recorded in the register, and the remaining 16 were not disclosed to audit and they were not licensed;</p> <p>⇒ the assets register was found to be poorly maintained and not regularly updated. The identification marks on some assets did not match with those on some of the assets, and the types, dates, and acquisition costs were not indicated, making it difficult to determine the existence of assets worth <b>Le 199,625,000</b>;</p> <p>⇒ some assets recorded in the assets register were not physically verified and details of several assets in the offices, including 10 donated new motorbikes and 11 vehicles were neither recorded in the assets register nor were they physically verified. Similarly, the Ministry paid for internet subscriptions for 17 MiFi devices in 2021, but these were not captured in the register; and</p> <p>⇒ the audit team could not verify the ownership status of the Ministry's fleet of vehicles and motorbikes due to the absence of life cards on the assets register.</p>	<p>respect of assets management have been addressed.</p> <p><i>In this regard, the Committee declared all other issues resolved and therefore recommended their removal from the audit report. However, the auditors were encouraged to verify the issue relating to vehicles and motorbikes without life cards in their next audit exercise.</i></p>
		<p><b>No Limit on Imprest Spending</b></p> <p>The audit report revealed that the Ministry had no ceiling or limit on Imprest spending, leading to regular purchase of common goods like stationery, provisions, toiletries, and tonners from monthly standing imprests, avoiding procurement processes as mandated by law, and no formal procedure for using imprest as petty cash 139 vouchers.</p>	<p>In his response, the PS stated that requests for the procurement of the abovementioned items were made in piecemeal by the different departments or units, causing the splitting of procurement activities.</p> <p><i>While declaring this query resolved and thus recommended its deletion from the audit report, the Committee deemed the PS' defense invalid and untenable, stating that splitting increases administrative expenses and</i></p>

No	MDAs /Components	Audit Findings	Committee Findings /Recommendations
			<i>fraud risk due to potential conspiracies between MDAs and service providers. Management was therefore warned that a repeat of this deliberate procurement irregularity would result in harsh consequences.</i>
23.	MINISTRY OF GENDER AND CHILDREN'S AFFAIRS - 2021	<b>No Evidence of Competitive Recruitment of Contract Staff</b> The audit report revealed that competitive recruitment procedures for payments made in respect of contract staff totalling NLe 288,421 was not submitted for audit inspection.	The Accounting Officer tabled documents to support the submission that the matter had been resolved.  <i>After a careful review of the documents, it was observed that the issue had been settled and therefore recommended its removal from the audit report.</i>
		<b>Payments without Supporting Documents</b> The audit report disclosed that of the NLe 2,383,902, supporting documents totalling NLe 2,262,152 representing 95% of the queried amount were submitted and verified, leaving a balance of NLe 121,750 without payment vouchers and other relevant supporting documents.	In his response, the Accounting Officer submitted documents to support the submission that the matter had been resolved.  <i>The Committee declared this matter closed and therefore recommends that it be removed from the audit report. The Committee further advised the Ministry to improve on their timely submission of documents.</i>
		<b>Withholding taxes not Paid to NRA</b> The AG's report stated that of the NLe 46,968.98, evidence of payment of withholding taxes was submitted for NLe 24,751.81 representing 53% of the queried amount, leaving an outstanding amount of NLe 22,217.17	<i>Documents submitted revealed that the query has been resolved and therefore recommended that it be deleted from the audit report.</i>
24.	MINISTRY OF YOUTH AFFAIRS - 2021	<b>Withholding taxes were withheld but not Paid to the NRA</b> The audit report mentioned that out of Le 507,726,923.27, the sum of Le 68,041,660 in proof of withholding tax payments to the NRA was submitted and confirmed, leaving Le439,685,263.27	In his response, the PS submitted the documents to the Committee, which were reviewed and confirmed to be adequate.  <i>In light of the above, the Committee declared this matter resolved and therefore recommended that it be removed from the audit report. Management was however</i>

No	MDAs /Components	Audit Findings	Committee Findings /Recommendations
		outstanding.	<i>cautioned that withholding taxes are non-negotiable and thus encouraged Management to ensure that withholding taxes are paid immediately payments are made to suppliers/contractors.</i>
		<p><b>Payment without Supporting Documents</b> The AG's report disclosed that of the <b>Le557,251,524</b>, payment vouchers and relevant supporting documents totalling <b>Le468,631,524</b> were submitted and verified, leaving a balance of <b>Le88,620,000</b>. Again, of the <b>Le283,161,118.40</b>, adequate supporting documents such as back to office reports signed distribution lists, invoices, etc. were submitted for payments totalling <b>Le211,988,715.20</b>, leaving a balance of <b>Le71,172,403.20</b> without adequate supporting documents.</p>	<p>In his response, the PS submitted documents in respect of the outstanding amounts, adding that the matter had been resolved.</p> <p><i>The Committee discovered that the issue has been adequately settled and therefore recommended its removal from the audit report. However, the Committee reaffirmed its position that, going forward, all documents received during public hearings would be subject to legal penalty.</i></p>
		<p><b>National Youth Apprenticeship Programme not Developed</b> The AG's report discovered that the Ministry agreed to a monthly fee of <b>Le 40,000,000</b> for six months with Ingenious Consulting Limited for the development of a National Youth Apprenticeship Programme. It was however uncovered that despite a total payment of <b>Le 60,000,000</b> to the consultant, there was no evidence of work done, such as the inception report, report on the development of the apprenticeship programme, etc.</p>	<p>The Accounting officer tabled both the inception and apprenticeship policy, adding that the policy was developed by the consultant. He further disclosed that implementation of the policy had commenced.</p> <p><i>Contingent upon the above, the Committee announced this query resolved and thus recommended that it be removed from the audit report.</i></p>
		<p><b>Advanced Payment Guarantee and Status Report for car wash Centres Construction not submitted</b>  The audit report noted that monitoring reports, including pictorial evidence of the construction of car</p>	<p>In his response, the Procurement Officer submitted pictorial evidence, advanced payment guarantees and status reports for car wash centres to the Committee.</p> <p><i>Based on the foregoing, the Committee pronounced this</i></p>

No	MDAs /Components	Audit Findings	Committee Findings /Recommendations
		wash centres by Mishaal Kay Construction and General Supplies and Bangso Construction and Trading Enterprise, were not submitted for audit inspection.	<i>query resolved and therefore recommended its deletion from the audit report.</i>
		<b>Contract Renewal without Appraisal of Staff and Non-Registration of Staff with NASSIT</b> The AG's report disclosed that annual performance appraisal for 17 staff was not done and 22 staff from two projects: Livelihood Technical Skills Centre and Youth in Fisheries Project, were without NASSIT details. Further discussions revealed that some of the project staff had not been registered with NASSIT.	The PS, in his response, disclosed that the documents were submitted to the auditors at the time of audit and was surprised to learn that the issue appeared in the audit report.  <i>Consequent upon the above, the Committee pronounced this matter resolved and thus recommended that it be removed from the audit report.</i>
25.	MINISTRY OF YOUTH AFFAIRS – 2022	<b>Failure to Present Procurement documents for Audit Inspection</b> The AG's report stated that outstanding amount of NLe494,190.75 was without procurement documents.	The PS submitted the documents to the Committee, disclosing that the documents were submitted to the auditors and was surprised to spot this query in the report.  <i>While pronouncing this matter resolved and therefore recommended its removal from the audit report, the Committee warned Ministry officials that it would start surcharging for every document received during public hearings as provided by law.</i>
		<b>Payments without supporting documents</b> The audit noted that the sum of NLe510,910 was without supporting documents.	<i>Evidence tendered to the Committee in respect of the outstanding amount showed that the matter has been settled and therefore recommended that it be deleted from the audit report.</i>
26.	MINISTRY OF MINES AND MINERAL RESOURCES -2022	<b>Payments without Adequate Supporting documents</b> The audit report revealed that of the NLe76,000, supporting documents such as minutes of meetings and signed attendance list, etc. were submitted and verified for payments totalling NLe40,000, leaving a balance of NLe36,000.	The Accountant, who was new at the time of the audit, stated that some of the documents were not signed by Board members and that was why they did not submit to the audit team.  <i>The Committee meticulously reviewed the documents and observed that they were adequate and therefore marked</i>

No	MDAs /Components	Audit Findings	Committee Findings /Recommendations
			<i>this issue as resolved. However, Management was warned to take audit issues serious, otherwise the Committee would not condone lackadaisical attitude towards addressing audit queries going forward.</i>
27.	MINISTRY OF MINES AND MINERAL RESOURCES -2021	<b>Payments without Supporting documents</b> The audit report revealed that internal PVs and supporting documents for withdrawals amounting to <b>Le1,234,595,815</b> were submitted, leaving a balance of <b>Le120, 398,509.77</b> for which internal payment vouchers and relevant supporting documents were not submitted.	<i>From the review of documents submitted to the PAC, it was noted that they were sufficient and therefore recommended that the query be dropped.</i>
		<b>Cheque and cash Payments without Adequate Supporting documents</b> The AG's report revealed that requisitions, invoices, receipts, signed list of beneficiaries, monitoring reports, back to office reports and a detailed activity plan etc., to justify the utilisation of expenditures totalling <b>Le859, 932,439</b> for the period under review were submitted and verified, leaving a balance of <b>Le68, 935,000</b> without adequate supporting documents.	<i>The PS submitted the documents to the Committee and thus declared the query resolved.</i>
28.	MINISTRY OF PLANNING AND ECONOMIC DEVELOPMENT - 2021	<b>Payments without Supporting documents</b> The audit report disclosed that the <b>Le 1,150,023,450</b> and <b>US\$18,000</b> queried amounts, supporting documents totalling <b>Le 676,871,960</b> were provided, leaving a balance of <b>Le 473,151,490</b> and <b>US\$18,000</b> .	Reacting to this audit query, the Chairman of NaCCED disclosed that: ⇒ supporting documents were submitted to the auditors except those related to <b>Le 473,151,490</b> and <b>US\$18,000</b> which were funds provided by the UNDP for the implementation of the Youth at Risk Project; ⇒ the original documents for the said Project were submitted to the UNDP as a requirement, but NaCCED's efforts to retrieve same from the UNDP proved unsuccessful; instead, UNDP requested that the

No	MDAs /Components	Audit Findings	Committee Findings /Recommendations
			<p>auditors visit their office to review the files;  ⇒ the auditors did not accept photocopy documents, but they were submitted to the ACC to carry out their investigation.</p> <p>A review of the ACC investigation report disclosed that the UNDP actively involved in the disbursement of the funds to implement the Youth at Risk Project. The report further revealed that no misappropriation of funds was detected and the funds were utilised for the intended purpose.</p> <p><i>In view of the above, the Committee declared the query as resolved and therefore recommended that it be closed.</i></p>
		<p><b>Payments without Adequate Supporting</b>  The audit report disclosed that of the Le671,397,932, supporting documents totalling Le274,717,932 were provided, leaving a balance of Le396,680,000.</p>	<p>Again, Management unveiled that the original documents were submitted to the UNDP, but UNDP refused to submit same to the NaCCED for onward presentation to the auditors.</p> <p>A review of the ACC investigation report disclosed that UNDP actively involved in the disbursement to implement the Youth at Risk Project. The report further revealed that no misappropriation of funds was detected and said funds were utilised for the intended purpose.</p> <p><i>In view of the above, the Committee declared the query as resolved and therefore recommended that it be closed.</i></p>
		<p><b>Responsibility Allowances not Fully Paid to Staff</b>  The AG's report revealed that underpayments of responsibility allowances to various staff of the Ministry totalling Le32,983,868 for the period under review.</p>	<p>The Committee observed that the matter was brought to the attention of the Ministry of Finance and HRMO and the difference was paid and the anomaly was also corrected.</p> <p><i>In view of the foregoing, the Committee declared the matter resolved and therefore recommended its removal from the audit report.</i></p>

No	MDAs /Components	Audit Findings	Committee Findings /Recommendations
29.	MINISTRY OF PLANNING AND ECONOMIC DEVELOPMENT – 2022.	<p><b>NGOs in the National Gazette without Evidence of Payments to NRA</b></p> <p>The AG's report disclosed that 73 NGOs and 2 INGOs were listed in the National Gazette published by the Ministry, but there was no evidence to indicate that they made payments to NRA. The expected revenue from these NGOs was <b>USD182,500</b> and <b>USD5,000</b> respectively.</p>	<p>The Development Secretary [DS] disclosed that when the issue was flagged up, the committee that investigated the matter confirmed that 72 NGOs paid directly to NRA account at VISTA Bank, leaving 3 NGOs. He added that the Ministry only granted operating clearance certificates once proofs of payments were presented. He concluded that the remaining NGOs had paid, and that in order to prevent a recurrence of similar uncertainty, NGOs are now paying online.</p> <p><i>The auditors confirmed that the issue had been resolved and therefore recommends that it be removed from the audit report.</i></p>
		<p><b>Increment in the Ministry's Payroll</b></p> <p>The audit report stated that there was no evidence in the form of promotion letters or approval from the relevant authority to justify the increment in staff salaries during the review period. The report further disclosed that staff received the sum of <b>Le 2,974,736.27</b> in excess of their basic salaries during the review period.</p>	<p>The DS, in his response, presented a memo dated 14<sup>th</sup> September, 2020 from the Financial Secretary, disclosing that the Minister of Finance granted approval for the harmonisation of salaries of 57 fiduciary staff, promotion of 74 existing fiduciary staff and provision of top-up allowances for 237 newly recruited Grade 7 fiduciary staff of the Ministry of Finance, and the Ministry of Planning.</p> <p><i>While considering the issue as promotion and harmonisation of salaries, and not salary increase, and thus declared the query resolved, Management was however cautioned that in future the Ministry of Finance, in line with Regulation 34 of the PFM Act of 2016, inform Parliament about unallocated expenditure for approval; otherwise such disbursements are considered illegal and could attract severe penalties.</i></p>

No	MDAs /Components	Audit Findings	Committee Findings /Recommendations
		<p><b>Actual Expenditure Exceeding Budgeted Expenditure</b></p> <p>The audit report revealed that the budgeted personnel cost for FY2022 was Le 2,784,093, but the actual amount spent was Le 3,445,166.18, resulting in a budget overrun of Le 661,073.18 for NaCCED. Additionally, the budgeted recurrent expenditure was Le 6,186,618, but Le 7,880,695.08 was spent resulting in a budget overrun of Le 1,694,077.08.</p>	<p>The Committee observed that pump price increase and DSA adjustments impacted negatively on the Ministry's budget performance, and staff who retired, died, or resigned were still receiving salaries, despite the Ministry's request for replacement.</p> <p><i>The Committee deemed this query resolved based on the Ministry's explanations and thus recommended that it be removed from the audit report. Nevertheless, Management was counselled that in future, they get the Ministry of Finance's approval, otherwise Management will be asked to refund whatever amount spent outside the budget</i></p>
		<p><b>Procurement Records Not Submitted</b></p> <p>The AG's report disclosed that contrary to Section 152 of the Public Procurement Regulations [PPR] of 2020, procurement records and associated supporting documentation for procurement activities amounting to Le245,894.40, were not made available for inspection.</p>	<p><i>Based on Management letter and accompanied documents presented by the Senior Accountant, the Committee observed that the documents were adequate and therefore marked this issue as resolved.</i></p>
		<p><b>Bank Withdrawals without Adequate Supporting Documents</b></p> <p>The AG's report revealed that out of bank withdrawals totalling Le 83,000.87, adequate supporting documents were submitted for amounts totalling Le 39,106 representing 47% of the queried amount, leaving a balance of Le43,894.</p>	<p><i>The DS's explanation and documents presented indicated that the issue has been resolved and therefore recommended that the query be deleted from the audit report. Management was however advised that in future, payments vouchers are supported with sufficient documents.</i></p>
		<p><b>Key Deliverables not Met by NaCCED</b></p> <p>The AG's report revealed that the following key deliverables stated in the budget were not achieved by NaCCED:</p>	<p>The Committee found from documents provided and its engagements with Management that every deliverable has been carried out except the formation of the Board, which requires the President to appoint its Chairman.</p>

No	MDAs /Components	Audit Findings	Committee Findings /Recommendations
		<p>⇒ constitute the NaCCED Board as per law;</p> <p>⇒ validate and approve out-of-school Civic Education Curriculum;</p> <p>⇒ develop and produce out-of-school Civic Education Training Manuals;</p> <p>⇒ validate and finalise its Strategic Plan during this period; and</p> <p>⇒ implement its Fourth Generation National Action Plan [NAP 4] of the Open Government Partnership [OGP] in collaboration with CSOs and MDAs</p>	<p><i>The Committee commended the Ministry for resolving the audit queries, but urged same to make sure that the President is aware of the Board Chairman's appointment, so that the Board is fully constituted to oversee the Ministry's operations and provide strategic direction.</i></p>
30.	ROKEL COMMERCIAL BANK - 2022	<p><b>Duplicate User IDs</b></p> <p>The Committee observed no duplications because when a contract staff is confirmed permanent, his/her ID changes from Contract ID [C-ID] to Permanent ID [P-ID] and automatically disabled the C-ID.</p>	<p><i>The Committee recommended that this matter be removed from the audit report because it has been certified resolved. However, Management was warned that removing or deactivating a C-ID employee from the system would have negative impact on the employee's progress and past performance. As a result, the MD and team were encouraged to give this matter a careful thought.</i></p>
31.	ELECTRICITY DISTRIBUTION AND SUPPLY AUTHORITY [EDSA] - 2022	<p><b>Ineffective Management of Prepaid Revenue</b></p> <p>The audit report disclosed discrepancies between the prepaid revenue report for the period under examination and the prepaid revenue general ledger. The Committee did see, however, that the general ledgers and financial accounts have been updated and that the discrepancies detected have been investigated and corrected.</p>	<p><i>The Committee declared this query resolved after reviewing the documents and noted that the FS has been updated. As a result, the Committee suggested removing it from the audit report. The Committee did, however, issue stern warning to Management, requesting that going forward, frequent reconciliations are carried out and remedial action is taken as quickly as possible.</i></p>
		<p><b>Inadequate Controls over the Disbursement of Funds</b></p> <p>The audit report that:</p>	<p>The Committee noted from the review of documents that:</p> <p>⇒ the NLe 32,670 was paid as stipends to Board Members who were on contract;</p>

No	MDAs /Components	Audit Findings	Committee Findings /Recommendations
		<p>⇒ payments totaling NLe311,421 were made for both domestic and international trips for which invitation letters, concept notes, back-to-office reports, receipts, and recipient signatures were not submitted for audit inspection;</p> <p>⇒ PAYE taxes amounting to NLe32,670 were not charged and paid to the NRA;</p> <p>⇒ payments totaling NLe 150,000 were made to the Ministry of Energy's account as special Imprest, but no justification for financing a subvented Ministry was not given for audit examination; and</p> <p>⇒ the sum of NLe316,450 was spent on various groups as contributions, subscriptions or corporate social obligations for which no policy was made available to explain the disbursement of these funds.</p>	<p>⇒ Le 150,000 was paid to the Ministry of Energy's account to undertake oversight function, but the said amount had been recovered;</p> <p>⇒ Le 316,450 was paid to various organisations as donations or subscription because the Authority has a corporate social responsibility as indicated in their approved policy; and</p> <p>⇒ retirement details totaling NLe311,421 in respect of domestic and international trips were submitted and verified by the Committee.</p> <p><i>In view of the foregoing, the Committee marked the issues relating to payments made to organisations, local and foreign travels, and PAYE as resolved. The Committee also suggested that PAYE taxes should not be applied to the stipends of contract Board Members.</i></p>
		<p><b>Bank Reconciliation Statements of Bank Accounts</b></p> <p>The AG's report disclosed that there had been an investigation into the bank reconciliation statements of bank accounts and that a correction had been made.</p>	<p><i>After carefully reviewing the documents, the Committee concluded that they were sufficient and therefore declared the matter settled. Nevertheless, it is advised that reconciliations be carried out on a regular basis to identify and promptly fix any discrepancies.</i></p>
		<p><b>Management of Inventory</b></p> <p>The audit report revealed that the Authority's store was in poor condition as most items delivered were packed on the floor, and the unused and damaged items were not properly identified and segregated. It was further noted that the stores did not use a bin card system where movements of store items are recorded and reconciled with the store ledgers.</p>	<p>Management, however, disclosed that the condition of the stores had been improved and the Authority had migrated from manual to an integrated management system. Furthermore, all incoming and outgoing stocks are now logged in an inventory module.</p> <p><i>Regarding the dilapidating condition of the stores, the Committee declared this query resolved; nonetheless, it was advised that damaged and unused items are identified and kept apart.</i></p>

No	MDAs /Components	Audit Findings	Committee Findings /Recommendations
32.	Ministry of Agriculture, Forestry and Food Security - 2021	<b>Payments without Adequate Supporting documents</b> The audit report disclosed that payments totalling <b>Le113,128,500</b> and <b>Le472,042,437</b> were without adequate supporting documents, such as concept note, report and claim sheets, invitation letters, back-to-office report, etc.	In his response, the Senior Accountant tabled documents to support the submission that the matter relating to payments without adequate supporting documents has been resolved.  <i>The auditors confirmed that the issue had been adequately settled and therefore PAC recommends that it is removed from the audit report. However, the Committee cautioned that henceforth all payment vouchers be supported with adequate supporting documents.</i>
		<b>Withholding Taxes Not Deducted and Paid to the NRA</b> The audit report disclosed that of the <b>Le1,104,916,285</b> queried amount, supporting documents were provided for a total payment of <b>Le1,053,936,991</b> , leaving a balance of <b>Le50,979,294</b> .	<i>Since the auditors attested to the issue's appropriate resolution, PAC therefore recommended removing it from the audit report.</i>
		<b>Special Imprest not fully Retired</b> The audit report disclosed that of the total amount of <b>Le237,747,680.00</b> , retirement details were submitted for <b>Le172,837,680.00</b> , representing 73%, leaving a balance of <b>Le64,910,000</b> without retirement details. Therefore, the recommendation was substantially implemented.	In his response, the Senior Accountant submitted documents to support the submission that the matter has been resolved.  <i>Thus, the Committee declared the query resolved and therefore recommended its removal from the audit report.</i>
		<b>Changes in the Price Quotation without Justification</b> The AG's report revealed that the supplier's bid price for the supply of harvesters and dryers contract was altered at the evaluation stage from <b>US\$5,780,400</b> to <b>US\$6,980,400</b> without any documentation or written notice, making the supplier ineligible. A lower bid price of <b>US\$6,727,000</b> was awarded, resulting in an additional expense of <b>US\$946,600.00</b> for the	From the review of documents and discussions held with the Ministry, the Committee observed the following: ⇒ manufacturers committed to manufacture 6 tons harvesters and dryers at <b>US\$6,727,000</b> , but faced issues with service delivery, post-purchase servicing, and spare parts availability. Due to declining demand and lower efficiency, the equipment was abandoned. Freight costs and requirements modifications led to an addendum

No	MDAs /Components	Audit Findings	Committee Findings /Recommendations
		government.	<p>valued at US\$1,645,000. Thus, the total cost of the contract [original + addendum] amounted to US\$ 8,372,000;</p> <p>⇒ during an emergency meeting held on the 11<sup>th</sup> October, 2021, the Ministry's Procurement Committee acknowledged that the equipment's long-term operations would be significantly impacted by variables such as the unavailability of spare parts and therefore agreed that the specifications be changed from 6 Tons to 8 Tons and 10 Tons; and</p> <p>⇒ on the 26<sup>th</sup> October, 2021, NPPA endorsed the decision of the Procurement Committee to proceed with the modification of the specifications for the supply and delivery of harvesters and dryers.</p> <p><i>The Committee deemed it unjust to procure machines with no spares or no industry production, suggesting alternatives with better output efficiency, spares, and after-sales service; and thus advised the Ministry to ensure due diligence on specifications before undertaking procurement process, in order to prevent a recurrence of such abnormalities. This query was therefore announced resolved and thus recommended its removal from the audit report.</i></p>
		<p><b>Expenditure Returns not Submitted for Audit Inspection</b></p> <p>The audit report that of a total of Le12,155,057,000 transferred to various projects, expenditure returns for amounts totalling Le3,655,057,000, constituting 30% of the total expenditure, were submitted and verified, leaving a balance of Le8,500,000,000.</p>	<p><i>From Management's explanation and the review of documents submitted, the Committee observed that the issue had been settled and therefore recommended that it be deleted from the audit report.</i></p>

No	MDAs /Components	Audit Findings	Committee Findings /Recommendations
33.	SIERRA LEONE COMMERCIAL BANK – 2022	<b>Non-compliance with Prudential Guidelines</b> The audit report disclosed that some loans were not classified in accordance with the said guidelines.	<i>The Committee observed that it was a system problem, but the issue had been addressed and therefore recommended that it be closed.</i>
		<b>Staff Handbook Not Reviewed</b>  The audit report revealed that the staff handbook had been due for review since 2017 and the recruitment policy has not been updated since 2016.	<i>The Committee observed from the review of the staff handbook that it had been reviewed and approved by the Board and therefore recommended that this issue be removed from the audit report.</i>
		<b>Accounting for Loan Balances</b> The audit report stated that the audit team could not accurately determine how outstanding loan balances from previous loans for certain customers, including corporate, staff, amortised, parliamentary, and housing loans, were accounted or recorded.	From its engagements with Management and documents tendered in that regard, the Committee observed that the matter has been cleared and correctly classified.  <i>In view of the foregoing, the Committee declared this issue resolved and therefore recommended its deletion from the audit report.</i>
		<b>Non-adherence to Bank Policies</b> The audit report revealed that the bank failed to meet its 15-year repayment threshold for loans totaling NLe2,827,919.62 by certain staff during the year.	The Committee found that housing loans granted before 2014 were covered by previous staff handbook provisions, allowing loan duration to retirement date, and Management may extend loan terms beyond the policy.  <i>In view of the foregoing, the Committee declared this matter closed and therefore recommended its removal from the audit report.</i>
		<b>Weaknesses Observed in Granting Loans and Overdraft</b> The audit report revealed that certain supporting documents that were required to support the facilities in accordance with the system documentation and the prudential guidelines for best practice were not submitted to the audit team. The said loans and advances are classified as parliamentary loans,	The Director of Finance presented the documents to the Committee for verification, adding that the documents were presented to the auditors during their audit exercise. Distinguishing between performing and non-performing loans, it was observed that MPs' loans were performing since they were repaid in line with the terms and conditions of the agreement, but corporate and staff loans did not meet this criterion.

No	MDAs /Components	Audit Findings	Committee Findings /Recommendations
		corporate loans, staff loans, and overdraft.	<p>Further review of schedules of files in respect of corporate loans revealed that the bank granted a loan of <b>US\$5mln</b> to Sierra Bay Company to refurbish a hotel, but the principal borrower [the owner of the Company] was also indebted to the bank. The Committee questioned Management's decision to approve a loan for a Company whose principal borrower was already a debtor to the bank.</p> <p><i>The Committee recommended that the loan for MPs be closed after deeming it settled in light of the aforementioned information. However, in their subsequent audit exercise, the auditors were asked to review the status of corporate and staff loans, as well as overdrafts. It was also recommended that Management disciplines employees responsible for MPs' loan for their negligent handling of the issue.</i></p>
		<p><b>Fixed Assets Register Not Updated</b> The audit report revealed that the assets register for the period under review was not updated with accumulated depreciation, net book value, personnel/office-in-charge.</p>	<p>In his response, the Finance Director presented the assets register to the Committee and the auditors confirmed that it had been updated, but however expressed concern over the delay in availing same to the auditors at the time of audit.</p> <p><i>The Committee recommends that this issue be removed from the audit report since it was judged resolved. However, the PAC cautioned Management to improve on timely submission of documents, so as to avoid the possibility of penalty charges.</i></p>
		<p><b>Valuation Reports of Investment Property Not Provided</b> The AG's report mentioned that investment property was recognised using the fair value model and the bank is required to assess the property's market value annually, but the audit team was not provided with</p>	<p>The Committee received the investment property value reports from the Finance Director, who also explained that the report writing process was still in progress at the time of the audit, which caused the submission to the auditors to be delayed.</p> <p><i>The Committee therefore declared this query resolved and</i></p>

No	MDAs /Components	Audit Findings	Committee Findings /Recommendations
		valuation reports for investment property, totaling NLe6,225,000.	<i>thus recommended that it be deleted from the audit report.</i>
		<b>Accounting Software</b> The audit report revealed that the Bank owns accounting software capable of producing full Financial Statements, but it cannot post transactions retrospectively due to its X100 software deficiencies.	The Committee noted from the review of procurement documents dated 12 <sup>th</sup> July, 2024 that the Accounting Software, as recommended by the auditors, has been procured and installed. <i>In view of the above, the Committee declared this issue resolved and therefore recommended its removal from the audit report.</i>

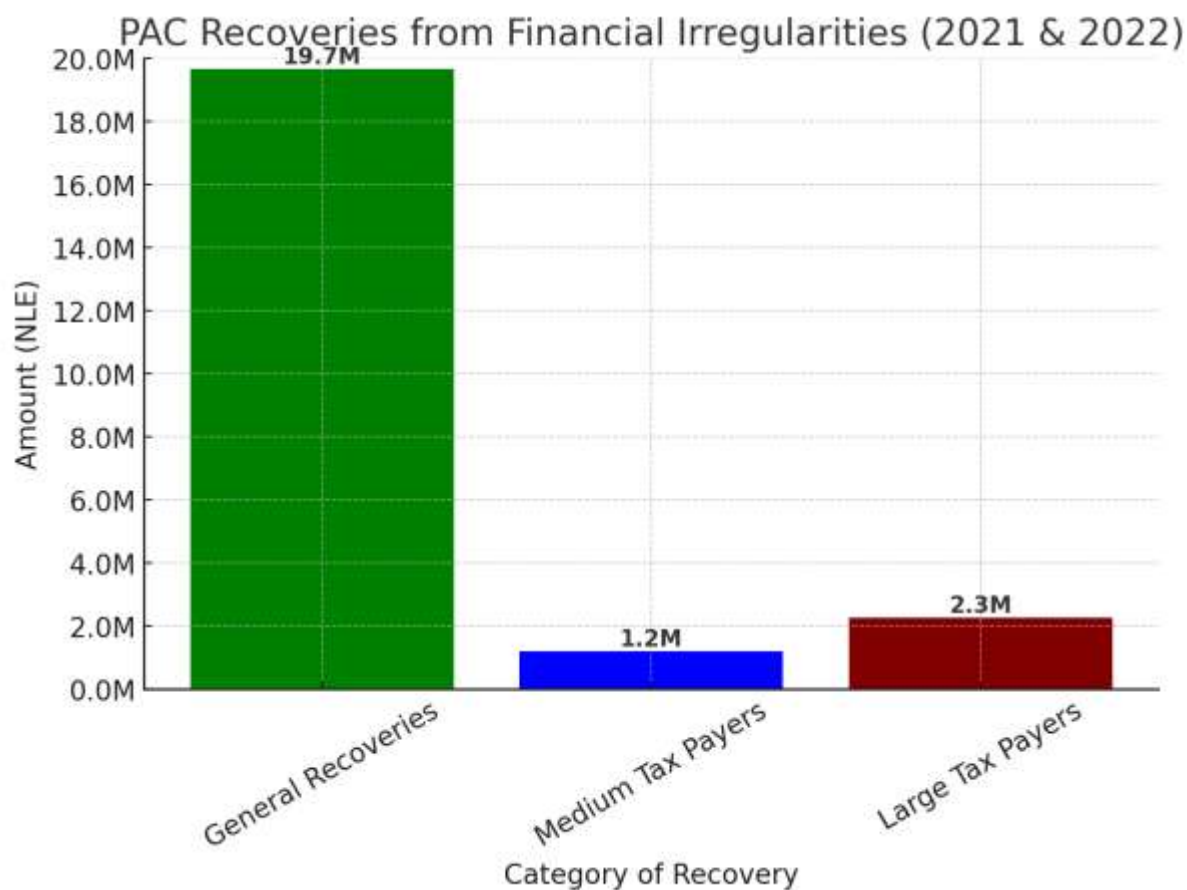
## PAC RECOVERIES FROM FINANCIAL IRREGULARITIES IDENTIFIED IN THE 2021 & 2022 AUDITOR GENERAL'S REPORTS

The Public Accounts Committee (PAC), in fulfilling its oversight mandate, conducted a comprehensive review of financial irregularities identified in the **2021 and 2022 Auditor General's Reports**. These reviews were aimed at ensuring accountability and transparency in the management of public funds, particularly in cases where financial mismanagement and non-compliance with financial regulations were detected.

Through rigorous follow-ups and enforcement actions, the PAC successfully facilitated the recovery of **NLe23,152,942.66** from various entities, including government institutions, local councils, business enterprises, and tax-paying entities. These recoveries were categorized into three major groups: **General Recoveries, Medium Tax Payers, and Large Tax Payers**. While significant progress has been made in reclaiming misappropriated funds, the Committee remains concerned about the substantial outstanding amounts that are yet to be recovered, particularly from large tax payers. The following section provides a detailed breakdown of the recoveries, along with relevant figure and table illustrating the progress made during the review process. *(See Appendix B for a detailed breakdown on Recoveries).*

PAC Recoveries from Financial Irregularities (2021 & 2022 Auditor General's Reports)	
Category of Recovery	Amount (NLe)
<i>General Recoveries</i>	19,672,694.77
<i>Medium Tax Payers</i>	1,215,443.55
<i>Large Tax Payers</i>	2,264,804.35
<b>Total</b>	<b>23,152,942.66</b>

**Table 3:** PAC Recoveries from Financial Irregularities (2021 & 2022 Auditor General's Reports)



**Figure:** PAC Recoveries from Financial Irregularities (2021 & 2022 Auditor General's Reports)

The Public Accounts Committee (PAC), in its review of the 2021 and 2022 Auditor General's Reports, undertook rigorous follow-ups on financial irregularities identified across various institutions, leading to significant recoveries. The total amount recovered stands at **NLe23,152,942.66**, categorized as follows:

**A. General Recoveries: NLe19,672,694.77 (84.97%)**

- This category constitutes the highest proportion of recoveries and covers funds recouped from government entities, local councils, and business enterprises for various financial irregularities.

**Key recoveries include:**

- Universal Access Development Fund (UADF) - **NLe10,564,228.66** fully recovered.
- Petroleum Regulatory Agency (PRA) to National Revenue Authority (NRA) - **NLE 2,300,000.00**.
- Commercial Banks (Transit Accounts) - **NLe3,300,000.00**.
- Machine Ring Services (FSRP & RRVCP) - **NLe1,030,000.00** and **NLe1,094,440.23**, respectively.
- Freetown City Council (PAYE and Withholding Tax) - **NLE 338,007.65** fully recovered.

- Union Trust Bank on SLRSA – NLE 460,600.00.

**B. Medium Tax Payers Recoveries: NLE 1,215,443.55 (5.25%)**

This category covers recoveries made from businesses identified as medium tax payers, primarily related to Goods and Services Tax (GST) obligations.

**Key recoveries include:**

- Moore Stephens Sierra Leone – NLe616,500.00.
- Office World Group SL Ltd. – NLe125,000.00 (partial recovery).
- Chicken Town SL Ltd., IC Sierra Leone Diplomatic Security, and Dycar Vending Services Ltd. – fully settled their GST obligations.

Despite these recoveries, an outstanding balance of NLe211,419.00 remains to be recovered from some tax payers.

**C. Large Tax Payers Recoveries: NLe2,264,804.35 (9.78%)**

Recoveries in this category primarily involve large business entities with substantial financial obligations due to tax liabilities and other financial irregularities. While some payments have been made, a significant amount remains outstanding.

**Key recoveries include:**

- SOCFIN Agricultural Company SL Ltd. – NLe882,054.27 recovered.
- Mackie Building Materials – NLe1,164,930.64 recovered.
- Capitol Foods Limited, Leone Construction & General Services, and DIG International Group Limited made partial payments.

However, a total outstanding amount of NLe36,458,127.37 remains unpaid from large taxpayers. Notably, Koidu Limited (NLe9,679,779.66), Capitol Foods Ltd. (NLe9,611,369.38), and DIG International Group Ltd. (NLe4,053,301.69) are among the entities with significant outstanding liabilities.

**Conclusion and Recommendations**

The PAC acknowledges the progress made in recovering public funds arising from financial irregularities, demonstrating its commitment to upholding accountability and transparency in public financial management. However, the Committee emphasizes the need for enhanced enforcement mechanisms to recover the substantial amounts still outstanding, particularly from large tax payers.

The PAC recommends that:

- *The NRA strengthens its enforcement actions against defaulting tax payers to ensure full compliance.*
- *Public institutions improve internal financial controls to prevent recurrence of financial irregularities.*
- *Timely follow-ups on outstanding recoveries be intensified in collaboration with relevant authorities.*
- *Stronger legal and administrative measures be adopted to hold defaulters accountable.*

The Committee remains committed to ensuring that all recoverable funds are duly accounted for in line with its mandate to safeguard public resources.

## GENERAL FINDINGS AND RECOMMENDATIONS

### 2.1 Delayed Remittance of Statutory Deductions

The Committee found that Accounting Officers violated Section 116 of the Income Tax Act, 2000 and Section 25 of the NASSIT Act, 2001, by delaying or failing to remit statutory payments to these institutions. It was further noted that some MDAs deducted but utilised the funds, while others only honoured their statutory obligations after receiving PAC summons.

*The Committee condemned the practice of expending statutory funds and therefore recommends that Vote Controllers should adhere to the requirements of deducting and paying to the respective institutions to avoid or minimise the risk of penalty charges.*

### 2.2 Disregard for Audit Queries

The Committee observed that throughout the years, some Vote Controllers and their designated officers have not given audit issues the serious consideration raised by ASSL. Many MDAs failed to respond to management letters within the 15 days as required by Section 93[3] of the Public Financial Management Act, 2016 which led to the issuance of one sided audit conclusions.

*In light of the aforementioned, the Committee strongly recommends that Vote Controllers should always handle audit queries with urgency and endeavour to address same before they resurface in subsequent audit reports.*

### 2.3 Outstanding Construction Works/Abandoned Projects

During its engagements with the various MDAs, the Committee noted that a lot of government projects have been abandoned while others are still under construction for a very long time due to

underperformance of contractors, inadequate funding, poor projects management and refusal of successive governments to fund projects initiated by their predecessors.

*In this regard, the Committee recommends the following:*

*the Ministry of Finance should approve projects they can guarantee funding to completion and within the stipulated timeframe, and that no new project should be initiated or funded until outstanding ones are fully implemented;*

*the Ministry of Finance and other government agencies should conduct a nationwide inventory of uncompleted projects, in order to determine their current state and ascertain the best course of action that would lead to the completion of those projects;*

#### **2.4 Delayed Deletion of Names from the Payroll**

The Committee noted that the names of staff members who had resigned, died or retired from certain institutions were not instantly deleted from the payroll. The Committee noted instances where those staff members' salaries continued to run for several months, even after the Accountant General or HRMO had been duly notified to take necessary actions. In other instances, Vote Controllers failed/delayed to inform the Accountant General and HRMO to take the necessary action. The Committee thus expressed serious doubt over the recoverability of moneys already paid to those individuals.

*Based on the foregoing, the Committee recommends that the Accountant General demonstrates a high sense of proactiveness whenever issues relating to removal of names of staff members who have passed away, resigned or retired. In addition, Vote Controllers should also report to the Accountant General and HRMO immediately a staff dies, retires or resigns, so as to facilitate speedy removal of his/her name from the payroll.*

#### **2.5 Regular Reconciliations Not Performed**

From the review of the audit report, the Committee observed that MDAs examined failed to undertake daily or regular reconciliations as provided for by Regulation 70[1] of the 2018 PFM Regulations. The Committee pointed out the danger that mistakes and/or fraud might go unnoticed if Managements neglect this function, citing Union Trust Bank that reimbursed the sum of NLe 471,000 to SLRSA as a result of long-term inability to undertake regular reconciliations.

*The Committee recommends adherence to Regulations 70 of the 2018 PFM to prevent fraud and loss of government revenue.*

#### **2.6 Non-Submission of Statutory Reports to Parliament**

The Committee expressed concern over the deliberate breach of Acts of Parliament by Parastatals, Public Enterprises, Corporations, Commissions and Trusts such as NASSIT, regarding the non-submission of their annual audited financial reports to Parliament as enshrined in their respective legislations.

*The Committee recommended amending the Finance Act to include severe penalties for breaches or violations and that the parliamentary sectoral committees should monitor the implementation of the provisions in the various Acts that established those institutions going forward.*

## 2.7 Procurement Infractions

From the review of the audit reports and the Public Procurement Act 2016, the Committee observed the following:

- ⇒ despite constant warnings over the years on the need to follow procurement laws or regulations, PAC noted persistent disregard for procurement rules that has resulted in the issuance of serious procurement audit queries;
- ⇒ inappropriate procurement methods in the award of contracts, such as the use of RfQs instead of the NCB method for most procurement transactions undertaken, in contravention of Section 26 of the Finance Act, 2019 and Section 37[2] of the Public Procurement Act, 2016; and
- ⇒ the absence of penalties for procurement breaches has resulted in significant violations of procurement laws by Vote Controllers and Procurement Officers.

*Based on the foregoing, the Committee recommends the following:*

- ⇒ *Vote Controllers must ensure full compliance with all procurement laws at all time; and*
- ⇒ *the National Public Procurement Act, 2016 be amended to include penalties for breaches, especially Section 37[2] of the said Act, so as to minimise flagrant violation of the Act.*

## 2.8 Ineffective Internal Controls

The Committee discovered that most MDAs failed to put in place effective internal controls, thus making it difficult to ensure accurate accounting practices, inventory records, and effectively manage assets and human resources. Vote Controllers continued to perform their functions without due consideration to internal control mechanisms thereby violating Regulation 147 of the PFM Regulations, 2018.

*The Committee concluded that internal control weaknesses may result in fraud, operational inefficiencies, miss-representation of financial activities and thus recommends that internal control units perform their functions as per law established.*

## 2.9 Payments without Adequate Supporting Documents

The Committee observed that payments were made without adequate documentation, such as payment vouchers and supporting documents like delivery notes, monitoring reports, receipts, invoices, beneficiary lists, etc., to substantiate disbursements. In other instances, payments were made without supporting documents.

*The Committee concluded that payments lacking sufficient documentation for expenditures undertaken by the MDA, PEs, Corporations and Trusts cannot be recognised as legitimate disbursements.*

#### 2.10 Poor Assets Management Practices

The Committee was appalled at the poor assets management practices by MDAs during the periods under review. Some MDAs do not maintain fixed assets registers, and those that had failed to update them regularly, leading to loss of government assets. This action contravenes Regulations 161[1&4] of the PFM Regulations, 2018.

*In consideration of the aforementioned, the Committee recommends that Vote Controllers develop and regularly update their assets registers, and all assets should be properly coded with indelible ink.*

#### 2.11 Ineffective Records Management

The Committee further observed negligence by Vote Controllers in maintaining financial records, thereby contravening Regulation 171 of the PFM Regulations, 2018.

*The Committee recommends that Vote Controllers be trained in good records management practices*

#### 2.12 The Way Books Not Maintained

The Committee observed that most government institutions failed to maintain special audit way books; and as a result, documents submitted to the audit teams were not signed for. This has resulted in situations where the auditors and Vote Controllers engaged in altercations during public hearings. Vote Controllers always claimed to have submitted documents to the auditors, but the auditors on other hand denied receipt of documents.

*In consideration of the above, the Committee recommends that MDAs cultivate the culture of maintaining special audit way books, especially where documents are involved, so that these scenarios could be avoided going forward.*

#### 2.13 Delayed Approval of Policies

The Committee further observed that a number of institutional policies, such as fixed assets capitalisation policies, policies on assets disposal, fleet and fuel management policies, finance policies and procedures manuals, ICT policies, HR manuals, were still in draft stage because they have not been sanctioned by their respective Boards.

*Having this in mind, the Committee recommends that Vote Controllers should cause their Boards to expedite the process of approving these policies under consideration.*

#### 2.14 Late/Non-Submission of Documents to ASSL

The Committee observed that some Vote Controllers failed to submit supporting documents to the auditors on time [during the audit exercise] as required by Section 119[2] of the 1991 Constitution of Sierra Leone and Section 90[1[a] of the PFM Act, 2016. This resulted in the Committee discussing matters that should not have been featured in the final audit reports.

*The Committee vehemently frowned at this practice and thus urged all Vote Controllers to refrain from such conduct, otherwise, punitive actions would be imposed in subsequent audits.*

#### 2.15 Payables and Receivables [Debts]

The Committee observed huge longstanding payables and receivables. The Committee engaged the institutions involved, and conclusions have been reached to resolve these issues.

*During an engagement meeting with EDSA, EGTC, GUMA, Ministry of Finance and RMFA, it was resolved that a Cabinet Paper regarding payables and receivables be developed; and once Cabinet approves, the MDAs mentioned above should factor same in subsequent budgets, so that payments are made directly by the Ministry of Finance from their [GUMA, EGTC, EDSA and RMFA] various allocations.*

#### 2.16 Budgetary Control and Performance

The Committee noted that the various MDAs encountered budgetary constraints and the unavailability of supplementary budgets provision to cushion the effects of inadequate allocations resulted in underperformance of planned deliverables.

*In this regard, the Committee recommends that the Ministry of Finance improves on the timely release of funds to MDAs and the National Revenue Authority [NRA] through the Committee on Finance makes realistic revenue projections and achievable expenditure estimates.*

# SECTION II

UNRESOLVED AUDIT QUERIES – PUBLIC ACCOUNTS, MINISTRIES,  
DEPARTMENTS, DONOR-FUNDED PROJECTS, PUBLIC ENTERPRISES  
AND COMMISSIONS

## GENERAL PURPOSE FINANCIAL STATEMENTS (GPFS) OF THE CONSOLIDATED FUND

### 3.1 Overview of the audit of the GPFS of the Consolidated Fund

The statements, prepared by the Accountant General in accordance with Section 87(1) of the Public Financial Management Act, 2016, are annually audited by the Auditor General, as required by Section 16 of the PFM Act, 2016 and the 1991 Constitution of Sierra Leone.

The audit for the period under review received an unqualified opinion, signifying the financial statements were free from material misstatement and presented in conformity with applicable accounting standards and regulations. However, the reports highlight recurring control lapses in the public financial management across government entities in revenue, expenditure, and cash and bank management.

The National Revenue Authority has improved revenue assessment, collection, and reporting through technological interventions, such as ASYCUDA World, ITAS and Electronic Cash Register [ECR]. However, irregularities in revenue assessment, collection, and reporting have been observed, mainly due to the NRA's failure to collect tax revenue and apply sanctions against defaulters.

### 3.2 Tax Liabilities Due:

The audit revealed a significant amount of outstanding payments from taxpayers, initially reported at **Le524.78 billion**, representing substantial tax liabilities owed to the Government of Sierra Leone.

In response, the National Revenue Authority (NRA) clarified that they are in the process of transferring taxpayer records from VIPS to ITAS and have established payment plans with some taxpayers. Additionally, the NRA stated that the figure cited in the Auditor General's report was incorrect, with the actual outstanding tax liability amounting to **Le125.40 billion**. A document detailing the recovery progress was submitted to the Committee.

The Committee observed that tax liabilities exist in all tax handles and that ineffective reconciliations prevent clarity in validating the amount reconciled and provided by the NRA. This is recorded in the recoveries made by the Committee for the period under review.

*The Committee recommended the following:*

- *NRA should improve on revenue collection, enhance the reporting of arrears and regular reconciliations of transactions.*
- *NRA, along with relevant MDAs, should increase their efforts to recover the outstanding tax liabilities;*
- *NRA was instructed to send letters to banks concerning taxpayers' liabilities and provide the Committee with copies of these communications;*
- *EDSA has an outstanding balance of Le10.4 billion. The sub-committee will manage the recovery process in collaboration with the Ministry of Finance and EDSA;*
- *unresolved GST queries related to Q'cell will be handled by a sub-committee;*

- *enforcement of Regulation 70 of the Public Financial Management Regulations (PFMR), and the NRA is required to submit evidence of compliance to the Committee;*
- *defaulting taxpayers were summoned through public notices, and they were ordered to settle their arrears without further delays. The Committee granted a grace period, but emphasised that any future arrears would not be tolerated, and no further excuses or documentation would be accepted during public hearings on the 2023 audit report;*
- *NRA was requested to provide a list of all parties with outstanding corporation tax liabilities, and the Committee recommended inviting these parties for resolution; and*
- *all parties with outstanding Pay-As-You-Earn (PAYE) and personal income tax liabilities be summoned to the Committee for resolution.*

### 3.3 Revenue Not Traced to the Consolidated Revenue Fund

The audit revealed that some commercial banks hold deposits collected on behalf of SLRSA to the tune of **Le233 million** without remitting to the CRF. It was further noted that an amount of **Le1.4 billion** held in transit banks by year end was also not remitted to the CRF.

It became clear during the hearings that transit banks appear to be in violation of PFMR 2018 regulation 31[g], which stipulates that all credit balances in transit bank accounts created with commercial banks must be automatically transferred into the Treasury Main Account at the conclusion of each working day.

The auditors should assess compliance with the Public Financial Management Act of 2016 and the Public Financial Management Regulations of 2018, focusing on the delayed transfer of **Le233 million** and the retention of **Le1.4 billion** in transit accounts. The auditors should evaluate the banks' internal controls, fund transfer processes, and accountability measures to ensure timely transfers and strengthen overall financial management.

It is recommended that the Audit Service Sierra Leone (ASSL) conducts a special audit of transit accounts held by commercial banks.

### 3.4 Duty Waivers and Concessions to Ineligible Entities

The Ministry of Finance granted **Le4.9 billion** in duty waivers to NGOs, and **Le14.29 billion** in GST waivers and ECOWAS levies to taxpayers, contradicting the Finance Act, GST Act 2009, and ECOWAS protocols.

Parliament is fully aware that Section 110[2] of the Constitution of Sierra Leone, Act No. 6 of 1991 is being violated and therefore recognises that the issue is persistently existential until a decision is taken by Parliament to resolve same.

In view of the above, the Committee recommends that the Ministry of Finance going forward shall bring all duty waivers and concessions to Parliament for approval. The MOF should provide a detailed report on all waivers granted and ensure staff are adequately trained on financial laws and

protocols. The Committee also recommends that the Ministry of Finance should develop a policy for purposes of duty waivers and concessions subject to the approval of Parliament.

## MINISTRY OF FINANCE - 2022

### 4.1 Assets Management

The audit report revealed that five vehicles procured at a total cost of **Le6,682,500,000** were not recorded in the fixed assets register, and furniture and equipment acquired in 2022 were not marked and recorded in the fixed assets register.

#### *The Committee's Finding[s] and Recommendation[s]*

The Committee observed from its engagement with Management that the Internal Audit Unit has been instructed to mark all assets with unique identification codes and the exercise has commenced.

*Declaring this matter partially resolved, the Committee deplored the manner in which the Ministry treated this query, saying that the greatest level of neglect was detected and therefore encouraged same to guarantee that the aforementioned assets are marked and recorded in the fixed assets register with immediate effect.*

#### 4.1.1 Information Technology [IT] audit of the Integrated Financial Management Information System [IFMIS],

The audit report revealed the following:

- 1) Licences were paid for 848 users, which amounted to **US\$932,800 [US\$1,100 per user]**, but only 509 were active users of the licences, which resulted in a difference of 239 licences, costing **US\$372,900** not being utilised;
- 2) there was no evidence of an approved Information Security policy and guidelines that outline the security requirements, controls and procedures for managing the IFMIS;
- 3) there was no evidence in the form of security incident reports and follow-up documents to assess security controls with respect to threats to the network, database, environmental security or employees' violations;
- 4) there was no evidence indicating the conduct of either penetration tests or vulnerability assessments and these assessments are crucial for identifying potential weaknesses, flaws and vulnerabilities within the IFMIS that attackers could exploit;
- 5) there was no policy or classification of assets with respect to insurance coverage, leaving the Project assets vulnerable. There was no evidence submitted to confirm that an insurance policy covered any of the IFMIS ICT equipment or information processing facilities, worth billions of Leones

since the implementation of the IFMIS project. In the event of a disaster, critical assets and information processing facilities may not be replaced;

- 6) the ICT Department did not submit a business continuity and disaster recovery policy. The policy would provide for the management of the data centre to effectively aid the security of critical IT systems such as the Free Balance and its ICT infrastructure. In addition, no evidence of a secondary site or backup location was identified;
- 7) there was no evidence to indicate that backed-up files were tested since the inception of the IFMIS. Backup files may be irrelevant if not tested;
- 8) the absence of an escrow agreement for the FreeBalance software was identified and there was no clause in the contract agreement stating where source codes could be kept for a third party to access the software;
- 9) the existing key modules, including fixed assets and inventory, were not utilised. Without using the implemented applications, it is evident that the GoSL is not deriving value from the investment made on the IFMIS;
- 10) there was no evidence of policy on career development plans for the ICT staff. There were neither annual training plans, nor needs assessments to improve staff capacity;
- 11) there was no maintenance policy to ensure that reported faults were resolved within an acceptable timeframe and faults not corrected in time may cause delays in posting transactions and generating reports;
- 12) withholding tax deductions on the transactions processed through the IFMIS were not automated. The Payment Officer is expected to apply tax rates to payments manually;
- 13) there was no evidence to indicate that revenue functionality was used by MDAs, as there were no inputs of revenue/income details into the system by MDAs; and
- 14) the NRA's ITAS was not integrated with the IFMIS. Therefore, records were obtained from the Bank of Sierra Leone for various revenue streams into the CRF and subsequently recorded in the IFMIS.

**The Committee's Finding[s] and Recommendation[s]**

The Committee observed that the licenses were not fully utilised, but at the same time no money was lost and new users will be included as and when necessary. The Committee also noted that all the ICT issues, as are mentioned above, related to the Accountant General's Department.

***In view of the foregoing, the Committee strongly advised the Ministry to work collaboratively with the Accountant General, so as to ensure that both institutions address those issues as soon as possible.***

## NATIONAL REVENUE AUTHORITY- 2022

### 5.1 Some Assets Owned and Controlled by NRA not coded

The audit report disclosed that with the exception of assets in the provinces, those in the Western Area have been coded and recoded in the assets register.

#### *The Committee's Finding[s] and Recommendation[s]*

The Committee observed from the examination of the assets register that the assets in the provinces are yet to be coded and included in the assets register.

*The Committee declared this query as partially resolved and thus advised Management to exercise urgency and ensure that the assets in the provinces are coded and captured in the fixed assets register, otherwise assets that are not coded and recorded in the assets register cannot be easily traced and are susceptible to theft.*

## ROAD MAINTENANCE FUND ADMINISTRATION [RMFA] - 2022

### 6.1 General Observations

The audit report revealed the following:

- ⇒ despite the fact that the completion deadlines had elapsed, certain projects were still ongoing, while others were at various completion stages. It was also noted that RMFA failed to pay the contractors despite payment requests made in that regard;
- ⇒ SLRA and Local Councils' engineers' supervision and monitoring of maintenance works were inadequate, despite RMFA funding. Contracts were not executed as per contract specifications, such as road markings, drainage clearing, premix patching, etc. Some SLRA district engineers raised serious concerns about the lack of financial supports to undertake effective supervision and monitoring;
- ⇒ engineers prepared a confidential bill of quantity [BoQ] that contains estimated maintenance costs before Local Councils undertake road rehabilitation. This was meant to help the Procurement Unit determine bid prices for procurement methods like RFQ, NCB, or ICB. Most contractors' bid prices were similar to Council's 'confidential' BoQ; and
- ⇒ some BoQs were based on previous maintenance works and included items not applicable to current projects, increasing contract costs. For example, a 10 meter bridge contract in Gbenti Chiefdom, Karene District, charged **Le17,000,000** for expansion joint, despite not typically having such joints. Equally, a maintenance contract for Magbani to Ropolon Road charged **Le10,000,000** for traffic diversion, despite no evidence of work done.

### *The Committee's finding[s] and Recommendation[s]*

From its discussions with Management and evidence presented, the Committee observed that:

- ⇒ RMFA encountered financial challenges which stalled the implementation of key deliverables, such as supervision, road markings, drainage clearing, payments to contractors, etc.;
- ⇒ RMFA was not part of the procurement process, but the issue has been brought to the attention of Local Councils to do the needful going forward;
- ⇒ RMFA prioritised road traffic diversion in bridge and culvert construction, and the engineers have been requested to review BoQ items to ensure that contract requirements are met.

*The Committee found that Management had addressed these concerns, but the Administration was heartened to improve on their release of funds to the district engineers to enable them provide effective monitoring and supervision of all construction projects. The Committee further advised that the concerns disclosed by the audit team are resolved before initiating new projects.*

## **6.2 Ageing Payables and Receivables**

The audit report disclosed that:

- ⇒ the debtors' listings had NLe 103,328,536 receivables for over four years, with no evidence of recovery, indicating a remote recovery of these balances; and
- ⇒ the Administration failed to settle NLe 25,831,041 payables that remained in the payables account for over three years.

### *The Committee's Findings [s] and Recommendations*

The Committee observed from Management's presentation that:

- ⇒ the payables had to do with long outstanding payments due to delay execution of contracts, but that had already been written off by the Board; and
- ⇒ the receivables had to do with long outstanding rehabilitation projects that were transferred to the Ministry of Finance due to cash flow challenges. Despite multiple reminders, seeking for information on the payments made thus far in order to potentially write them off, the Ministry of Finance has not responded.

*In that regard, the Committee declared the issue relating to payables resolved, but Management was advised to ensure that the query relating to receivables is taken to the Board for write off.*

During an engagement with EDSA, EGTC, GUMA, RMFA and the Ministry of Finance regarding their payables and receivables, it was resolved that a Cabinet Paper be developed; and once it is adopted, MDAs mentioned above would factor same in their subsequent budget allocations, so that payments are made directly by the Ministry of Finance.

## SIERRA LEONE ROADS AUTHORITY [SLRA] - 2022

### 7.1 Poor Revenue Collection from Rights of Way

The audit report disclosed that a comprehensive database of businesses occupying the rights-of-way has not been maintained by the Authority. The report further stated that the Authority was only able to disclose **NLe304,640** as revenue generated from rights-of-way. It concluded that the amount was very minute considering the number of businesses and individuals occupying the rights-of-way within the country.

#### *The Committee's Finding[s] and Recommendation[s]*

The Committee's discussions with Management revealed that:

- ⇒ the Ministry of Lands, SLRA and Local Councils are continually at odds with each other regarding who owns or controls the rights-of-way. It was noted that encroachers have been persistently abusing it and that has undermined the Authority's capacity to generate the required revenue;
- ⇒ previously, individuals used to build temporal structures along the rights-of-way, however these days, they are erecting permanent buildings; and
- ⇒ plans are underway to employ the services of private firms to administer the right-of-way in pilot phases.

The Committee disclosed that the entity in charge of the rights-of-way should not be disputed because the Act gives SLRA the power to manage the rights-of-way and not Local Councils or the Ministry of Lands.

In view of the above, the Committee recommends the following:

- ⇒ *the Authority ought to develop an inventory or database of those occupying the rights-of-way who have agreements with SLRA, together with the sums they owe with a clear payment schedule;*
- ⇒ *SLRA should put in place a team, comprising police officers to patrol the rights-of way on a regular basis; and*
- ⇒ *SLRA should also seek the intervention of Parliament if encroachers prove reluctant and should also put in place timeline for the implementation of certain projects.*

## IMMIGRATION DEPARTMENT 2022

### 8.1 Staffing Challenge

The audit report mentioned that:

- ⇒ only 220 personnel were on post, while 539 vacancies existed at the Department;
- ⇒ the Department had 163 volunteers without conditions of service or remunerations and they were deployed at the border posts, possibly posing security risks. The report disclosed that these

individuals could engage in surreptitious activities for personal gains and rewards, potentially at the expense of the State.

**The Committee's Observation[s] and Recommendation[s]**

The Committee's discussions with the Chief Immigration Officer and Management team revealed the following:

- ⇒ there are over 800 borders across the country, but with the concurrence received from the Ministry of Finance, 100 staff have been recruited and deployed at the borders, while 36 senior positions have been advertised for recruitment;
- ⇒ some volunteers who were posted at the various border points involved in illicit activities, but the honest, sincere and forthright ones were part of the 100 that were recruited; and
- ⇒ in 2023 financial year, the Department generated revenue totalling **NLe17bln.**

In response to Management's presentation, the Committee described the Department's revenue performance as "terribly abysmal," implying that the lack of required staff to oversee the country's porous borders, where the bulk of its revenue comes from, might have been one of the major causes for poor revenue mobilisation.

*In view of this observation, the Committee recommends the following:*

- ⇒ *Management should ensure sufficient budgetary provision for the purpose of hiring additional staff to enhance revenue collection; and*
- ⇒ *in order to stop or reduce unauthorised entry into the country, Management should increase the number of security guards at the border crossings as this would reduce illicit activities.*

**UNIVERSAL ACCESS DEVELOPMENT FUND [UADF] - 2021**

**9.1 Unpaid levies by MNOs and ISPs'**

The audit report revealed that Mobile Network Operators and Internet Service Providers owed **Le12, 662,897,160.96** and **Le21, 412,122,288.34** levies respectively. The report also revealed that no evidence of penalties for non-payment, thus violating Section 7[1] of the Universal Access Act of 2019 and Sections 3[a]-3[b], which mandate penalties and interest of 25% and 5% of the levy respectively. The non-payment of arrears will significantly affect UADF's ability to sustain services and to implement the activities for which it was established.

**The Committee's Finding[s] and Recommendation[s]**

From its engagements with Management and the review of documents, the Committee observed the following:

- ⇒ delayed payments of levies by MNOs and ISPs affected UADF's operations;
- ⇒ with the exception of SIERRATEL and CEEDEE Investments, evidence of full settlement of liabilities to the tune of **Le 10.5 billion** was presented to the Committee, but CEEDEE Investments has put in place payment plan.
- ⇒ *On the basis of the above, the Committee recommends the following:*

- ⇒ *UADF should revoke the licenses of CEEDEE Investments and SIERRATEL until their liabilities are fully liquidated as required by law;*
- ⇒ *even though SIERRATEL is on life-support, UADF should penalise SIERRATEL and CEEDEE Investments for violating Section 7[1] and Sections 3[a&b] of the Universal Access Act of 2019; and*
- ⇒ *the parliamentary Committee on Information and Communications should look into the issue regarding MNOs' Service Level Agreement with agents.*

## AGRICULTURE VALUE CHAIN DEVELOPMENT PROJECT (AVDP) - 2022

### 10.1 Budgets Overspent

The audit report disclosed that upon reviewing the approved annual work plan and budget (AWPB), and the draft Financial Statements submitted for audit, US\$259,847 was noted to have been overspent without authorisation.

#### *The Committee's Finding[s] and Recommendation[s]*

The Committee observed from Management's submission that the budget overrun was as a result of the fact that the money was utilised to offset outstanding tax liabilities, but evidence of authority for the overspending was not submitted to the Committee.

*The Committee declared this query unresolved and therefore recommended that the Committee and the auditors would follow-up during the public hearings on the 2023 audit report.*

### 10.2 Payment of Salary to Former Employee

The audit report revealed that a former Monitoring and Evaluation Officer of the Project was paid a full month's salary of NLe11,999 [US\$1,198] net for July 2022 after his contract was terminated in June, 2022.

#### *The Committee's Finding[s] and Recommendation[s]*

The Committee found no evidence supporting the recovery of the overpaid amount, and the Finance Director reported an aggressive response from the individual when contacted on phone. The Finance Director concluded that since the intervention of the ACC into the matter, no report has been presented to AVDP.

*The Committee pronounced this audit query unresolved and recommended a follow-up action by PAC and ASSL during the next public hearings on the 2023 audit report.*

## MINISTRY OF AGRICULTURE, FORESTRY AND FOOD SECURITY - 2021

### 11.1 Operational Effectiveness of Service Delivery

The audit report stated that:

- ⇒ the project secured seeds, fertilisers, and agro chemicals for 7,000 hectares for 2022 cultivation, but no MoU was established with Machine-Ring Managers;
- ⇒ Ring Services were not paid for, and concerns were raised about funds; and
- ⇒ agricultural structures and facilities were occupied by people, which delayed the implementation of the project.

#### *The Committee's finding[s] and Recommendation[s]*

The Committee noted from its discussions with Management that:

- ⇒ the Tomabom project, which was funded by the Islamic Development Bank and the Arab Bank for Economic Development in Africa [BADEA], is far advanced, but certain tasks, including feasibility studies and field assessments created delays in the project's implementation;
- ⇒ Management made a mistake by neglecting the development of a Memorandum of Understanding [MoU] with the Machine-Ring managers; however, this has been resolved as they now have a contract agreement;
- ⇒ the project's structures were temporarily occupied by the project staff, but they have vacated the facilities and rehabilitation has been done;
- ⇒ the machine ring operators have completed harrowing on 300 out of 400 hectares and have been paid 20% of the total amount; and
- ⇒ the project was split into three parts: first, the infrastructure, the market to link the people, and value added chain. Although the value added chain and the market to connect the people have almost been implemented, only 6 of the 35 kilometers of feeder roads have been completed and construction is still ongoing.

*In view of the foregoing, the Committee recommended the following:*

- ⇒ *since there is now a contract agreement between the Ministry and the Machine Ring Operators, the issues relating to the MoU and the project's structures being rehabilitated and put back into use were declared resolved and therefore be removed from the audit report; and*
- ⇒ *the Ministry needs to demonstrate promptness and guarantee the timely completion of the project's feeder roads component.*

### 11.2 Operational Effectiveness of Service Delivery

The AG's report revealed that:

- ⇒ the Ministry signed MoU with service providers for machine ring services in 16 districts, expecting them to submit monthly independent reports before payments. However, it was surprising to note that NLe16, 996,000,000 was paid without evidence of independent certification reports;

- ⇒ the District Agriculture Officers [DAOs] were not actively monitoring machine ring services and the signed MoU was not made available in the district offices visited;
- ⇒ the lack of mobility posed serious challenge to effectively monitor and supervise the activities of the service providers.

**The Committee's finding[s] and Recommendation[s]**

From the review of documents and its engagements with the Ministry, the Committee discovered that all the issues mentioned above have not been addressed and that was why the issues did not appear in the 2022 audit report. However, the Committee observed that mobility remains a challenge, thereby undermining effective project monitoring and oversight.

*The Committee called on Management to make sure that the mobility aspect be resolved as soon as possible in order to provide effective monitoring and supervision of the service providers' activities. The Committee also declared the issues relating to the MoU, monitoring and supervision by the DAOs, and monthly independent reports prior to making payments unresolved and therefore recommended that the ASSL continue to raise the issues until they are resolved.*

### 11.3 Contract Terms Not Met by Contractors

The AG's report revealed that:

- ⇒ the Ministry signed contracts with two service providers to carry out the onion projects: 2020 Consortium, valued at **Le2,625,000,000** which was to be implemented in Port Loko and Moyamba districts; and Agro Health Africa, valued at **Le2,315,000,000** was to be implemented in Falaba and Karene districts;
- ⇒ the projects were fraught with procurement abnormalities because the service providers failed to adhere to the contract terms. Despite 90% of the total contract cost was paid, activities not undertaken were valued at **Le3,351,455,000**, including land leasing-arrangement, construction of a multi-purpose building and developing the irrigation system; and
- ⇒ the communities embraced the projects, but there was minimal awareness about deliverables and sustainability strategies; and the projects were undertaken during unfavorable planting season, which prevented service providers and the communities from accounting for project output.

**The Committee's finding[s] and Recommendation[s]**

The Committee's discussions with Management revealed that this particular issue has been under investigation by the ACC. However, upon reviewing the ACC and the Project Completion Reports, the Committee discovered the following:

- ⇒ apart from the Gbomsamba project, where the people did not benefit from the final product, the two projects were nevertheless significantly implemented because the communities were informed and actively involved in every aspect of the project; stores were built to store farm products; irrigation systems were constructed; submersive pumps were installed in boreholes and supported by Milla water tanks; and trainings were conducted;

- ⇒ the DAO did not fulfill his obligation to properly monitor the projects during their execution. This resulted in the projects being implemented slowly at the different sites;
- ⇒ the performance of the corresponding projects in Karene and Falaba districts was impacted in some cases by fund disbursements that occurred outside of the onion cultivation period; and
- ⇒ the Kabala District project was relocated to a village over 30 miles from the main town and that incurred increased costs due to hiring additional labour from other villages and challenging transportation of materials to the project site.

*In view of the above, the Committee recommended the following:*

- ⇒ *robust monitoring would have made it possible for the Ministry to spot potential opportunities and challenges that could aid subsequent initiatives; and as a result, the Ministry is being urged to set up a strong monitoring system before, during, and after project implementation;*
- ⇒ *in future, disbursements should be done according to the nature of the project; in the case of onion projects, this includes consideration for meteorological conditions. Additionally, moneys should be disbursed at a period that is optimal for growing onions; and*
- ⇒ *the Ministry should take into account the distance between the village/town where the project is implemented and the area where onion cultivation takes place, in order to prevent the obstacles of transportation and unbudgeted expenses.*

## MINISTRY OF AGRICULTURE FOOD SECURITY [HQ] - 2022

### 12.1 Non-compliance with Contract Agreement for Machine Rings Operation

The audit report stated that the Ministry signed a contract with 14 private business organisations on the 16<sup>th</sup> March, 2021, to manage agricultural machinery services for farmers in 14 districts. The contract required private businesses to pay in installments starting March 2022, but they failed to pay the amount outstanding as at the audit period of NLe19,464,733.40 to the Ministry, contrary to Clause 16[3] of the contract agreement.

#### *The Committee's finding[s] and Recommendation[s]*

The Committee learnt that the machine ring operators have not been paying to Government for the use of the machines. As such, the operators were summoned together with the FSRP and RRVCP from whom payment owing to the operators were recovered from source amounting to Le 1,030,000 from FSRP and Le 1,094,440.23 from RRVCP.

*The Committee instructed the FSRP and RRVCP to continue debiting the machine ring operators in respect of any and all payments owing an outstanding to the operators until their liabilities are fully settled.*

*The Ministry of Agriculture was further directed to sign a payment plan with the operators covering the instruction of the Committee in respect of any and all payments owing to the operators now and in future.*

## NATIONAL COMMISSION FOR SOCIAL ACTION [NaCSA] - 2022

### 13.1 Contract Terms not met for the Reconstruction of RC Primary School – Tihun

The audit report revealed that the contractor failed to complete constructing the school even after 46% payment was made and that pupils in other classes were using makeshift structures, thereby exposing them to the unfavourable learning environment.

#### *The Committee's Finding[s] and Recommendation[s]*

The Committee learned from Management that indeed the contractor abandoned the project as a result of the Commission's refusal to grant the contractor's request for 25% increase to the initial cost. The Committee also observed that Management was trying to get a new contractor and that the Commission did not pay for furniture because the building was still under construction.

*While Management was urged to make sure the project is completed without further delay, the Committee requested the auditors to assess the current state of the work in order to determine whether the contractor would have to refund some money before awarding the contract to another contractor or not.*

### 13.2 Payment of Sitting fees and other related Expenses to Board Members

The audit report disclosed that the auditors verified payments relating to Board meetings. Of the several meetings held during the period under review, Management:

- ⇒ only submitted minutes for Board meeting held in October 2022, accounting for Le 53,400, leaving a balance of Le 184,380;
- ⇒ attendance registers for April and December 2022 were submitted without any minutes attached for audit inspection; and
- ⇒ Board resolutions to strategically control the Commission could not be ascertained, including approval of major activities, such as the cash transfers to 5,385 beneficiaries in border communities and the overseas travel regarding international resource mobilisation efforts.

#### *The Committee's Finding[s] and Recommendation[s]*

The Committee noted from the review of documents and discussions with Management that:

- ⇒ the Board Chairman was out of the country and therefore did not sign the attendance registers;
- ⇒ attendance register and Minutes of Board meeting held on Thursday, 15<sup>th</sup> December, 2022 were submitted;
- ⇒ Board resolutions were provided to the Committee, but approval of major activities, such as the cash transfers to 5,385 beneficiaries in border communities and overseas travel regarding international resource mobilisation efforts were not submitted; and

⇒ Management submitted minutes for Board meeting held in October 2022, accounting for NLe53,400, leaving a balance of NLe184,380.

*In this regard, Management should ensure that approval in respect of activities relating to cash transfers to 5,385 beneficiaries in border communities and overseas travel regarding international resource mobilisation efforts is submitted to the audit team for inspection. Management should ensure that minutes regarding the outstanding amount of NLe184,380 are provided, otherwise this money should be refunded within 30 days of the adoption of this report by Parliament.*

### 13.3 Ineffectiveness of the Internal Audit Unit

The audit report revealed that there was no Internal Audit Committee to enforce the independence of the Internal Audit Unit and follow through with management on audit recommendations. Additionally, there is no audit charter that defines the purpose, authority, reporting lines, and responsibilities of the Internal Auditor. Furthermore, reports on the audit of Government of Sierra Leone funds received and used in FY2022 were not submitted due to senior management's lack of cooperation.

#### *The Committee's Finding[s] and Recommendation[s]*

The Committee received two reports tabled by the Internal Auditor for the 3<sup>rd</sup> and 4<sup>th</sup> Quarters for 2022 FY and further realised that the said reports were submitted to the auditors. The Committee noted the comment of the Commissioner relating to the establishment of Audit Committee and progress made on the development of an Audit Charter will ensure that the Audit Committee participates actively in the financial governance of the institution.

The Committee however noted from documents submitted that the reports on the audit of projects implemented by the Commission were not among those submitted to the Committee.

*Taking into account the aforementioned and the fact that the Audit Committee and the Audit Charter are essential to guaranteeing the institution's financial stability, the Committee recommends the following:*

- ⇒ *the Audit Committee be given all necessary supports to function as an independent body in order to ensure its effectiveness;*
- ⇒ *Management exercises urgency and ensures that the Audit Charter, which outlines the purpose, authority and responsibilities of the institution, be put in place; and*
- ⇒ *Management should ensure that projects implemented by the Commission are properly audited and reports are maintained for reference purpose.*

### 14.4 Poor Management of Regional and District Offices

The AG's report disclosed a slew of administrative issues as mentioned below:

- ⇒ despite a budget of NLe280,000 in FY2022, regional offices were not adequately funded for administrative needs, such as electricity bills, stationery, movement of staff, and fuel purchases.

Some employees used their own money to pay for these bills and even bought stationery for work-related purposes;

- ⇒ owing to the fact that these offices get non-cash support, cars and motorcycles have continued to be unserviceable because of poor maintenance and lack of fuel. As a result, employees were unable to effectively monitor various locations where the Commission was working on civil works projects to make sure contractors were adhering to the requirements of the contracts, bills of quantities, and technical drawings;
- ⇒ most of the furniture in the district offices were in terrible condition, and they did not accurately represent the Commission's status.
- ⇒ in four of the eight districts visited, the auditors further observed that the assigned vehicles had not been functional for at least four months due to mechanical problems and requests for maintenance were not honoured; and
- ⇒ office supplies were provided to four districts, but none had access to electricity or a functional generator. The Panguma hub office also lacked power and employees had to use commercial facilities to print reports and other documents, which increased the risk of unintentional exposure of information. There was no water supply at the NaCSA's office in Kailahun.

#### **The Committee's Finding[s] and Recommendation[s]**

The Committee observed from its engagement with Management that:

- a. new offices have been constructed in Port Loko and Moyamba, and the Commission had purchased lands in Makeni, Kono and Kambia;
- b. most of the furniture in the regional offices were old and that was why they were not captured in the assets register. However, some are currently being provided by the various projects in their areas of interventions;
- c. funds are not only disbursed late by the government of Sierra Leone, but they are too minute to run the head office and all the 14 regional and district offices;
- d. minutes dated 27<sup>th</sup> and 28<sup>th</sup> October, 2022, the Board resolved to improve the conditions of the regional and district offices through the provision of petty cash and address all the other concerns flagged up in the audit report; and
- e. the Logistics Committee had been charged to conduct a needs assessment and address these issues as noted by the auditors and a report was submitted to the PAC as evidence to show that steps have been taken to resolve these issues.

***In view of the above and in consideration of the fact that steps have been taken to address these issues, the Committee recommended that:***

- ⇒ ***funds and logistics be provided to every regional or district office in order to enhance their efficiency and effectiveness;***
- ⇒ ***all assets, regardless of age, ought to be appropriately and distinctively tagged and recorded in the Commission's fixed assets register to facilitate tracking and identification;***

- ⇒ *assets that are in bad condition be disposed in accordance with Sections 66 and 67 of the 2016 Public Procurement Act; and*
- ⇒ *the recommendations made by the Logistics Committee and resolutions by the Board to improve the conditions of the regional and district offices be implemented without further delay.*

#### 14.5 Construction of Grain Stores

The AG's Report revealed that the Commission constructed a grain store with ancillary facilities [VIP toilet, washroom, solar panel and rice milling machine] in Gandorhun Village, Niawa Chiefdom, Kenema District with CDDP funds at a cost of **NLe464,567**. The Report however revealed that:

- ⇒ the ceiling of the grain store and an office was not covered with hardboard as provided for in the contract. The cost for work not done, as provided in the contract was **NLe3,900** [60m<sup>2</sup>@SLE65];
- ⇒ the contract also provided for tiling of a 20m<sup>2</sup> floor using fully vitrified unglazed ceramic tiles, including skirting at a cost of **NLe4,000**, but it was not done;
- ⇒ the contract also called for five days of instruction [for both men and women] on how to use the milling machine, but the training was not conducted, and the contractor failed to provide the fifty liters of fuel that were required under the agreement;
- ⇒ the dry floor had fractures and the windowpanes were defective since the glass was not trimmed to fit the window frames correctly, causing the windows to not close or lock correctly. Another issue brought up was the lack of electricity in the restroom; and
- ⇒ despite the completion of the construction and its commissioning, the facility was not put into use due to the above-mentioned defects.

#### *The Committee's Finding[s] and Recommendation[s]*

The Committee noted that the concerns raised by the auditors have been addressed. However, the prompt execution of the contract had been hampered by the delayed disbursement of the funds.

*The Committee noted the Commissioner's submission and therefore recommended that Management moves expeditiously to ensure that all the defects are corrected failing which the Management team would face severe consequences for negligence.*

#### 14.6 Defective 2,000 Litre Water tank Provided

The audit report stated that plumbing installation works for the JSS School in Gbinka, Jahn Chiefdom, Kailahun District, included a 2,000 litre water tank, costing **NLe4,000**. However, the tank was found to be leaking from the side and needed to be stuffed to minimise leaks. The contractor supplied the tank in this condition, which was later discovered when filled with water.

#### *The Committee's Finding[s] and Recommendation[s]*

The Committee ascertained from the NaCSA team that although the water tank was in fair condition when the structure was handed over to the Commission, leaks were however detected later when the tank was put into use.

*Thus, the Committee recommended that the leaks be amended, failing which the Commissioner and team will be required to refund without recourse to the CRF.*

#### 14.7 Statutory Deductions not Paid

The AG's report mentioned that a 5% NASSIT deduction was made, but PAYE taxes totalling Le 3,043,364 were not deducted from employees' salaries. However, payroll vouchers for the Social Safety Net Project and GPC were not submitted for audit examination, and there was no proof of the government's 10% contribution.

##### *The Committee's Finding[s] and Recommendation[s]*

From the testimonies by Management, the Committee learnt that a payment plan between the Commission and NASSIT had been developed and the Ministry of Finance was aware of the outstanding amounts owed to NASSIT for project staff and had agreed that the counterpart funds would be used for the payment of employers' 10% NASSIT contribution.

*The Committee advised the Commissioner and team to make sure that these funds are paid revealing that NASSIT contributions are non-negotiable. If this specific issue recurs, the Committee will take a decisive action against the team.*

### NATIONAL SOCIAL SECURITY AND INSURANCE TRUST [NASSIT] -2021

#### 15.1 Ineffective Management of Land and Property

The audit report noted that the Trust's landed property at Grafton, Gloucester, Towama, and Shengbe were left vulnerable to encroachment because they lacked perimeter fence protection.

##### *The Committee's finding[s] and Recommendation[s]*

The Committee observed from its discussions with Management that:

- ⇒ using the land at Grafton as a case in point wherein the Government sold parts and parcels of land to private entities and individuals, the remaining lands were acquired by the Trust, while others were gifted, but later taken and sold off by the Ministry of Lands that bequeathed the holdings to the Trust; and
- ⇒ the Trust is in contact with the Ministry of Lands to resurvey all its [NASSIT] landed property in the aforementioned places for the purposes of erecting perimeter fences or start demolishing illegal structures erected on the said lands.

The Committee expressed serious concern about the investment portfolios of the Trust, characterising the Sewa Ground Market, Regimanuel Gray, and others as unsuccessful and squandered ventures. The Committee further noted that the Trust might eventually become bankrupt if it continued in such barren and unprofitable investments. The Committee faulted the Trust's legal team for failing to provide proper legal advice.

*In view of the fact that the Trust is one of the most critical institutions in the governance architecture of which millions of Sierra Leoneans depend upon retirement, the Committee recommends the following:*

- ⇒ Management must act quickly to ensure that all lands under its control are resurveyed and perimeter fences be constructed to prevent further encroachments;*
- ⇒ the legal team of the Trust and the Ministry of Lands collaborate to ensure that the Trust reclaim all lands occupied by squatters;*
- ⇒ the legal team should also ensure that the Trust's investment portfolio be examined or reviewed in order to detect gaps that may be compromising or undermining the viability of those investments; and*
- ⇒ the Trust should develop a comprehensive inventory of its investments from inception to date with a view to determining their viability.*

#### **15.2 Ineffective Management of Disbursement**

The audit report disclosed that the sum of NLe1,177,310,440 in payments for corporate social responsibility to various organisations, but couldn't determine their basis as they did not fit within the Trust's normal operations and supporting documents were not submitted for inspection.

##### **The Committee's finding[s] and Recommendation[s]**

The Committee learnt from its conversations with Management that although the Board had authorised the disbursement of the aforementioned amount, the CSR Policy was still in the development stage.

*Declaring this query resolved, the Committee strongly advised Management not to disburse moneys in the name of corporate social responsibility going forward, until the Board of Trustees approves the CSR Policy, otherwise Management would be penalised for noncompliance.*

#### **15.3 Steering Committee's Terms of Reference**

The AG's report noted that the Trust's policies and procedures were thoroughly reviewed by Management, presented to the Administrative Sub-Committee for validation, and then to the Board of Trustees for approval, but no approval has been granted.

##### **The Committee's Observation[s] and Recommendation[s]**

The Committee observed that the policies and procedures have not been approved, and the ICT Steering Committee is yet to be established.

*Therefore, the Committee called on Management to make sure that the IT Steering Committee is established and that the Board approves the policies and procedures to ensure effective governance of the institution.*

#### 15.4 NAPOS Application Software

The AG's report disclosed that:

- ⇒ there was no proof to show that the vendor was providing support to the system and the ICT Division has not offered any testimony, attesting to their qualifications or expertise; and
- ⇒ even though the NAPOS System was operational and accessible at the Kono branch office, the business entity contributions transactions were not posted, automated receipts were not generated, and contribution records were kept in Microsoft Excel.

#### *The Committee's finding[s] and Recommendation[s]*

The Committee learnt that Management has terminated the contract with the vendor because the System was fraught with technical problems, but the one at the Kono branch office has been fixed and the staff have had full access to it.

*The Committee recommended that the query relating to NAPOS System at the Kono branch office be removed from the audit report because it has been confirmed rectified. Nonetheless, it was suggested that the auditors inquire more during their subsequent audit exercise on the cancelled contract agreement between the vendor and the Trust.*

#### 15.5 Vehicles Loan to Staff

The audit report stated that the Trust failed to insure comprehensively vehicles acquired under its Car Loan Policy, with a purchase value of NLe1, 624,599,920.

#### *The Committee's finding[s] and Recommendation[s]*

According to the DG, comprehensive insurance policy for vehicles would not be economical and that was why the Trust moved from comprehensive to third party. The Committee further noted that the third party insurance coverage is now captured in the updated Car Loan Policy.

*In light of the aforementioned, the Committee cautioned Management to discontinue comprehensive insurance for old vehicles, except newly acquired vehicles, and to register all vehicles in joint names of the Trust and staff.*

#### 15.6 Unpresented Cheques

The audit report mentioned that the Trust's creditor data might have overstated due to unpresented cheques totaling Le8,060,254,332.56.

#### *The Committee's finding[s] and Recommendation[s]*

The Committee learnt that Management has commenced reconciliation and most of the unpresented cheques were pension and benefit cheques that were sent to the beneficiaries who failed to present same to the banks, thereby causing them to become stale. The Committee also observed that the Trust now pays directly to the banks rather than issuing cheques for benefits or pensions.

The Committee noted that reconciliations were not performed regularly and thus expressed fear that errors or fraud might have happened undetected for a long time.

*In view of the aforementioned, the Committee recommends the following:*

- ⇒ *stale cheques be investigated, necessary adjustments be made, and present the revised financial statements to the audit team; and*
- ⇒ *regular reconciliations are performed on a daily basis in order to identify and correct any errors in a timely manner.*

## GUMA VALLEY WATER COMPANY [GUMA]-2022

### 16.1 Non-Payment of Statutory Deductions to NRA

On non-payments of statutory deductions to the tune of NLe1,657,816.97 [withholding] and NLe12,767,047.26 [PAYE], the AG's report mentioned that the Company is in contact with the Ministry of Finance for a cross-debt settlement regarding MDAs owing the Company and debts owed by the Company to the Government.

#### *The Committee's findings/s/ and Recommendation/s/*

*The Committee declared the matter unresolved and urged Management to follow up with the Ministry of Finance to ensure that this issue is resolved immediately; if not, at the commencement of the hearings on the 2023 audit report, the Committee will utilise the provision in Section 54 of the PFM Act of 2016 relating to deduction and set off and will further authorise the Ministry of Finance upon receipt of the debtors' schedule from the Company to deduct from source and pay same to the Company until the liability is fully extinguished.*

### 16.2 Non-Payment of Withholding Tax" to the Tune of Le102,211,751

The auditors noted that ACC is currently managing all matters pertaining to statutory deductions and it has ensured that a payment plan was put in place and the Company has started paying NLe 250,000 for both 2021 and 2022 periods.

#### *The Committee's findings/s/ and Recommendation/s/*

*The Committee pronounced this query unresolved and therefore Management should adhere to the terms and conditions of the payment plans.*

## MINISTRY OF LANDS HOUSING AND COUNTRY PLANNING [HQ] - 2022

### 17.1 Failure to Present Documents for Audit

The AG's report revealed that the Principal Accountant refused to produce NRA receipts, application forms, and evidence of citizenship records for 400 files relating to the lease and sale of state lands.

**The Committee's finding[s] and Recommendation[s]**

In his submission, the PS submitted a list of 501 applicants comprising medics, press, civil servants, teachers and forces, adding that those applicants failed to pay their lease rent totalling NLe2,505,000.

Questioned whether the applicants were reminded to offset their liabilities, the PS presented a public notice dated 5<sup>th</sup> March, 2024, calling on debtors to pay their outstanding lease fees for the period they are in default. The Committee expressed dissatisfaction over the Ministry's inability to recover these moneys, adding that this matter had been ongoing for two years, but only in 2024 the Ministry released a public notice regarding this audit query.

*In view of the above and in consideration of the fact that the State has been deprived of the much needed revenue to provide basic social services to its citizens, the Committee recommended that the Ministry should embark on massive termination of leases of non-compliant individuals.*

**17.2 Revenue Collected not Paid to the Consolidated Fund**

The AG's report highlighted that revenue from the land lease rental, and sale of land [freehold], amounting to NLe 461,100 and US\$50,000 were not paid into the Consolidated Fund.

**The Committee's finding[s] and Recommendation[s]**

The Committee noted that of the NLe461,100, payments totalling NLe87,800 were made to the NRA, leaving a balance of NLe373,300. However, the sum of US\$50,000 has been paid into the CRF by Mr Ahmid Mackie in respect of state land located at Hastings.

*In this regard, the Committee marked the query relating to the US\$50,000 as resolved, but however recommended that the outstanding amount of Le373,300 be paid into the CRF within 30 days of the adoption of this report by Parliament.*

**17.3 Reconciliation between the Ministry's and the NRA's Revenue Records not Submitted**

The AG's report revealed that there was no reconciliation between the Ministry's Records Unit and the NRA for the reviewed period, resulting in NRA cashbook balances exceeding the Ministry's by Le 689,277 for October and November, and Le12,030,169.5 for January, September, and December 2022.

**The Committee's finding[s] and Recommendation[s]**

*Since NRA and the Ministry failed to provide the relevant documents, the Committee ordered Management to ensure that reconciliations between the Ministry and NRA for the period under review should be conducted without further delay and evidence of reconciliations be submitted to the Committee. The Committee further advised NRA and the Ministry to be performing daily reconciliations, so that discrepancies detected are corrected in a timely manner.*

#### 17.4 Payments without Supporting Documents

The audit report disclosed that NLe805,032 was withdrawn from the Bank of Sierra Leone's Land Shelter Development Account without PVs and supporting documents, while NLe591,064.75 was expended without adequate documents.

##### *The Committee's finding[s] and Recommendation[s]*

The Committee noted from its discussions with Management and the review of documents that of the NLe805,032, adequate supporting documents totalling NLe604,882 were submitted, leaving a balance of NLe200,150. Similarly, out of NLe591,064.750, supporting documents totalling NLe31,687,470 were verified, leaving an amount of NLe559,377,280.

*The Committee noted that payments vouchers without adequate supporting documents to substantiate payments cannot be considered as genuine disbursements and therefore recommends that the ACC investigates this issue and report its findings within 30 days of the adoption of this report by Parliament.*

#### 17.5 Beneficiary Lists not Submitted to Support Payments

The audit report mentioned that the sum of NLe341,754 was collected by three individuals for various purposes. Receipts, and signed list of beneficiaries were not submitted for audit inspection.

##### *The Committee's finding[s] and Recommendation[s]*

The Committee observed that of the NLe341,754, supporting documents totalling NLe222,000 were submitted and verified, leaving a total balance of NLe119,724, NLe56,524 in respect of state land bank security, NLe50,000 in respect of logistics support to MPs and NLe13,250 in respect of Port Loko rent.

*The Committee requested the auditors to follow-up on this query in their next audit and report accordingly.*

#### 17.6 Salary Paid to Staff not Available for Verification

The AG's report disclosed the following:

- ⇒ the names of 17 staff on the Ministry's payroll were neither on the staff list, nor were they available for verification. The total salaries paid to these staff in FY2022 amounted to NLe1,091,976; and
- ⇒ of the 177 personnel that were requested for verification, 34 did not avail themselves, despite several other requests by the audit team. The salaries paid to these unverified staff in FY2022 amounted to NLe305,667.96.

##### *The Committee's finding[s] and Recommendation[s]*

In a memo dated 14<sup>th</sup> March, 2023 addressed to the Accountant General, the Committee observed that the PS ordered the transfer of salaries of 15 staff who were no longer working for the Ministry to

their new institutions. The memo also drew the attention of the Accountant General to stop the salaries of two staff who were already dead.

*While the Committee marked the query relating to the 17 staff as resolved, Management was urged to ensure that the 34 staff who failed to avail themselves for physical verification are presented to the auditors in their next audit exercise, otherwise they would be deemed as ghost workers and Management would be asked for refund.*

#### **17.7 Assets not Marked and Recorded in the Fixed Assets Register**

The AG's report mentioned that:

- ⇒ assets procured totalling NLe608,445 were neither marked with unique identification codes, nor were they recorded in the Fixed Assets Register.
- ⇒ a Toyota Hiace with registration number ABP 114 was not available for verification;
- ⇒ a vehicle that was used by the former Deputy Minister of Lands, Housing and Country Planning was said to have been stolen, but there was no evidence of a police report;
- ⇒ the life cards in respect of four vehicles owned by the Ministry were not submitted for audit inspection; and
- ⇒ the report of the Internal Audit Unit revealed that the ten computers and five extension cables were valued at NLe81,000 and not NLe26,650 as reported in the audit report and six of those computers valued at NLe60,000 were verified by the audit unit, leaving four computers and five extension cables valued at NLe21,000.

#### **The Committee's findings/ and Recommendation/s/**

The Committee noted from the Transport Officer that:

- ⇒ the Ministry is currently challenged with funds; but when allocations are made available, the assets would be marked and recorded in the fixed assets register;
- ⇒ evidence of police report, dated 24<sup>th</sup> January, 2024 was submitted to the Committee, but it was observed that the report was released after three years the theft incident took place and the report did not find anyone wanting of the said offence;
- ⇒ the life cards in respect of four vehicles with registration numbers AEI 853, AKF 803, AEJ 117 and ACP 981 owned by the Ministry were submitted to the Committee.

The Committee concluded that the delay in reporting the theft incident for police investigation signaled lack of commitment by Management to address the issue.

*In view of the above, the Committee recommends the following:*

- ⇒ *the Ministry should ensure that the assets are marked and recorded in the fixed assets register without further delay.*
- ⇒ *the matter relating to the life cards in respect of four vehicles owned by the Ministry is hereby marked resolved, but the life cards submitted to the PAC should also be presented to the audit team for inspection.*

- ⇒ *the issue in respect of the stolen vehicle be closed since the police investigation report did not find anyone wanting; but in future, Management should take proactive steps in dealing with theft cases;*
- ⇒ *the Toyota Hiace with registration number ABP 114 should be made available for audit verification; and*
- ⇒ *the remaining four computers and five extension cables valued at Le 21,000 be presented to the audit team for verification, otherwise the PS would be required to pay same without recourse to the CRF.*

## SIERRA LEONE ROAD SAFETY AUTHORITY - 2022

### 18.1 Ineffective Management and Control of Property, Plant, and Equipment

The AG's report noted that certain assets have reached the point of complete depreciation, and the Authority would soon board those assets after Board's approval.

#### *The Committee's finding[s] and Recommendation[s]*

*In light of the aforementioned, the Committee recommended that Management should take immediate action to investigate and regularize its assets register.*

## MINISTRY OF FISHERIES AND MARINE RESOURCES - 2021

### 19.1 Unpaid Statutory Fees for the Registration and Licensing of Fishing Vessels

The audit report stated that the Ministry imposed fees to fund various activities, such as fishing statistics and research, fishing protection, etc. The total amount owed to the Ministry was NLe1,324,208,393.

#### *The Committee's finding[s] and Recommendation[s]*

The Committee however noted that the fees were imposed without parliamentary approval, thereby contravening Section 110 of the 1991 Constitution of Sierra Leone.

*Taking into account the aforementioned, the Committee directed Management to demand that all fishing companies pay their arrears promptly and provide the documents to the auditors for verification. However, Management was instructed to seek parliamentary approval for any future imposing of fees and other charges..*

## MINISTRY OF FISHERIES AND MARINE RESOURCES - 2022

### 20.1 Assets Not Available For Physical Verification

The AG's report stated that assets purchased to the tune of NLe153,300 were neither recorded in the fixed assets register nor made available for physical inspection.

#### *The Committee's finding[s] and Recommendation[s]*

The Committee was informed that the assets were available and assets coding exercise had commenced. *The Committee recommended that every asset should be coded and the assets register be updated appropriately. Management was also instructed to avail all assets to the auditors for physical verification.*

## SIERRA LEONE AIRPORT AUTHORITY - 2022

### 21.1 Absence of an Authorised Credit Control Policy

The audit report mentioned that an unapproved credit control policy, which is supposed to function as a SOP for the identification, assessment, and reporting of receivables was not presented for verification.

#### *The Committee's Finding[s] and Recommendation[s]*

The Committee ascertained that Management submitted an accounting handbook to the auditors that was not approved by the Board.

*The Committee concluded that this issue remained unresolved; and as such urged Management to expedite the process by the Board.*

### 21.2 Inadequate Provision for Bad and Doubtful Debt

The audit report disclosed that following the takeover of the running of the airport by the Summa Group, all the existing customer agreements with the Authority were terminated. This led to serious doubt of the recoverability of the receivables in the books of the SLAA. A general provision was provided for 20% of the total receivable balances without considering specific provision for the remaining 80% receivable balance.

#### *The Committee's Finding[s] and Recommendation[s]*

The Committee noticed from reviewing the AG's report and its engagements with Management that:

- ⇒ all the previous customer agreements with the Authority were terminated when the Summa Group took over the management of the airport. This raised grave concerns about the recoverability of the receivables;
- ⇒ the local content policy was not taken into account in the Summa Group of Company agreement because only foreigners were employed, leaving out the locals, but the Ministry of Transport and the Board were informed of the situation and instructed to take appropriate action; and

⇒ Management has been having trouble tracking down some of the debtors.

*In view of the above, the Committee asked Management to come up with strategies geared towards tracking the debtors and making sure that the Summa Group of Company complies with the Local Content Policy.*

### 21.3 Cost of the Build Operate and Transfer Contract

The AG's report disclosed that the Government of Sierra Leone entered into an agreement with the Summa Group of Company to build, operate and transfer the Freetown International Airport for US\$270mln, but the relevant documents were not submitted.

#### *The Committee's Finding[s] and Recommendation[s]*

The GM disclosed that the Authority would formerly request for the approval of the Ministry of Transport before submitting the said documents to the auditors.

*The Committee noted that Management exhibited a laissez faire attitude towards addressing this audit query and thus ordered the release of those documents to the auditors during their next audit. The Committee also requested Management to ensure that previous years' audit queries are resolved.*

### 21.4 Improper Arrangement for the Transfer of Assets and Liabilities

The audit report mentioned that the Summa Group of Company was still using the generator and other assets operated by the defunct Freetown International Airport.

#### *The Committee's Finding[s] and Recommendation[s]*

*In light of the aforementioned, the Committee instructed Management to make sure that every asset that was transferred to Summa Group should be assessed and the full value recovered.*

## SIERRA LEONE PORTS AUTHORITY [SLPA]- 2022

### 22.1 Dilapidated Administrative Building Walls at the Queen Elizabeth II Quay

The audit report disclosed that:

- ⇒ the walls at the quay are crucial for a stable platform for vessels to berth, supporting the foundation platform, and facilitating safe port operations, such as unloading and loading, and vehicular and pedestrian movements. However, steel thickness at berths 3, 4, 5, and 6 decreased due to corrosion in 2021. This degradation has led to visible holes at ports and expanded diameters. The entire length of the gabion quay has also been affected, compromising the structural make-up of the beams and piles; and
- ⇒ there were cracks on the pillars, walls and concrete rooftops of the administrative building which housed the Authority's administrative staff.

### *The Committee Finding[s] and Recommendation[s]*

The Committee's discussions with Management revealed the following:

- ⇒ the SLPA cannot undertake such huge capital intensive project to renovate or rehabilitate the administrative building, but the Ministry of Finance and Bollore had agreed to provide financial support for that purpose; and
- ⇒ upon submitting the most recent survey of the walls to the Committee, Management stated that they had begun the process of finding a consultant, contractors, and financing source to get the work started.

*Declaring the issue relating to the survey of the walls unresolved, the Committee urged Management to work closely with the relevant authorities to ensure that funds are provided for the rehabilitation of the administrative building walls without further delay.*

## 22.2 Depleted Fire-Fighting Resources at the Ports

The AG's report stated that:

- ⇒ Two firefighting vehicles, one with 11,000-litre capacity and the other with 2,000 litres, were in operation, with the larger 11,000-litre vehicle being non-functional for over a year;
- ⇒ The 2,000-litre water-carrying vehicle was utilised for various purposes, including supplying water to vessels, combating fires in remote communities, and providing water to clinics, among other uses;
- ⇒ The port facilities did not display any fire prevention devices, such as smoke detectors;
- ⇒ The fire department had ten staff: 30% being permanent and 70% regular casual. The 7 regular casual staff were inactive due to lack of training and life insurance coverage; and
- ⇒ The Head of the Fire Department was acting in this capacity for at least two years and nine months.

### *The Committee Finding[s] and Recommendation[s]*

In response to the audit queries mentioned above, the GM revealed that the 11,000 litres fire engine that had been fixed and contract employees were made permanent.

*The Committee recommended a permanent appointment for the Head of the Fire Department, and ensures life insurance and adequate trainings for firefighting officers. The Committee also urged Management to install fire prevention devices like smoke detectors, regardless of the building's condition.*

## 22.3 Poor Debts Collection Mechanism

The AG's report disclosed that:

- ⇒ the Sierra Leone National Shipping Company [SLNSC] owed the Authority NLe 32,863,519 which had been overdue for 13 months;
- ⇒ despite discussions with the Audit Committee of the Authority's Board for Management to operate directly with oil companies, there was no evidence of direct engagement with oil companies dealing with the SLNSC; and

⇒ Bollore Transport and Logistics, and Integrated Solutions Services Ltd. have been declared non-conducting business with the Authority due to outstanding debts, totaling **NLe 2,614,961** [NLe 126,495 to BTL and **NLe 2,488,466** to ISS Ltd.] for 12 months without any evidence of recovery efforts.

***The Committee Finding[s] and Recommendation[s]***

The PAC, during an engagement on **Monday, 11<sup>th</sup> November 2024**, reviewed the outstanding debt between the SLNSC and the Sierra Leone Ports and Harbours Authority (SLPHA). The Committee found that the debt, amounting to **US\$2,238,166.00**, had remained unresolved for an extended period, posing financial and operational challenges for both institutions. Following extensive deliberations and consultations facilitated by the PAC, both parties agreed to a resolution aimed at settling the matter amicably while ensuring compliance with financial obligations.

The resolution included a **50% waiver** of the total debt, reducing SLNSC's liability to **US\$1,119,083.00**. It was further agreed that SLNSC would settle this amount over a structured repayment period of **36 months**, commencing **January 2025**, with monthly installments of **US\$40,000.00**. To ensure transparency and accountability, SLPHA will issue monthly invoices to SLNSC, with copies forwarded to the PAC for monitoring.

Additionally, the PAC will provide a **monthly reminder notice** to SLNSC five days before the end of each month, reiterating the payment schedule. This notice will also be copied to SLPHA to maintain alignment among all stakeholders. The Committee emphasised that strict adherence to these terms is essential for resolving the outstanding debt and expects full compliance from both institutions to uphold the integrity of this resolution.

*The PAC expressed satisfaction with the outcome of the engagement, noting that the agreed terms strike a balance between financial recovery for SLPHA and the operational capacity of SLNSC. The Committee remains committed to monitoring the implementation of this agreement to ensure its timely execution.*

**MINISTRY OF TECHNICAL AND HIGHER EDUCATION [HQ] – 2021**

**23.1 Ineffective Contract Management**

The AG's report mentioned the following:

- ⇒ sundry creditors were owed **NLe1,322,332,000** in the second half of 2021;
- ⇒ the Ministry's Student Loan Scheme Committee, which includes suppliers to the scheme, was owed **NLe517,039,515** for sundry supplies and services in FY2021;
- ⇒ auditors' tracking of sundry debts revealed an unsettled liability of **NLe2,063,811,500** for FY2020.

### *The Committee's Finding[s] and Recommendation[s]*

The Committee noted from Management's submission and documents reviewed that some liabilities have been settled using their annual allocations, but others remained unsettled. The Committee further noted that the Ministry overran their budget.

*In this regard, the Committee advised Management to make sure that their subsequent budget makes provision for sufficient funding to enable them to either offset their outstanding liabilities or add same to the public debt portfolio. The Committee also revealed that budget overrun would undermine budget integrity and therefore issued a warning that proper budget planning be carried out going forward.*

### **23.2 Expenditure Returns not Submitted**

The AG's report unveiled that:

- ⇒ from a total of NLe5,136,850,000, expenditure returns for NLe1,915,200,000 were submitted for verification, leaving a balance of NLe3,221,650,000;
- ⇒ total PAYE taxes of NLe383,171,000 [NLe239,000,000 from the Barefoot Women Solar Engineers Association of Sierra Leone and NLe144,171,000 from the Bonthe Technical College] were not deducted from salaries and paid to NRA;
- ⇒ withholding taxes totalling NLe31,466,220 were not deducted from transactions and paid to the NRA;
- ⇒ a complete set of Solar PV Home Kits valued at NLe87,750,000 was procured for which procurement records were not submitted for verification.

### *The Committee's Finding[s] and Recommendation[s]*

The Committee's discussions with Management and documents reviewed disclosed the following:

- ⇒ a payment plan was presented in respect of PAYE and withholding taxes of NLe383,171,000 and NLe31,455,220 respectively; and
- ⇒ documents in respect of Solar PV System Home Kits valued at NLe87,750,000 were submitted and verified by the Committee.

*The Committee pronounced the issue relating to Solar PV System Home Kits resolved and thus recommended that it be removed from the audit report. However, Management was advised to adhere closely to the terms and conditions of the payment plans with regard the withholding and PAYE taxes. The Committee has requested the auditors to investigate the non-submission of Le 3,221,650,000 expenditure returns in their next audit exercise to verify if Management has resolved the issue.*

### **23.3 Staff not Available for Physical Verification**

The audit report disclosed that the names of 21 staff, with a cumulative salary of NLe337,688,364, on the Ministry's payroll vouchers were not on the staff list/nominal roll submitted and examined during the audit. Again, from a sample of 98 new staff on the nominal roll and payroll voucher of the

Ministry that were selected for physical verification, 15 of them [with a total salary of salary of NLe173,575,248] did not show up for physical verification.

**The Committee's Finding[s] and Recommendation[s]**

The Committee observed that this issue has not been addressed by the Human Resource Officer because there were no documentary proofs to show that reconciliation had been done or the staff list being updated.

*Thus, the Committee recommended that Management expedites with urgency the need for HR issues to be adequately resolved.*

**23.4 Payment without Supporting Documents**

The AG's Report revealed that from a total of NLe482, 894,810, payment vouchers and supporting documents for amounts totaling NLe298,053,275 were submitted for audit verification, leaving a total balance of NLe184,841,535 without documents.

**The Committee's Finding[s] and Recommendation[s]**

The PS provided the PAC with payment vouchers and other pertinent supporting documentation, noting that the Finance Director, who was in post during the review period submitted the documents to the audit team for verification.

*In view of the foregoing, the Committee submitted the documents to the auditors, and advised them to review and do a follow-up on this issue in their next audit exercise.*

**23.5 Payments without Adequate Supporting Documents**

The AG's report stated that of the NLe1,779,252,978, relevant supporting documents for NLe353,562,231 were submitted and verified, leaving a balance of NLe1,425,690,747.

**The Committee's Finding[s] and Recommendation[s]**

The PS presented documents relating to the outstanding amount, stating that the implementation of the various activities was ongoing when the audit process began. Nonetheless, the Committee stated that documents have to be provided to the auditors at the time of the audit and denounced the practice of providing them to the PAC during public hearings. The Committee deduced that most of the queries raised against the Ministry stemmed from a lack of oversight, which, if left unchecked, may result in fraud and other irregularities.

*The Committee thus recommended that henceforth all payment vouchers be supported with the relevant documents or the amounts be refunded.*

**23.6 Inadequate Controls Over Local Travel Expenses**

The AG's Report mentioned that the Ministry staff, who received DSAs totaling NLe34,490,000 for regional engagements, were also signing the attendance register at the head office in Freetown during the alleged province-related activities.

*The Committee's Finding[s] and Recommendation[s]*

The PS stated that a payment plan had been instituted and monthly deductions have commenced from their salaries until the NLe34,490,000 is completely recouped.

*With that being observed, the Committee ordered that the full amount be recovered and the auditors to follow-up on this issue in their next audit exercise.*

MINISTRY OF HEALTH AND SANITATION [HQ] – 2021

24.1 Advance Payments Received without Evidence of Delivery

The audit report disclosed the following:

- Mack Pharmacy, a supplier, received an advance payment of **Le411,208,377** in 2020 for the supply of consumables and laboratory reagents. However, investigations revealed that neither the items were delivered nor was the advance payment refunded within the stipulated timeframe.
- Despite several letters from the Ministry requesting updates on the status of the contract, there was no response from the supplier, and no effort was made by the Ministry to terminate the contract or recover the amount.

*The Committee's finding[s] and Recommendation[s]*

Following its hearings and a review of the documents submitted by the Ministry, the Public Accounts Committee (PAC) established that:

- ⇒ The contract with Mack Pharmacy has been **terminated**, and the Ministry has officially requested a refund of the advance payment.
- ⇒ Despite multiple reminders, Mack Pharmacy failed to comply with the refund request.
- ⇒ As per the **PAC resolution in its letter dated 28<sup>th</sup> January 2025**, Mack Pharmacy was directed to:
  - ✓ Make an immediate payment of **NLe100,000** to the Treasury Main Account (0111001255) by **31<sup>st</sup> January 2025**.
  - ✓ Continue monthly payments of **NLe10,000** until the full amount of **Le411,208,377** is settled.
  - ✓ Face a **lien on its accounts** in the event of non-compliance.

As of the time of finalizing this report, the Committee has confirmed that **NLe50,000** has been deposited into the Ministry's account, leaving a balance of **Le361,208,377** outstanding.

### *The Committee's finding[s] and Recommendation[s]*

The Committee reiterates that:

- ⇒ *The Ministry of Health and Sanitation must monitor the payment process to ensure full compliance with the resolution.*
- ⇒ *The Ministry must submit evidence of payments and compliance updates to the PAC on a monthly basis.*
- ⇒ *In the event of further non-compliance, immediate enforcement actions, including placing a lien on Mack Pharmacy's accounts, should be executed.*

The PAC stresses the importance of **strict adherence** to this resolution to prevent financial losses and ensure accountability in public sector financial management.

#### **24.2 Inadequate Control over the Management of Fixed Assets**

The AG's report unveiled that 238 vehicles in the Western Area were unavailable for inspection, and some vehicles lacked insurance and licenses, contradicting Section 11.1 of the 2020 Government Vehicle and Fleet Policy.

### *The Committee's finding[s] and Recommendation[s]*

The Committee's engagement with Management and its review of documents submitted revealed that:

- ⇒ it was difficult to assemble all the vehicles because they were deployed at various hospitals and other health management bodies; and
- ⇒ the Ministry maintains its fixed assets register on a spreadsheet and had not been updated, but all unlicensed and uninsured vehicles at that particular time have been licensed and insured.

The Committee expressed serious concerns over the Ministry's inability to update its assets register, citing it as a major factor responsible for people to abscond with government vehicles any time there is a change of government. The Committee further stated that the Ministry wouldn't know the assets that are in existence or those that have outlived their roadworthiness or usefulness if there is no updated assets register. Finally, the Committee condemned third-party auto insurance, describing it as risky and imprudent from an economic standpoint.

*In consideration of the aforementioned, the Committee recommends that:*

- ⇒ *instead of using spreadsheet, the Ministry should introduce a computerised fixed assets module that handles all calculations automatically and facilitate the posting of relevant journals to the General Ledger.*
- ⇒ *the 2020 Government's Vehicles and Fleet Policy be reviewed to ensure that vehicles or automobiles are insured comprehensively instead of third-party insurance, so as to avoid necessary expenditure; and*
- ⇒ *the Ministry should undertake inventory of their assets in every district, so that every asset is captured in the register.*

### 24.3 Operational Effectiveness in Selected Hospitals

The audit report revealed that the auditors examined the operational effectiveness of three hospitals in the Western Area: the Connaught Hospital, the Ola During Children's Hospital and the Princess Christian Maternity Hospital [PCMH] and noted the following:

- ⇒ the Ministry awarded a contract worth **US\$556,801.54** to install hemodialysis equipment at Connaught Hospital, but the contract was not fully fulfilled due to shortages in consumables and medication, totaling **US\$56,142.56**;
- ⇒ the equipment was damaged during installation, and there was no evidence of replacement by the supplier, despite the warranty clause in the contract;
- ⇒ since October 2021, the Dialysis Unit has been closed to the public due to ineffective hemodialysis equipment; and
- ⇒ common issues identified across all selected hospitals in the Western Area include: inadequate medical equipment and facilities, such as suction machines and oxygen concentrators, improper inventory control systems, improper disposal of medical wastes due to the lack of non-functional incinerators, etc.

#### *The Committee's finding[s] and Recommendation[s]*

*The Committee recommended that all compliance queries be removed from the audit report, after determining that they were beyond the control of the Ministry, but Management was advised to improve on the storage aspects of the hospitals.*

## MINISTRY OF HEALTH AND SANITATION [HQ] - 2022

### 25.1 Works Contracts not Monitored

The audit report disclosed that:

- ⇒ the Ministry awarded contracts worth **NLe75,493,118** to 15 contractors in 2021 for the rehabilitation of 12 government hospitals and the construction of three DHMT offices, with 30% advance payments totalling **NLe21,342,544** after signing the contracts.
- ⇒ the auditors discovered contract management irregularities, leading to higher expenses and poor contractor performance, and despite the Ministry's need for consultant engineers to manage and oversee same, no proof was found; and
- ⇒ contract terms were unclear, and over a year after signing, works have not been completed and execution continues at a slow pace.

#### *The Committee's finding[s] and Recommendation[s]*

From the review of documents and discussions with Management, the Committee observed the following:

- ⇒ the contractors' performances were graded subpar by the auditors due to the delay in hiring the consultant engineers who were supposed to oversee and manage the contractors' work; and

- ⇒ the contract agreement had been reviewed to address all the anomalies mentioned in the report, including timeline and addressing works related defects;
- ⇒ Management faulted the Ministry of Finance for not issuing a certificate of approval to hire the consultant engineers.

*In order to attain value for money, the Committee urged Management to request for approval from the Ministry of Finance to hire consultant engineers to verify works and ensure that the defects are corrected promptly. Management was advised to refrain from implementing such projects without consultant engineers to provide oversight on the activities of the contractors.*

## 25.2 Missing Fixed Assets

The audit report disclosed the following:

- ⇒ despite multiple requests, 14 HP Pavilion laptop computers, 12 Africell modems, one HP laptop, an adaptor, and one Canon camera were not available for physical verification. These assets were reported stolen from the Directorate of Policy, Planning and Information in September 2021, but no police or internal investigation report;
- ⇒ a total of 285 vehicles in the Western Area were not made available for physical verification; and
- ⇒ five vehicles donated to the Ministry, valued at US\$154,837.13, were not included in the assets register and were not made available for physical verification.

### *The Committee's finding[s] and Recommendation[s]*

From its discussions with the Ministry and the review of the documents presented, the Committee discovered that:

- ⇒ the theft incident took place in September, 2021 and was reported on the same date, but no report was submitted by the CID or the police, despite several reminders;
- ⇒ the 290 vehicles, including the 5 donated ones, have not been presented for audit inspection; and
- ⇒ Management's attempts to secure funds from the Ministry of Finance to register 43 vehicles proved unsuccessful, and 24 unregistered vehicles, including ambulances, were grounded.

*In view of the foregoing, the Committee recommended the following:*

- ⇒ *Management should provide the police and internal investigation reports in respect of the missing items to the auditors, otherwise Management will be penalised severely;*
- ⇒ *instead of requiring the 290 vehicles to be gathered in one place for the purpose of audit inspection, the auditors ought to confirm the physical existence of these vehicles in their various stations or places, such as hospitals; and*
- ⇒ *vehicles in good working condition, including all donated ones should be registered and captured in the fixed assets register without further delay.*

### 25.3 Key Deliverables

The AG's report stated that the following key deliverables for 2022 were not achieved:

- ⇒ development and operationalisation of the Health Sector Policy and the Overseas Medical Policy Constituting the Hospital Boards;
- ⇒ development of a Professional Code of Conduct for Health Workers;
- ⇒ launching the Health Financing Strategy, including plans for a National Health Insurance Scheme;
- ⇒ outsourcing the National Emergency and Medical Services [NEMS]; and
- ⇒ establishing a new management structure for tertiary and secondary hospitals.

#### **The Committee's finding[s] and Recommendation[s]**

In his response, the PS presented the National Health and Sanitation Policy, the Healthcare Financing Strategy 2021-2025, Standard Operating Procedures [SOPs] for Sierra Leone Social Health Insurance [SLeSHI] Scheme, adding that the National Health and Sanitation Policy, and the Health Financing Strategy were developed and launched, and that implementation is in progress. The PS concluded that all other issues are being looked into.

The Committee emphasised the significance of the Health and Sanitation Policy, which aims to improve Sierra Leone's health and sanitation systems, ensuring equitable access to quality and affordable services. It also highlights the importance of a professional code of conduct for healthcare professionals, its benefits in patient outcomes, system confidence, and ethical behaviour.

***While declaring this query resolved and thus recommended that it be deleted from the AG's report, Management was encouraged to ensure full implementation of these deliverables, with special reference to outsourcing the National Emergency and Medical Services, the Health and Sanitation Policy, and the professional code of conduct for healthcare professionals.***

### 25.4 Recurring Audit Issues on Service Delivery

The AG's report stated that:

- ⇒ ineffective ambulance services were noted at several hospitals, including King Harman Road Maternal and Child Health Hospital, Rokupa Government Hospital, Connaught Hospital, Ola During Children's Hospital, Lakka Government Hospital, and Princess Christian Maternity Hospital. Ambulances were grounded, unequipped, and used as utility vehicles due to poor condition and odometer readings;
- ⇒ the management of stores records was inadequate. The auditors were unable to rely on the use of the provided medications throughout the review period as the hospital was unable to produce enough documentation for medications that were received, distributed and/or returned; and
- ⇒ stockpiles of expired drugs were detected in six hospital stores; ineffective controls over staff attendance and poor supervision of staff attendance.

#### **The Committee's finding[s] and Recommendation[s]**

Even though the Committee noted that some of the challenges were beyond the purview of the Ministry, it was however observed that Management reneged on its monitoring and supervisory role.

***In this regard, Management was urged to ensure that:***

- ⇒ *the Ministry establishes a Monitoring and Supervisory Committee to oversee the operations of government hospitals, work closely with the hospitals' internal audit units, with a view to providing efficient and effective follow-up mechanisms on audit recommendations and report findings semiannually; and*
- ⇒ *the Ministry should ensure that the hospitals are fully equipped for effective and efficient service delivery, and the Monitoring and Supervisory Committee should collaborate with HR departments/units in order to improve staff efficiency and effectiveness.*

## MINISTRY OF SOCIAL WELFARE [HQ] - 2021

### 26.1 Contract not awarded to the lowest bidder

The AG's report stated that MAS Co. SL Ltd., which had offered the lowest bid price of NLe736,368,000, was not awarded the contract for the rehabilitation of the remand home at Kingtom because it was deemed to be too low. Instead, "Another Line Investment" was given the contract with a bid price of Le1,282,826,575. Nevertheless, the basis for MAS Co. SL Ltd.'s disqualification was not made accessible for examination.

#### *The Committee's finding[s] and Recommendation[s]*

The Committee discovered from its engagement with Management that:

- ❖ because MAS Co. SL Limited wanted to secure the contract at all cost, they presented specifications of building materials that were of low quality and that was why the company was disqualified by the Ministry's Procurement Committee, so as to attain value for money; and
- ❖ even though a concurrence was sent to the Ministry of Finance, the contract under consideration was never executed due to lack of funds. However, this issue has been factored in the 2025 budget for onward implementation of the contract.

*Since the contract was not executed, but all procurement processes that led to its award were followed and that the prices of building materials would have doubled, if not tripled, the Committee recommended that 'Another Line Investment' retains the contract and the initial cost be reviewed to align with current market prices.*

### 25.2 Payments without Supporting Documents

The AG's report disclosed that from the amount of NLe413,581,625, supporting documents amounting to NLe377,292,350 were submitted and verified, leaving NLe36,289,275 unverified. Similarly, of the NLe2,398,327,091.25 adequate supporting documents amounting to NLe740,509,721.30 were verified, leaving a balance of NLe 1,657,817,370.25 not verified.

#### *The Committee's finding[s] and Recommendation[s]*

The Committee's engagements with Management and the review of documents revealed the following:

- ⇒ the accountant presented documents relating to NLe36,289,275, adding that UNICEF paid to the Ministry's Account for onward transfer to Save the Children/International Rescue Committee, but returns were not provided on time, causing the delay in submitting same to the auditors; and
- ⇒ there was discrepancy of NLe206,567,370.25 because the audit report stated NLe1,657,817,370.25 while the Ministry claimed NLe1, 451,250,000 as the unverified figure. However, documents submitted in respect of NLe1, 451,250,000 were deemed adequate.

*The auditors and the Ministry were requested to investigate the discrepancy to determine which of the two amounts PAC should rely on after declaring the Le 36,289,275 and Le 1, 451,250,000 resolved. Management received a warning to do better at submitting documents on time.*

## SIERRA LEONE CORRECTIONAL SERVICE [HQ] – 2022

### 26.1 Lack of Surveillance System at the Correctional Centres within the Western Area

The audit report revealed that Correctional Centres at New England, Waterloo, and Pademba Road, lacked a functioning CCTV system, posing a significant risk to the security of the facilities. The report further disclosed that in the absence of CCTV cameras or effective monitoring mechanisms, inmates may engage in violent behaviour, and the correctional service officers and visitors may continue to engage in misconduct, smuggling unwanted goods, theft and in the event of serious security breaches, culprits may not be identified and it would be difficult to take action.

#### *The Committee's finding[s] and Recommendation[s]*

The Committee observed from its engagement with Management and the review of evidence submitted that:

- ⇒ CCTV cameras have been installed at the Freetown Male and Female Correctional Centres;
- ⇒ the CCTV cameras at the Male and Female correctional facilities in Kenema are now functional, but the Service is struggling with sustainable electricity which Management has vouched to introduce solar energy to address the problem; and
- ⇒ Management has introduced digitalisation of inmates' information and security systems, and has also linked up with ONS Situation Room with effective and efficient maintenance team to undertake routine repairs.

*The Committee stated that those who involved in the November 2023 security breach or prison break would have been identified through CCTV cameras if they were effective and functional. Therefore, the Committee recommended that the CCTV cameras be made functional and the maintenance teams be given the necessary logistics and support to perform their tasks.*

### 26.2 Overcrowding at the Male and Female Correctional Centres

The audit report revealed that the correctional centers are overcrowded, with 57% of inmates on trial or remand, compared to 43% of convicted inmates. The male and female correctional centres at New

England Ville are now holding 1,757 and 110 inmates respectively. According to the audit report, this overcrowding could result in the following problems:

- ⇒ the goal of making prisoners better citizens and reintegrating them into society may not be accomplished due to lack of resources for their rehabilitation;
- ⇒ prison officers could be overworked to provide the needed security and other services, such as protecting and feeding inmates;
- ⇒ diets, sanitary materials, medical care, education, sports, and other resources may not be enough to meet the needs of the current inmate numbers;
- ⇒ inmates may face increased health risks, particularly from infectious diseases, which could easily spread among them, posing a threat to their lives, staff, and other stakeholders; and
- ⇒ owing to the large number of inmates, containing disorderly behaviour or violence may be challenging due to the limited number of officers.

#### **The Committee's finding[s] and Recommendation[s]**

According to the information provided and the Committee's conversations with Management, some of the new buildings have been completed, while others are still under construction in various locations, such as in Waterloo, Moyamba, Karene, and Falaba to alleviate the issue of overcrowding. However, the Committee noted serious financial constraints to complete some of the buildings as planned.

***Given that some of the buildings are still under construction, the Committee advised Management to make adequate budgetary provision in their subsequent budgets, so that convicts in overcrowded prisons would be relocated once these facilities are completed.***

### **26.3 Inmates not Segregated in the Correctional Centres in the Western Area**

The audit report revealed that inmates [those convicted for serious offences, those for minor ones, remanded offenders, and sane and insane inmates] in the Western Area correctional centers are not segregated. Repeat offenders and those with criminal records are kept together, and no gender demarcation exists at the Waterloo facility.

#### **The Committee's finding[s] and Recommendation[s]**

The Committee's engagement with Management revealed the following:

- ⇒ successful segregation of inmates at the various correctional centers has continued to pose serious challenge due to lack of space to undertake such exercise, but this would be accomplished after completing the construction of the new buildings;
- ⇒ SLCS lacks professional psychiatrists and the country's sole one is overwhelmed with cases involving mental health, but the institution is in the process of recruiting professionals that would take care of inmates with suspected mental illnesses; and
- ⇒ the male and female sections at Waterloo have been demarcated.

***The Committee recommended to Management that they exercise urgency and ensure that the new structures are completed in order to address all the issues raised by the auditors. The Committee***

*also recommended that Management segregates the insane from the sane and expedite the hiring of experts for inmates with suspected mental conditions.*

#### **26.4 Lack of In-built Toilet Facilities in Prison Cells**

The audit report revealed that the cells lacked in-built toilets, leading to inmates using plastic buckets at night to defecate. This dehumanising practice can cause health hazards because the buckets are placed in the same cells where inmates sleep, and disposal of the excrements is usually done in the morning.

##### **The Committee's finding[s] and Recommendation[s]**

The Committee observed from Management's submission that:

- ⇒ there are functional flushed toilets in some cells at the male and female correctional centres, but they are insufficient to serve all inmates;
- ⇒ Management is addressing the issue through an ongoing project for the construction of toilet facility to resolve this challenge; and
- ⇒ the cellblocks and correctional facilities under construction at the various locations made adequate provisions for modern toilet facilities.

*Consequent upon the above, the Committee encouraged the Director General and team to make sure they collaborate with the relevant stakeholders for the construction and completion of these facilities without further delay. Management was also heartened to ensure that they improve the sanitary conditions of the cells.*

#### **26.5 Physical Inspection of Correctional Facilities**

From the review of the AG's report, the Committee observed the following:

- ⇒ the pre-trial Correctional Centre at Waterloo was an open space where inmates, visitors, and officers interact freely without physical boundaries. This facility housed convicts and untried persons. The report further revealed that there was no backup power supply, and cells were left dark during power outages; and
- ⇒ the Re-integration Correctional Centre at the former Special Court to assist offenders in desisting from crime, reintegrating them into the community, and avoid a return into criminal activities had one vocational center, a tailoring shop, and three sewing machines. It was also noted that inmates were not given the option of choosing their areas of interests, skills or specialty.

##### **The Committee's finding[s] and Recommendation[s]**

From its discussions with Management, the Committee noted the following:

- ⇒ the Gate Lodge at the Pre-Trial in Waterloo has been constructed and solar lights have been installed to constantly illuminate the facility;
- ⇒ Management has secured some equipment from UNDP to ensure effective inmates rehabilitation and provision of more skills training which are currently giving inmates the option to choose their areas of interests or specialty;

- ⇒ there were existing protocols, such as body search and deposit of personal belongings at pre-trial center to prevent the smuggling of illicit items by officers, visitors or inmates; and
- ⇒ Management is collaborating with the University of Makeni to provide inmates with tutorials and at the end of their study, they would have certificates to enable them gain employment upon discharge.

*The Committee commended Management's efforts to address the issues, but urged for more vocational skills, computer and sewing machines, cell security enhancement, and facilitates the release of those with minor offenses to decongest the prisons.*

At the end of its engagement with the SLCS, the Committee raised the following concerns:

- ⇒ inmates in the prisons are faced with deplorable health and sanitation conditions, which are life threatening and should be urgently addressed;
- ⇒ many people, including minors, are imprisoned for infractions or minor offences that might have required either fines or other forms of disciplinary actions instead of incarceration, hence one of the reasons for the overcrowding in the cells. Our justice system should be engaged in order to salvage this menace; and
- ⇒ some people intentionally commit felonious crimes, so that they have access to free accommodation, food, and other amenities while in incarceration. These people should be engaged in lucrative activities, such as farming, mining, fishing, driving, etc.

## **MINISTRY OF GENDER AND CHILDREN'S AFFAIRS - 2021**

### **27.1 Salary Paid to Non-staff**

The Committee found from the AG's report that a Senior Assistant Secretary with pin code 127598, who died in June 2021, was still receiving salary to the tune of **NLe23,094** for a period of 18 months without any request for her name to be removed from the payroll voucher.

#### **The Committee's finding[s] and Recommendation[s]**

The Committee observed from the review of documents that the Ministry drew the attention of HRMO and the Accountant General for the removal of the said staff from the payroll, but that did not happen. It was however noted that the request to delete her name from the payroll came after the publication of the AG's report.

*In view of the above, the Committee recommends that HRMO and the Accountant General should ensure that retirees or those who have left the institution are deleted from the payroll as soon as they receive the request.*

## MINISTRY OF YOUTH AFFAIRS - 2022

### 28.1 Revenue not received from Fishing Groups

The Committee observed from the audit report that:

- ⇒ 14 fishing groups did not pay the monthly sum of NLe2,174,861 into the project account for 12 months; thus resulted in a significant loss of revenue;
- ⇒ 70 fishing youth groups that signed contracts with the Ministry had exceeded the 18-month duration granted for payment of fishing accessories to the scheme as stipulated in the MoU. Of the total expected revenue of NLe2,735,314.70, only NLe858,725.89 was paid by the fishing groups, leaving a balance of NLe1,876,588.81.

### *The Committee's finding[s] and Recommendation[s]*

The Committee's engagement with officials of the Ministry revealed the following:

- ⇒ 70 fishing boats were given to 70 groups, with monthly payments expected. However, debt recovery agents consistently alerted them [fishing groups] to flee with the boats, thus inhibiting the Ministry from recovering the money or apprehending those criminals; and
- ⇒ the Ministry has outsourced to private firms who in turn interfaced with the young people.

The Committee noted that even though 60% has been recouped, the Scheme is facing serious challenges because loans given by the Government are usually difficult to recover. The Committee also noted that the general public is unaware of the Ministry's various projects and even its operations.

*Considering the difficulties in recovering the remaining amounts and the necessity of making the Ministry's projects widely known, the Committee recommends that:*

- ⇒ *the remaining amount be either written off or added to the nation's public debt portfolio, but at the same time the Ministry should not relent to crackdown those defaulters;*
- ⇒ *the Ministry embarks on impact assessment of its projects with a view to determining their effectiveness and viability; and*
- ⇒ *the Ministry undertakes massive public sensitisation of its projects and operations, especially those relating to youths' empowerment.*

## MINISTRY OF MINES AND MINERAL RESOURCES – 2022

### 29.1 General Observations

The Committee noted from the audit report that:

- ⇒ the Ministry employed 32 Mine Wardens and Mines Monitoring Officers, but their duties conflicted with those of the National Minerals Agency's Compliance Officers, and despite the sum of NLe310,059 paid as salary, there was no proof to show that they carried out the jobs they were asked to do;

- ⇒ four staff posted to different locations in the provinces were still at the headquarters without justification, and no action was taken against them;
- ⇒ the Ministry utilised non-technical staff, including ICT Officers, Accounts Assistants and Procurement Officers to monitor illicit mining in the provinces, expending NLe92,000 on DSAs and other costs during the review period; and
- ⇒ Mines Monitoring Officers lacked vehicles, communication gadgets, and mines detectors to make their work effective, efficient, and safe.

**The Committee's finding[s] and Recommendation[s]**

The Committee's discussions with Management revealed the following:

- ⇒ steps have been taken to address the issue relating to clash of roles and they are now effective with their work;
- ⇒ the 4 staff were officially transferred to various locations in the provinces and they were executing their official duties, but they were later recalled to the headquarters due to manpower constraint; and
- ⇒ modalities have been put in place to secure mines monitoring tools to ensure that mines monitors are effective and efficient.

*In view the above, the Committee advised Management to resolve these issues but however cautioned about arbitrary transfer of staff and the use of non-technical staff to monitor illicit mining operations in the provinces.*

**ROKEL COMMERCIAL BANK - 2022**

**30.1 Access Administration- Modification/Deactivation**

The AG's report revealed that the Bank failed to delete users in the X-100 System, but those who have left the Bank were usually disabled or moved to the deactivation category.

**The Committee's finding[s] and Recommendation[s]**

*The Committee called on Management to make sure that employees who have left the Bank are permanently removed from the System since it considered this practice to be potentially risky.*

**30.2 The Project Management Programme Change**

The Committee observed that the implementation of the auditors' recommendations has begun and would soon be complete.

**The Committee's finding[s] and Recommendation[s]**

*In light of this, the Committee declared the issue outstanding and advised Management to make sure that this query is addressed prior to the conclusion of the 2023 audit exercise.*

### 30.3 Issues with Transaction Codes and Commission on Turnover Charge

Regarding these two issues, the Committee advised the audit team to revisit same, and if they are not addressed or reappear in the 2023 audit report, the Committee would take action against Management.

## ELECTRICITY DISTRIBUTION AND SUPPLY AUTHORITY [EDSA]- 2022

### 31.1 Sustainability of Services

The Committee noted from the review of the AG's report and its engagement with the Authority's Management team that:

- ⇒ despite the Authority's payables and receivables statistics rising from Le368,995,672 and Le1,209,299,863 in 2021 to NLe618,900,304,000 and NLe1,586,746,387 in 2022, respectively, as reported in the 2022 Financial Statements, the revenue generated for the fiscal year could not fully offset its recurrent expenditure and at the same time pay its major suppliers without the assistance of the government or bank borrowing; and
- ⇒ the Authority procures electricity from Karpowership, which is not always sustainable due to the high cost attached.

#### *The Committee's findings/s/ and Recommendation/s/*

The Committee observed from its engagements with Management that:

- ⇒ the increase in the price of electricity tariff resulted in more revenue collection, but it also led to increase in electricity theft;
- ⇒ outdated networks, and material and cable theft, and the use of postpaid meters by certain MDAs contributed to the decline in revenue collection; and
- ⇒ the Authority is now using a system that can detect customers who are not recharging their meters.

*Based on the foregoing, the Committee recommends that:*

- ⇒ *the implementation of public sensitisation campaigns and effective network monitoring mechanisms are vital in educating the public on the need to pay light bills and protect the Authority's equipment, including transformers, plants and cables;*
- ⇒ *the Authority should work with the Ministry of Energy and other relevant agencies in order to find alternative energy sources that are cost effective and sustainable;*
- ⇒ *individuals or institutions that owe the Authority should be disconnected from the electricity grid until they settle their liabilities;*
- ⇒ *postpaid should be replaced with prepaid meters in all MDAs' operations; and*
- ⇒ *the Authority should introduce a system that can quickly identify and report illicit connections.*

### 31.2 Poor Controls over the Management of Receivables

The AG's report disclosed that:

- ⇒ Management failed to provide the general ledger listings, summary schedule, and grouping of accounts receivable amounts to ASSL; and as at 31<sup>st</sup> December, 2022, the receivable balance was **NLe619,311,456**. Thus, the auditors were unable to confirm the accuracy, contractual rights, and accuracy of these balances;
- ⇒ there was an increase of **68%** in the receivables when compared to the amount in the audited Financial Statements for 2021 with the 2022;
- ⇒ a variety of electrical bills totaling **NLe1,912,449** and **NLe6,550,170** that were used by the Authority's offices were mistakenly recorded as revenue and receivable balances, respectively; and
- ⇒ the total credit balance of several accounts that are categorised as receivables is **NLe245,005,667**.  
An audit inspection in respect of aging receivable analysis was not presented.

#### *The Committee's findings/s/ and Recommendation/s/*

*The Committee declared this query unresolved and therefore instructed Management to send the list of payables and receivables to the auditors for confirmation.*

### 31.3 Differences Identified in Creditor Balances

The AG's Report revealed the following:

- ⇒ the GST charged on electricity sales, with net amount of **NLe44,598,614.89** was still owed to the NRA at the end of 2022. This contravenes Section 38 [1] of the GST Act, 2009;
- ⇒ a review of the comparative figures recognised in the 2022 draft Financial Statement identified a significant difference of **NLe301,790,748** with the comparative figures recognised in the audited Financial Statement [2021]; and
- ⇒ a comparison of the total amount recorded in the draft Financial Statement and the trial balance revealed **NLe256,906,513.75** as difference between the payables recorded in the draft Financial Statement and that of the trial balance.

#### *The Committee's findings/s/ and Recommendation/s/*

Following the review by the Committee, it was concluded that:

- ⇒ the Government owed EDSA over **NLe450,000,000** and the cost of purchasing power exceeded revenue generated;
- ⇒ some MDAs, including Connaught Hospital, continued to use postpaid meters for security-related reasons; and
- ⇒ customers are often responsible for paying GST, and EDSA has a legal obligation to pay NRA and they [EDSA] should not break the law.

*The Committee announced this issue unresolved and therefore encouraged Management to work with NRA to determine how to pay off this debt by coming up with a reasonable payment schedule*

*which must be strictly followed and issues relating to the FS and trial balance be investigated and reconciliations be performed.*

#### 31.4 Management and Security of Assets

The audit report revealed that:

- ⇒ the total values of assets acquired during the year under review were NLe1,482,465.31 and NLe307,000 for office equipment, and furniture and fittings respectively, but they were not marked with identification codes;
- ⇒ the locations of assets replaced were neither disclosed to the audit team nor availed for physical verification; and
- ⇒ assets apportioned to the Authority during the unbundling process in 2015 were not identified and appropriately recorded in the assets register.

#### *The Committee's finding[s] and Recommendation[s]*

The Committee noted from the review of the assets register submitted by the CFO that it has been updated and a consultant has been hired to investigate assets belonging to EDSA and those belonging to EGTC. However, the Authority is yet to receive the report from the consultant.

*On the basis of the forgoing, the Committee declared this matter unresolved and therefore recommended that:*

- ⇒ *the consultant should provide the investigation report on the Authority's assets as soon as possible, clearly distinguishing assets belonging to EDSA and those belonging to EGTC;*
- ⇒ *moving forward, newly purchased assets should be properly marked and added to the fixed assets register;*
- ⇒ *Management should submit, to the auditors, a detailed list of all replaced assets and their locations during the period under review; and*
- ⇒ *Management should introduce a computerised fixed assets module that automatically performs all calculations and facilitates the raising and posting of relevant journals to the General Ledger.*

#### 31.5 Issues Identified during Provincial Visits

The AG's report revealed that:

- ⇒ there was need for expansions on the networks [transformers] in all areas visited. This is to reduce load shedding, sharing and apportioning of electricity for the provinces;
- ⇒ transformers distributed to the provinces were without lightning arrestors to protect them from voltage surges caused by lightning strikes or other electrical disturbances that can damage transformers. In Lunsar, the distribution control panel DL battery was faulty;
- ⇒ consumable materials and basic tools meant to carry out urgent maintenance on the infrastructures were always received late or at times never supplied;
- ⇒ a comprehensive asset listing, as well as asset movement register, was not maintained by the regional stations. Therefore, absolute reliance was placed on what the headquarters maintained as

records. There were no responsible personnel in charge of recording the receipt and movement of assets;

- ⇒ motorbikes distributed in all areas visited were without life-cards, registration numbers, insurance and licenses to confirm that the Authority has ownership and control over these motorbikes; and
- ⇒ assets were not marked with identification codes, therefore, the right and ownership of these could not be confirmed.

**The Committee's finding[s] and Recommendation[s]**

The DG assured the Committee that most of the issues mentioned above had been resolved and Management would continue to ensure that the other issues are addressed. The Committee further observed unwillingness from Management to address these issues.'

*The Committee encouraged the auditors to follow-up on these issues in their next audit exercise, but however recommends that Management ensures these issues are resolved without further delay.*

**ELECTRICITY GENERATION AND TRANSMISSION COMPANY [EGTC] - 2022**

**32.1 Ineffective Management of Fixed Assets**

The audit report that revealed assets owned by the defunct National Power Authority and transferred to EGTC as a result of the unbundling, were neither included in the fixed assets register nor recognised in the Financial Statements. As a result, the accuracy and completeness of the company's books of accounts were doubtful.

**The Committee's finding[s] and Recommendation[s]**

The Committee noted from Management's submission that before the assets are included in the assets register, authorisation should be granted by the government through the Ministry of Finance for Management to address this matter.

*In view of the above, the Committee recommends that this issue is addressed as soon possible by submitting the value of the unbundling assets and include same in the fixed assets register for verification.*

**32.2 Responses not Received for Debt Circularisation**

The audit report revealed that EDSA received a circularisation letter verifying the veracity and existence of sums totaling NLe 657,172 that were reported in the Company's Financial Statements.

**The Committee's finding[s] and Recommendation[s]**

From the review of a letter written to EDSA, the Committee learnt that EDSA failed to respond and the Company had not been able to offset its liability.

*The Committee noted that EDSA should respond to the audit query and not EGTC. Therefore, the Committee recommends that EGTC should follow-up with EDSA in respect of the unconfirmed balances and confirmation sent to ASSL for verification.*

### 32.3 Dodo Hydropower Station not operational

The audit report disclosed that the Dodo hydropower station in Kenema that used to supply power to Bo and Kenema was not operational because it needed urgent rehabilitation.

#### *The Committee's finding[s] and Recommendation[s]*

From its discussions with Management, the Committee observed the following:

- ⇒ out of the 6 megawatt, only 3 megawatt is operational;
- ⇒ the technical team advised that the Dodo Hydropower Station should be temporarily set aside in order to monitor the performance of CLSG; and
- ⇒ the Dodo Hydropower is cheaper than CLSG interconnectivity. The President visited the facility and had given directives for its rehabilitation and expansion; and Bills of Quantities [BoQs] has been developed for that purpose.

*In consideration of the fact that the Dodo Hydropower is cheaper than CLSG interconnectivity, the Committee recommended that Management collaborates with the relevant authorities to rehabilitate the plant in order to attain its original designed capacity.*

## SIERRA LEONE COMMERCIAL BANK - 2022

### 33.1 Loans and Advances

The Committee observed that a total of NLe41,488,000 granted as loan to politically exposed persons [PEPs] and the auditors were not provided with policies and/or procedures for granting loans to these PEPs.

#### *The Committee's finding[s] and Recommendation[s]*

From the Committee's engagements with Management, it was noted that the Board has not met to approve the draft policy, despite it having been presented for approval. It was however disclosed that 'prudential guidelines' developed by Management guided the process.

*In that regard, the Committee advised Management that:*

- ⇒ *it desists henceforth from granting loans and advances to PEPs until the policy is approved by the Board; and*
- ⇒ *an emergency Board meeting should be summoned for the sole purpose of approving the draft policy without further delay.*

### 33.2 Trial Balance and Schedule

The Committee observed that the schedule showed NLe634,756,705.08 while the trial balance revealed NLe524,147,024.49. This resulted in a difference of NLe110,609,680.52.

#### *The Committee's finding[s] and Recommendation[s]*

The Committee noted from the MD and the Finance Director of NRA that the redenomination of the currency led to mis-posting of figures by some staff at the SLCB, citing that instead of one million, they posted one billion to NRA account and NRA utilised the funds.

*Although Management could have written to the Bank of Sierra Leone to request for reversal of all mis-posted amounts, the Committee acknowledged that it was a human error. However, the Committee recommends that within 30 days of adoption of this report by Parliament, SLCB should ask BSL to reverse all moneys incorrectly posted to the NRA account.*

### 33.3 Overdrawn Advances without Approval

The audit report revealed that some customers were allowed to operate overdrawn facilities without approval by the Board for an amount totalling NLe470,074.77.

#### *The Committee's finding[s] and Recommendation[s]*

The Committee observed that this matter has been communicated to the Board for consideration.

*In light of the above, the Committee asked Management to make sure that the overdrawn advances be included on the agenda of the Board for possible write-off. The Committee also recommended that a policy on overdrawn advances be developed and effectively operationalised.*

### 33.4 Bank Policies not Approved for Deposits from Customers

The audit report disclosed that the policies provided for account opening, closing, and the reactivation of dormant accounts were not approved by the Board.

#### *The Committee's finding[s] and Recommendation[s]*

*The Committee observed that this particular matter has been presented to the Board for approval and thus recommended that Management expedites the approval process.*

### 33.5 Reporting Fraud

The audit report noted that banks are required to inform the Bank of Sierra Leone of all fraud cases, as per Section 5 [4.8] of the prudential guidelines. However, fraudulent transactions investigated by the Bank were not reported in accordance with the prudential guidelines.

#### *The Committee's finding[s] and Recommendation[s]*

The Committee observed from its engagement with the Bank and the review of investigation reports that Management has always taken actions against staff who are involved in fraudulent transactions, but not all of those transactions were reported to BSL.

*In light of the aforementioned, the Committee advised Management that going forward, all fraudulent transactions should be reported to BSL, and those found to be in violation face harsh sanctions.*

The Committee admonished the Bank to ensure that they address all issues relating to compliance, HR, trial balance and schedule, reconciliations and other control weaknesses, otherwise Management would be held responsible if any of those issues recur

# SECTION III

LOCAL COUNCILS- FINDINGS OF THE PUBLIC  
ACCOUNTS COMMITTEE ON THE REPORTS OF  
THE AUDITOR GENERAL ON THE ACCOUNTS OF  
LOCAL COUNCILS FOR THE FINANCIAL YEARS  
2021 & 2022

## INTRODUCTION

The PAC was established to ensure accountability, transparency, and proper use of public resources in the management of government finances. The PAC's remit includes examining the findings and recommendations outlined in the Auditor General's Annual Report and ensuring that all 22 Local Councils are held accountable for the use of public funds.

In its review of the 2021 and 2022 Annual Reports of the Auditor General on Local Council Administrations, the PAC focused specifically on the government's expenditure on "Rural Development Programmes", which aimed at improve infrastructure and services in all localities in the 22 Local Councils. The Auditor General's reports highlighted a range of issues, including:

- **Non-compliance with procurement regulations:** Contracts were awarded without proper tendering processes, leading to concerns about transparency and value for money.
- **Irregularities in project implementation:** Delays in project completion and instances of poor-quality work were reported.
- **Poor revenue management practices:** Several instances of weaknesses were noted across all councils on the practices employed in generating own source revenue.

Given the significance of these findings and the impact on public service delivery, the PAC initiated an inquiry to:

1. Determine the root causes of the issues identified.
2. Assess the effectiveness of the internal controls within the councils

The inquiry aimed to ensuring that the Local Councils, and other relevant entities, address these issues and improve future programme management. It also sought to provide Parliament with a comprehensive understanding of the weaknesses in public financial management and recommends measures to strengthen governance and accountability.

## KEY ISSUES IDENTIFIED

The following are summaries of the Committee's general observations and recommendations on the audit queries raised in the 2021 and 2022 Audit Reports on Local Councils:

### 34.1 Weak Internal Controls

The Committee noted significant internal control weaknesses across majority of Local Councils referenced in the reports. These deficiencies have hindered the ability of Local Councils to implement robust accounting procedures and maintain accurate and reliable records. For example, poor record-keeping, and bank reconciliations, creating opportunities for potential fraud and errors. Furthermore, inadequate assets management controls were evident, with no proper system in place to track the locations and conditions of key assets, such as vehicles and motorbikes, contrary to Regulation 147 of

the PFM Regulations, 2018. These examples underscore the urgent need for strengthening internal controls to ensure effective financial management, asset oversight, and operational efficiency within the councils.

Because of the aforementioned, control weaknesses, if not addressed, could lead to fraud and other irregularities. The Committee therefore recommends the following:

each Local Council should develop and implement a standardised internal control framework that includes clear guidelines for financial management and asset tracking. This framework should ensure proper segregation of duties to prevent and reduce opportunities for fraud, pursuant to Section 13[2[b] of the PFM Act, 2016;

each Local Council should strengthen its Internal Audit Unit, comply with established rules, regulations and procedures that are by law established in the execution of their roles, duties and responsibilities;

Local Councils should establish comprehensive assets registers that record the acquisition, location, and disposal of assets, allowing for real-time updates and regular audits;

Continuous training programmes should be introduced for Finance Officers, and administrative staff to improve their understanding of internal control principles, financial reporting standards, and compliance requirements;

Local Councils should develop a comprehensive Risk Management Strategy to identify, assess, and mitigate key risks associated with financial management, asset losses, and operational inefficiencies. This strategy should be integrated into the decision-making process at all levels; and

develop a secured and confidential mechanism for employees and members of the public to report financial irregularities, unethical behaviour, or any breaches of internal controls. The whistleblower policy should include protections against retaliation.

#### 34.1.1 Procurement Procedures not followed

Despite the Committee's repeated recommendations over the years to adhere to procurement laws, rules and regulations, there continue to be a consistent failure to comply. This ongoing disregard for established procurement procedures has led to repeated instances of non-compliance, resulting in adverse findings and critical observations by the auditors.

*Based on the foregoing, the Committee strongly recommends that all Local Councils strictly adhere to procurement laws and regulations to prevent future violations. To ensure compliance, the following measures should be implemented by Vote Controllers:*

⇒ *each Local Council should establish a dedicated Procurement Oversight Committee to monitor procurement activities, review all contracts, and ensure adherence to legal requirements. This committee should report directly to the senior management and the Council;*

- ⇒ *regular training sessions on procurement laws, ethical standards, and best practices should be provided for all Procurement Officers and related staff to improve their understanding and application of these regulations;*
- ⇒ *enforce strict penalties for officials who bypass or ignore procurement rules, including disciplinary actions, suspensions, or legal consequences, depending on the severity of the breach. This will act as a deterrent and reinforce a culture of compliance; and*
- ⇒ *to reduce manual errors and the risk of manipulation, the Committee recommends transitioning to an electronic procurement system that provides a transparent and auditable trail of all procurement activities, from tendering to contract award.*

#### 34.1.2 Payment without Adequate Supporting Documents

The Committee found that payments were made without adequate supporting documents, such as delivery notes, monitoring reports, receipts, payment vouchers, invoices, or beneficiary lists, making it difficult to verify how the funds were utilised.

*The Committee inferred that payments without adequate supporting documents to substantiate expenditures cannot be accepted as genuine disbursements and therefore recommends that all future payments be fully supported by appropriate documentations as provided for in Regulation 101 of PFM Regulations, 2018.*

#### 34.1.3 Statutory Deductions Not Paid

The Committee found that Local Councils did not comply with Section 116 of the Income Tax Act, 2000 and Section 25 of the NASSIT Act, 2001 regarding deductions and remittances of withholding taxes and NASSIT contributions. In some instances, Councils deducted these amounts, but failed to remit them to the NRA or NASSIT. Owing to its firm approach to recovering funds, the Committee recovered a total of NLe 440,004,850 from the FCC and WARD-C paid to the appropriate institutions.

*The Committee recommends that Local Councils take immediate steps to ensure compliance with Section 116 of the Income Tax Act, 2000 and Section 25 of the NASSIT Act of 2001 regarding deductions and remittances of withholding taxes and NASSIT contributions.*

#### 34.1.4 Own-Source Revenue Targets Not Achieved

The Committee identified several factors contributing to the poor collection of revenue during its review of the audit reports. These include unrealistic revenue projections, the absence of a comprehensive database of property, and a lack of urgency from Management in collecting the necessary revenue. Additionally, an ineffective Cadastral System, ongoing disputes between Local and Chiefdom authorities over control of certain revenue streams, and the exclusion of Councilors from the property valuation process further exacerbated the issue.

*In view of the above, the Committee recommends that:*

- ⇒ *the Contractor of the CADASTRE and PETRA Software System must have physical presence in Sierra Leone to enable early detection and regularisation of faults;*
- ⇒ *the Cadastral System be replaced with the MOPTAX Software which is user friendly and can allow the use of mobile phones to assess and pay or remit property taxes which will enhance revenue generation of Local Councils;*
- ⇒ *Local Councils should engage in thorough analysis and forecasting to establish more realistic revenue projections based on historical data and current economic conditions;*
- ⇒ *Without further delay, the Ministry of Local Government and Community Affairs should develop a framework for resolving disputes between Local Councils and Chiefdom authorities over revenue generation and sharing of precepts, taking into account Section 105 of the PFM Act, 2016, Section 65 of the Local Government Act, 2022 and Regulation 244 and 246 of the PFM Regulations, 2018. Regular dialogue and collaboration should be encouraged to promote shared objectives and prevent revenue loss;*
- ⇒ *Councils must establish and maintain a detailed database of all properties within their localities. This database should include information on property ownership, valuation, and tax status to enhance revenue collection and should be regularly updated;*
- ⇒ *Councilors be incorporated in the valuation and assessment of properties, leveraging on their knowledge of the communities; and*
- ⇒ *the Minister of Local Government and Community Affairs is urged to presents and or table in Parliament Statutory Regulations governing the said Act as enshrined in Section 23 of the Local Government Act, 2022*

#### **34.1.5 Lack of Comprehensive Database of Revenue Streams/Properties**

During the review of the 2021 and 2022 audit reports, the Committee found that the Councils do not maintain a comprehensive database of their revenue streams and properties. As a result, their revenue projections are often unrealistic, relying more on guesswork than reliable data. For example, some Councils included projected revenue from Native Doctors without even knowing how many Native Doctors operate in their areas.

*Consequent upon the above, the Committee recommends that Councils should establish a comprehensive database that accurately tracks all revenue streams and properties. This database should include detailed information about local businesses and services. By using this data to inform revenue projections, Councils can develop more realistic and scientifically based financial forecasts, ultimately improving their budgeting and resource allocation processes.*

#### **34.1.6 Late or Non-Submission of Accountable Documents**

Despite repeated requests for the timely submission of documents to the auditors during the audit process, the Committee observed significant delays in providing the necessary documents for verification by Local Councils.

*To address the issue of late or non-submission of accountable documents, the Committee recommends the following measures:*

- *Local Councils should comply and submit documents within the required timeframe in order to avoid the risk of penalty charges as provided for in Section 89 of the Local Government Act, 2022 and Section 93 of the PFM Act, 2016;*
- *Local Councils should develop a tracking system to monitor the status of document submissions. This system can help identify delays early and ensure timely follow-ups with responsible parties;*
- *Councils designate specific individuals or teams within each Council to be accountable for gathering and submitting required documents. Clear roles and responsibilities will promote accountability and streamline the process.*
- *Councils establish a system of consequences for departments or individuals who fail to meet submission deadlines. This could include performance reviews or other accountability measures; and*
- *Councils conduct periodic reviews of the audit process to identify bottlenecks or areas for improvement. Incorporating feedback from auditors can enhance the efficiency of document submission.*

#### **34.1.7 Ineffective Records Management**

The Committee also observed lack of due diligence by the Managements of Local Councils in maintaining financial records. This was evident in their failure to properly file and organise accountable documents.

*To improve the maintenance of financial records, the Committee recommends the following actions:*

- *Councils should implement a comprehensive document management system to ensure proper filing, organisation, and easy retrieval of all accountable documents;*
- *develop clear guidelines and protocols for the filing and storage of financial records. This should include standardised formats and categorisation methods for different types of documents.*
- *provide trainings for staff involved in financial records-keeping on the importance of proper documentation, filing procedures, and compliance with records-keeping standards; and*
- *schedule periodic audits to assess the effectiveness of financial record maintenance and identify areas for improvement. These audits should include checks on the accuracy and completeness of filed documents.*

#### **34.1.8 Absence of Service Level Agreement between Councils and Councillors**

During the review of the audit reports, the Committee was alarmed by the behaviour of Councillors who, after failing to secure their party symbols for re-election, absconded with Council assets, particularly motorbikes. The Committee attributed this issue to the absence of a Service Level Agreement with Councilors governing the use of motorbikes.

*To prevent this from happening, the Committee recommends the following:*

- *Councils should implement formal Service Level Agreements with all Councillors regarding the use and management of motorbikes and other assets. These agreements should clearly outline responsibilities, usage terms, and procedures for asset return upon leaving office.*
- *Regular inventory checks should be conducted to account for all Council assets, including motorbikes. This will help identify any discrepancy and ensure accountability;*
- *develop a robust asset management system that tracks the allocation and usage of all Council assets. This system should include documentation of who is assigned each asset and the terms of use;*
- *establish clear consequences for Councillors who fail to comply with the terms of the Service Level Agreements, including potential legal action for the unauthorised retention and use of Council assets; and*
- *Maintain open lines of communication with Councillors regarding assets usage and management. Regular reminders of their responsibilities can help reinforce accountability.*

Table 4: AUDIT ISSUES CONSIDERED RESOLVED BY THE COMMITTEE WITH FURTHER RECOMMENDATIONS

No	Local Council	Audit Findings & Committee's Observation	Committee's Recommendations /Conclusions
1.	FREETOWN CITY COUNCIL [FCC] 2022	With regard 'non-payment of statutory obligations' to the tune of NLe461,446.33 for 2022 and NLe274,179.00 for 2021 financial years, the FO presented receipts dated 13 <sup>th</sup> August, 2024.	<i>The Committee considered this audit issue resolved and recommended that it be deleted from the audit report.</i>
		Regarding 'differences observed between the framework contract and the invoice prices,' the FO submitted the revised version of the contract which the Committee noted to have been corrected.	<i>Therefore, the Committee declared this query resolved and recommended that it be expunged from the audit report.</i>
	FREETOWN CITY COUNCIL [FCC] 2021	On 'irregularity with financial impact,' the Committee observed from the review of documents presented that the audit query has been settled.	<i>In this regard, the Committee considered the issue resolved and recommended that it be deleted from the audit report.</i>
		On 'payments without supporting documents' totalling Le 59,900,000 and 183,000,000 in respect of payments without payment Vouchers [PVs] and inadequate supporting documents respectively, the FO presented the documents to the Committee, adding that the delay was due to the fact that most of the transactions were still ongoing during the audit period.	<i>Whilst considering the issue resolved and recommended that it be dropped, the Committee however issued stern warning against late or non-submission of accountable documents to the auditors, stating that the PAC, going forward, would start imposing penalties for late or non-submission of documents.</i>
		On 'contract not executed, the Committee observed that the Community claimed ownership of the piece of land where the Mini Grain Store was supposed to have been constructed and therefore did not allow the contractor to do his work; and the matter was	<i>The Committee considered this matter resolved and therefore recommended its removal from the audit report.</i>

No	Local Council	Audit Findings & Committee's Observation	Committee's Recommendations /Conclusions
		investigated by the ACC and the contractor was asked to refund the sum of <b>Le 57,684,620</b> . The said amount has been refunded by the contractor.	
		In relation to the 'use of wrong procurement method to avoid competition,' the Committee observed that the action of Council in respect of this issue was deliberate.	<i>Whilst considering this audit query resolved and thus recommended it removal from the audit report, Management was however cautioned that in future the correct procurement method be applied in order to avoid the risk of penalty charges.</i>
2.	TONKOLILI DISTRICT COUNCIL - 2021	In relation to 'contract not executed' [construction of bridges, culverts and the rehabilitation of the Mile 91 Market], the Committee observed that the bridges and culverts have been constructed, and the market was also rehabilitated and has been put into use.	<i>In view of the above, the Committee considered this issue resolved and recommended that it be dropped.</i>
	TONKOLILI DISTRICT COUNCIL - 2022	Regarding 'payment without supporting documents,' the CA submitted documents totalling <b>Le 57,800,000</b> . The Committee observed from the review of the said documents that they were adequate.	<i>In view of the above, the Committee considered this issue resolved and recommended for it to be dropped.</i>
		With regard 'annual budget prepared and executed without a development plan,' Council submitted signed development plan to the Committee, but the one presented to the audit team was not signed and was rejected by the auditors.	<i>Whilst considering this issue resolved and recommended its removal from the audit report, Management was cautioned that in future, signed documents are submitted to the audit team; otherwise penalties would be imposed for non-compliance.</i>

No	Local Council	Audit Findings & Committee's Observation	Committee's Recommendations /Conclusions
		In relation to 'non-payment of statutory obligation' to the tune <b>Le 91,760,000</b> in respect of withholding taxes, the Committee observed from the review of the receipts presented that the full amount has been paid to NRA.	<i>The Committee proclaimed this issue resolved and recommended that it be expunged from the audit report. Management was however advised to be honouring their statutory obligations on time, so as to minimise the risk of penalty charges.</i>
		On 'payments without supporting documents' for an amount totalling <b>Le 142,000,000,</b> the Committee noted from the review of documents that the issue has been addressed.	<i>Whilst considering this issue as resolved and recommended for its deletion from the audit report, the Committee however noted with grave concern over the inordinate delay in availing documents to the auditors. Thus, the Committee strongly advised that in future, all supporting documents be availed to the auditors at the time of audit.</i>
		In relation to 'irregularities in expenditure management,' the Committee noted from the review of documents in respect of payment for the purchase of EDSA Prepaid Meter that the issue has been adequately addressed.	<i>The Committee considered this audit query resolved and therefore recommended that it be removed from the audit report.</i>
		On 'fixed assets procured not made available for physical verification,' the Committee observed that the Councillors absconded with the motorbikes after losing their party symbols or the 2023 elections. However, the Committee further noted that the motorbikes have been recovered.	<i>In view of the fact that the motorbikes have been retrieved, the Committee declared the query resolved and recommended that it be dropped. Management was however advised that in order to avoid a recurrence of this issue, Council should develop a Service Level Agreement with all Councillors before giving them motorbikes.</i>

No	Local Council	Audit Findings & Committee's Observation	Committee's Recommendations /Conclusions
		Regarding 'Council's failure to provide evidence of ownership of vehicles, motorbikes and tricycles,' the Committee observed from its discussions with Management that the assets in question were donated to Council without life cards, but they are no longer roadworthy.	<i>Whilst pronouncing this query as resolved and recommended for its removal from the audit report, the Committee encouraged Management to ensure that in future, similar donations are accompanied with life cards and those that are not roadworthy are disposed in accordance with provisions of the law before removal from their assets register.</i>
		With regard 'salary paid to absentee staff,' the Committee observed that the said core staff [the CA and FO] have not been signing the attendance register for a couple of months, but they have going to work.	<i>The Committee declared this issue resolved and thus recommended that it be closed. However, the Committee condemned Management's failure to address this problem, adding that such behaviour is not a good example for the other staff. The Committee promised to impose severe consequences in the event such negligence is reported again.</i>
		In relation to 'payment for services and works not executed,' the Committee observed that the projects have been completed and the insurance covers were also presented to the Committee for inspection.	<i>In view of the foregoing, the Committee proclaimed this audit query resolved and recommended for its deletion from the audit report.</i>
		Regarding 'procurement documents not submitted' in respect of contract agreement for the construction of culverts at Magbafth Junction to Makundu in Yoni Mabanta Chiefdom and performance securities, the Committee observed from the documents reviewed that the projects have been completed.	<i>Contingent upon the above, the Committee announced this audit query resolved and therefore recommended that it be closed. However, Management was admonished to treat the aspect of performance security with seriousness, so that in the event a contractor abandons the contract Council will have something to fall on.</i>

No	Local Council	Audit Findings & Committee's Observation	Committee's Recommendations /Conclusions
3.	FALABA DISTRICT COUNCIL - 2021	In 'relation to irregularities with financial impact in respect of tax, procurements and stores' the Committee observed from the review of documents that Management has adequately addressed this audit query.	<i>In view of the fact that Management submitted photos of road signs, bridges constructed, people holding the flags, and copies of bank statements and counterfoils as previously requested, the Committee declared this audit query resolved and recommended that it be dropped.</i>
		Regarding 'flawed payment system for contracts' undertaken by Council, the Committee noted that there was no misappropriation of funds.	<i>With that in mind, the Committee declared the issue resolved and recommended its removal from the audit report.</i>
		On 'payment without supporting documents,' the Committee confirmed with the auditors, after the review of documents, that the issue has been adequately addressed.	<i>Whilst considering this audit issue resolved and recommended that it be deleted from the audit report, the Committee however noted with grave concern the inordinate delay in availing documents to the auditors. Therefore, Management was strongly advised to ensure that supporting documents are made available for verification at the time of audit.</i>
		With regard 'assets procured but not put in use due to poor priority needs assessments,' the Committee observed from its engagements with Management team that the said assets have now been put to use.	<i>Consequent upon the above, the Committee marked this issue resolved and recommended its removal from the audit report.</i>
		In relation to the 'delay in the implementation of key activities in the EU project,' the Committee observed that the project has been completed and the delay was as a result of the fact that funds were not provided on time.	<i>Having that in mind, the Committee pronounced this issue resolved and recommended that it be removed from the audit report.</i>

No	Local Council	Audit Findings & Committee's Observation	Committee's Recommendations /Conclusions
		Regarding 'other procurement and contract management irregularities,' the Committee observed from the submissions made by Management that the defects with the road maintenance works along Mongo Bendugu have been corrected and the damaged culverts have also been repaired.	<i>The Committee proclaimed this issue resolved and recommended its removal from the audit report. However, the Committee promised to visit all project sites during its public hearings on the 2023 Audit Report, so as to obtain firsthand information on the status of those projects.</i>
4.	FALABA DISTRICT COUNCIL - 2022	<p>In relation to 'own source revenue below budgeted figure,' the Committee observed several factors that have resulted to the poor collection of revenue, such as unrealistic revenue projections, lack of comprehensive database of property and other revenue streams, faulty property CADASTRE System, interference by the Paramount Chiefs and lack of Management commitments.</p> <p>Regarding 'the CADASTRE System and lack of control over receipt books,' the Committee noted that:</p> <ul style="list-style-type: none"> <li>⇒ Management has addressed the abnormalities detected in the receipt books, such as entering information with pencil and entering amounts without carbon; and</li> <li>⇒ the faulty nature of the CADASTRE System could not allow certain key staff to have access to the System and that also resulted in the differences noted in Statement 16 and the CADASTRE System.</li> </ul>	<p><i>The Committee declared this issue resolved, and recommended that it be dropped. However, Management was heartened to develop a comprehensive database of all revenue streams and conduct a thorough valuation exercise of taxable property within the district to enable Council to provide realistic revenue projections. Management was also advised to put measures in place in order to ensure effective revenue mobilisation.</i></p> <p><i>In consideration of the fact that Council has addressed the issues relating to the receipt books, PAC declared same as resolved and recommended that it be erased from the audit report. Management was however advised to replace the Cadastre System with the MOPTAX Software, a mobile property tax system that supports property taxation programme for the generation of revenue.</i></p>

No	Local Council	Audit Findings & Committee's Observation	Committee's Recommendations /Conclusions
		With regard 'statutory obligations in respect of withholding taxes [NLe65,250] and NASSIT [NLe5,702] not paid,' the Committee observed from the review of receipts presented that the full amounts have been paid.	<i>The Committee pronounced this audit query resolved and recommended that it is closed. However, the Committee noted with grave concern the inordinate delay in the payment of statutory obligations and therefore advised Management to ensure that statutory obligations are paid on time so as to minimise the risk of penalty charges.</i>
		In relation to 'payments totally NLe64,809.00 without adequate supporting documents,' the FO presented the delivery notes, invoices, beneficiaries list and back-to-office report; adding that some of the activities were still ongoing at the time of the audit.	<i>Whilst considering this audit query resolved and recommended its removal from the audit report, the Committee expressed grave concern over the manner Council has consistently failing to avail documents to the auditors at the time of the audit exercise and therefore advised that in future accountable documents are submitted on time.</i>
		With regard 'drugs not supplied,' the Committee noted from its engagements with Management and the review of documents that the drugs were supplied after the stipulated timeframe.	<i>Whilst considering this issue resolved and recommended that the query be dropped, the Committee however faulted Management for the delay in supplying the drugs, stating that such delays could have had negative consequences on the lives of the beneficiaries. The Committee warned that if this audit query appears in future audit reports, Council's core staff would bear the consequences.</i>
		On the issue relating to 'bid rigging,' the Committee observed based on the review of documents	<i>The Committee considered this issue resolved and recommended that it be dropped.</i>

No	Local Council	Audit Findings & Committee's Observation	Committee's Recommendations /Conclusions
		presented that the query has been addressed and Management promised to do the needful going forward.	
5.	KAMBIA DISTRICT COUNCIL – 2021	<p>With regard 'malfunctioning CADASTRE System,' the Committee observed that the Software Developer resides in South Africa; and as a result, the faulty Software was usually taken to the Developer for maintenance. Delays and lack of funds undermined Council's efforts to generate the required revenue.</p> <p>Regarding the 'improper use of receipt books in the collection of own source revenue,' the Committee noted that an investigation was launched and the staff who were involved in the fraud were penalised, adding that one was dismissed while the other was transferred to other Council based on the gravity of their offences.</p> <p>In relation to 'payment made without supporting documents,' the Committee observed from the review of documents that the matter was addressed after the completion of the audit exercise.</p> <p>On 'grants not transferred to the Ministry of Youths Affairs,' the Committee noted that the total amount of Le 11,079,707.00 was transferred to the Ministry</p>	<p><i>In consideration of the above, the Committee declared the issue resolved and recommended its removal from the audit report. Management was however advised to replace the Cadastre System with the MOPTAX Software, which has been proven, in other Councils, to be effective, economical, and user friendly.</i></p> <p><i>The Committee declared this query resolved and recommended that it be deleted from the audit report. However, the Committee commended Management's disciplinary action against the said staff, which could serve as deterrent to other staff who would want to indulge in similar fraudulent activity.</i></p> <p><i>Declaring this audit query resolved and recommended that it be closed, the Committee however expressed serious concern over the manner in which Council disbursed funds without the relevant supporting documents and recommended that in future, disciplinary actions would be taken against the responsible officers.</i></p> <p><i>The Committee pronounced this issue resolved and recommended that it be dropped. However, the Committee warned against the</i></p>

No	Local Council	Audit Findings & Committee's Observation	Committee's Recommendations /Conclusions
		after the stipulated timeframe.	<i>danger behind delays, stating that the Ministry was deprived of implementing planned activities on time.</i>
		With regard 'delay in the implementation of EU Project,' the Committee noted from the review of the work completion certificate presented that the project has been completed.	<i>The Committee announced this issue resolved and recommended that it be closed. However, the Committee warned against the danger behind delays, adding that in future, donor funded projects should be implemented on time.</i>
	KAMBIA DISTRICT COUNCIL - 2022	In relation to 'own source revenue below budgeted figure,' the Committee observed several factors to have caused the poor collection of revenue, such as unrealistic revenue projections, lack of comprehensive database of property and other revenue streams, faulty property CADASTRE System, interference by the Paramount Chiefs and lack of commitment by Management.	<i>The Committee considered this issue resolved, and recommended that the query be dropped. Nevertheless, Management was heartened to develop a comprehensive database of all revenue streams and conduct a thorough valuation exercise of taxable property within the district to enable it [Council] provide realistic revenue projections. Management was also advised to put strict measures to ensure effective revenue collection.</i>
6.	KOINADUGU DISTRICT COUNCIL - 2021	In relation to 'irregularities with financial impact,' the FO tendered in evidence completion certificate, stating that the road has been completed.	<i>In light of the above, the Committee declared this issue resolved and recommended that it be dropped.</i>
		Regarding 'malfunctioning CADASTRE System,' the Committee observed that in spite of the fact that Council spent huge amount of money to renew the license, the System continued to pose serious challenges and the Developer is hardly accessed on	<i>In view of the above, the Committee declared the issue resolved and therefore recommended that it be dropped. Management was instructed to replace the Cadastre System with the MOPTAX Software, which has proven to be</i>

No	Local Council	Audit Findings & Committee's Observation	Committee's Recommendations /Conclusions
		time because he resides in South Africa.	<i>effective, user friendly and economical.</i>
		With regard 'imbalanced budget in the Financial Statement,' the Committee disclosed that this query is not an issue because budgeted expenditure and budgeted revenue are mere proposals. The Committee however noted that both budgeted revenue and budgeted expenditure were unrealistic.	<i>With that in mind, the Committee announced this issue resolved and recommended that the query be removed from the audit books. Management was advised to ensure that budgeted revenue and budgeted expenditure be made realistic.</i>
		Under 'contract not executed,' the Committee noted that Management deliberately failed to execute the contract totalling NLe6,310. As part of its recovery efforts, the Committee wrote to the Accountant General for garnishment of both the former CA and FO's accounts, and the said amount has been recouped.	<i>Whilst considering this issue resolved and thus recommended that the query be dropped, Management was strongly warned that in future, contracts should be fully executed.</i>
	KOINADUGU DISTRICT COUNCIL - 2022	In relation to 'own source revenue below budgeted figure,' the Committee observed several factors to have caused the poor collection of revenue, such as unrealistic revenue projections, lack of comprehensive database of property and other revenue streams, faulty property CADASTRE System interference by the Paramount Chiefs and the lack of commitment by Management.	<i>The Committee declared this issue resolved, and therefore recommended that the query be dropped. However, Management was heartened to develop a comprehensive database of all revenue streams and conduct a thorough valuation exercise of taxable property within the district to enable Council to provide realistic revenue projections. Management was also advised to put strict measures in place to ensure effective revenue collection.</i>

No	Local Council	Audit Findings & Committee's Observation	Committee's Recommendations /Conclusions
7.	BOMBALI DISTRICT COUNCIL - 2021	Regarding 'irregularities with financial impact' to the tune of Le 9,219,063.00, the Committee noted from the review of documents presented that the issue has been adequately addressed.	<i>In view of the foregoing, the Committee declared the issue resolved and recommended that it be deleted from the audit report. However, the Committee expressed dissatisfaction over Council's failure to avail documents to the auditors at the time of audit due to poor records management and therefore informed Management that in future, such failure would attract punitive action.</i>
		With regard 'value for money not achieved in developing a revenue CADASTRE System,' the Committee noted that the Software has not been installed at the time of the audit exercise, but it had been installed and is now functional.	<i>The Committee announced this issue resolved and recommended that the query be dropped, and the audit team should follow-up on this issue in their next audit exercise.</i>
		With regard 'budget overspent to the tune of Le62,332,500,' the Committee observed from the review of evidence tendered that the said amount was a rollover from the previous financial year and the overrun was approved by Council.	<i>In consideration of the fact that the overrun was approved by Council, the Committee declared this query resolved and recommended its deletion from the audit report. Management was however cautioned to ensure proper budget planning and execution going forward.</i>
	BOMBALI DISTRICT COUNCIL - 2022	In relation to 'own source revenue not collected,' the Committee observed several factors to have caused the poor collection of revenue, such as unrealistic revenue projections, lack of comprehensive database of property and other revenue streams, faulty property CADASTRE System, interference of	<i>The Committee declared this issue resolved, and therefore recommended that the query be dropped. However, Management was heartened to develop a comprehensive database of all revenue streams and conduct a thorough valuation exercise of taxable property within</i>

No	Local Council	Audit Findings & Committee's Observation	Committee's Recommendations /Conclusions
		Paramount Chiefs in the collection process and lack of commitments by Management.	<i>the district to enable it provides realistic revenue projections. Management was also advised to put strict measures in place to ensure effective revenue collection.</i>
		With regard 'payment without supporting documents' totalling NLe 40,800,' the Committee received and observed from the review of documents the issue has been addressed.	<i>The Committee considered this query resolved and recommended its removal from the audit report. However, the Committee expressed disappointment over the manner in which Council disbursed funds without the relevant supporting documents, contrary to the regulations governing financial management and recommends that in future disciplinary action would be taken against the responsible officer[s], including those who authorised such payments.</i>
		On 'salary paid to absentee staff' to the tune of NLe 7,260.00, the Committee noted that the staff in question was on approved sick leave based on the valid medical report submitted during Committee hearing.	<i>Based on the foregoing, the Committee declared the issue resolved and recommended its removal from the audit report.</i>
		On the issue relating to the 'construction of submersible water pump without electricity,' the Committee observed that Council has adequately addressed this query as electricity is now available.	<i>In consideration of the above, the Committee pronounced this issue resolved and recommended its deletion from the audit report.</i>

No	Local Council	Audit Findings & Committee's Observation	Committee's Recommendations /Conclusions
		Regarding 'no segregation of responsibilities within the procurement process,' the Committee noted from the review of evidence tendered that the issue has been substantially addressed, as the CA is only chairing the Procurement Committee and no longer chairing the Evaluation Committee.	<i>In that regard, the Committee declared the issue resolved and recommended its removal from the audit report.</i>
8.	MAKENI CITY COUNCIL - 2021	With regard 'irregularities with financial impact' in respect of withholding tax and contracts execution to the tune of <b>Le 96,447,439.00</b> , the CA tendered in evidence receipts and the revised Financial Statement, disclosing that it was a system error.	<i>The Committee pronounced this issue resolved and recommended that the query be dropped.</i>
		With regard 'dormant accounts not closed,' the Committee discovered that there was no money in those accounts and the said accounts have been closed.	<i>The Committee declared the issue resolved and recommended that it be dropped.</i>
9.	MAKENI CITY COUNCIL - 2022	In relation to 'own source revenue not collected,' the Committee observed a number of factors which have caused the poor collection of revenue, such as unrealistic revenue projections, lack of comprehensive database of property and other revenue streams, ineffective CADASTRE Software, interference of Paramount Chiefs in the collection process and lack of commitment by Management.	<i>The Committee declared this issue resolved, and therefore recommended that its be expunged from the audit report. However, Management was encouraged to develop a comprehensive database of all revenue streams and conduct a thorough valuation exercise of taxable property within the district to enable it provides realistic revenue projections. Management was also advised to put in place measures that geared towards ensuring effective revenue mobilisation.</i>
		On 'bid securities not presented for audit verification,' the FO tabled the bid securities to support his	<i>After a thorough review of the documents presented, the Committee pronounced this</i>

No	Local Council	Audit Findings & Committee's Observation	Committee's Recommendations /Conclusions
		submission that the matter has been resolved.	<i>matter resolved and recommended its removal from the audit report.</i>
		Regarding 'salaries paid to two core staff who were absent from work,' the Committee observed from the review of evidence submitted that the said staff were absent for almost a year without any formal excuse. The Committee further noted that the staff in question were paid directly by the Accountant General, but both of them have now retired.	<i>The Committee noted existing communication gap between Council and the Accountant General and therefore recommended that in future Council notify the Accountant General immediately a staff retires, dies or resigns. The Committee however declared the matter closed.</i>
		Regarding 'payments of sitting allowances to absentee Councillors,' the Committee noted that it is impossible for a healthy Councillor to be absent from all Council meetings, stating that apart from Council meetings [like Members of Parliament], Councillors also belong to several Council committees where they perform legitimate functions.	<i>In view of the above, the Committee recommended that ASSL ceases from querying Councillors' sitting allowances, but Councillors wishing to be excused from attending a particular meeting should submit a formal letter of excuse to the CA for reference purposes.</i>
10.	KONO DISTRICT COUNCIL - 2022	Regarding 'malfunctioning CADASTRE System,' the Committee observed that in spite of the fact that Council spent huge sums of money on licenses renewal, the System continued to pose serious challenges and Council is forced to use a standalone laptop computer.	<i>In consideration of the above, the Committee declared the issue resolved and recommended that the query be dropped. However, Management was instructed to replace the Cadastre System with the MOPTAX Software, which has proven, in other Councils, to be effective, user friendly and economical.</i>

No	Local Council	Audit Findings & Committee's Observation	Committee's Recommendations /Conclusions
		With regard 'own source revenue not collected,' the Committee observed several factors to have caused poor collection of revenue, such as unrealistic revenue projections, lack of comprehensive database of property and other revenue streams, faulty property CADASTRE Software, interference of Paramount Chiefs in the collection process and lack of commitment by Management.	<i>The Committee declared this issue resolved, and recommended that the query be deleted from the audit report. However, Management was encouraged to develop a comprehensive database of all revenue streams and conduct a thorough valuation exercise of taxable property within the district to enable Council to provide realistic revenue projections. Management was also advised to put in place strict measures to ensure effective revenue collection.</i>
		In relation to 'misstatement of cash and cash equivalent in the FS,' the Committee observed that the FS has been revised and the anomaly corrected. The Committee however discovered that regular reconciliation has not been performed.	<i>In consideration of the fact that the FS has been revised, the Committee marked this issue resolved and recommended its removal from the audit report. Council was however advised to ensure regular reconciliations so as to detect and correct any errors in a timely manner.</i>
		With regard to 'non-payment of statutory obligations' in respect of withholding taxes to the tune of NLe54,927.34, the Committee noted from the review of the receipt presented that the said amount has been paid into the NRA account.	<i>With that being ascertained, the Committee noted that this issue has been resolved and thus recommended that it be erased from the audit report. However, Management was cautioned that in future, statutory deductions be paid on time in order to avoid or minimise the risk of penalty charges.</i>
		On 'failure to account for revenue collected' to an amount totalling NLe146,619,' Management submitted the pay-in-slips to the PAC for verification.	<i>The Committee observed from the verification exercise that the documents were adequate and recommended that the query be dropped. Management was also advised that in future, revenue collected is properly accounted for.</i>

No	Local Council	Audit Findings & Committee's Observation	Committee's Recommendations /Conclusions
		Regarding 'payment without adequate support documents' to the tune of NLe35,000.00, the FO presented documents to support his submission that the matter has been settled. The Committee informed Management that payments without adequate supporting documents could not be accepted as genuine disbursements.	<i>With that being verified, the Committee proclaimed this matter resolved and recommended that it be removed from the audit report. Management was however cautioned that henceforth all payment vouchers should be supported with the relevant documents.</i>
		Relating to 'fixed assets not verified,' the Committee noted from its discussions with Management that six Councillors absconded with six motorbikes, but Management has retrieved all of them from the Councillors.	<i>In view of the fact that the motorbikes have been recovered from the Councillors, the Committee declared the issue resolved and recommended that it be dropped. Management was advised to ensure that they develop a Service Level Agreement with all Councillors before giving them motorbikes.</i>
		Concerning 'irregularities in the NCB contract administration,' the Committee observed from the review of the AG's reports and documents tendered by Management that: ⇒ a contract for the construction of 16-meter reinforced concrete bridge was awarded before the closing date and the advert was only done in one newspaper, instead of three; ⇒ the advert was published for one day instead of 14 days and the 30% advanced payment guarantee by the successful bidder contained scanned signature; and ⇒ the contract in question has been fully implemented.	<i>In that regard, the Committee announced the query resolved and recommended that it be dropped. Nevertheless, Management was advised that in future, procurement procedures are strictly followed.</i>

No	Local Council	Audit Findings & Committee's Observation	Committee's Recommendations /Conclusions
		With regard 'irregularities in the RfQ contract administration,' the Committee noted from the review of documents tendered by Management in respect of contracts awarded without valid documents has been adequately addressed.	<i>In view of the fact that issues raised under this query have been attended to, the Committee marked same as resolved and recommended that it be removed from the audit report.</i>
11.	BONTHE DISTRICT COUNCIL – 2021	Regarding 'no evidence of a functional CADASTRE System,' the Committee observed that the System was initially faulty and that prevented Council from printing demand notices, but it has been fixed and is currently functional.	<i>In consideration of the above, the Committee acknowledged this issue resolved and recommended that the query be dropped. However, Management was encouraged to search for a user friendly Software, such as the MOPTAX Software, which is noted to be economical and effective.</i>
		In relation to 'own source revenue not collected for both 2021 and 2022 FYs,' the Committee observed several factors to have caused poor collection of revenue, such as unrealistic revenue projections, lack of comprehensive database of property and other revenue streams, faulty property CADASTRE Software, interference of Paramount Chiefs in the collection process and Management's exhibition of laissez faire attitude.	<i>The Committee declared this matter resolved, and therefore recommended that it be dropped. However, Committee encouraged Council to develop a comprehensive database of all revenue streams and conduct a thorough valuation exercise of taxable property within the district to enable Council to provide realistic revenue projections. Management was also advised to put measures in place that geared towards ensuring effective revenue collection.</i>

No	Local Council	Audit Findings & Committee's Observation	Committee's Recommendations /Conclusions
		On 'dormant accounts not closed and stale cheques not removed from the PETRA System,' the Committee discovered from the evidence presented to it that the stale cheques have been cancelled and reversed, and that the dormant accounts have also been closed.	<i>Based on the foregoing, the Committee announced this issue resolved and recommended that the query be deleted from the audit report. However, Management was cautioned that in future, stale cheques are immediately cancelled and all dormant accounts are closed.</i>
	BONTHE DISTRICT COUNCIL - 2022	About 'failure to account for revenue collected,' the Committee observed from the review of receipt books presented by the FO that the queried amount tallied with what was in the documents, adding that the issue has been addressed.	<i>In view of the above, the Committee marked the issue resolved and therefore recommended its deletion from the audit report. Management was however advised that in future, revenue collected is properly accounted for.</i>
12.	PUJEHUN DISTRICT COUNCIL - 2021	On 'own source revenue below budgeted figure,' the Committee observed that Council has made significant progress in revenue collection as it has almost surpassed target as at 1 <sup>st</sup> August, 2024.	<i>Whilst proclaiming this issue as resolved and recommended its removal from the audit report, the Committee applauded Management for the massive improvement in revenue mobilisation and therefore advised the Management team to employ more revenue collectors.</i>
13.	KENEMA CITY COUNCIL - 2022	Regarding 'own source revenue not collected,' the Committee observed several factors to have caused poor collection of revenue, such as unrealistic revenue projections, lack of comprehensive database of property and faulty property CADASTRE Software. The Committee however noted that Council has migrated from the property	<i>Whilst proclaiming this issue resolved and recommended that the query be removed from the audit report, the Committee commended Management for such improvement in revenue mobilisation and therefore advised that more robust strategies be put in place to enhance</i>

No	Local Council	Audit Findings & Committee's Observation	Committee's Recommendations /Conclusions
		CADASTRE Software to the MOPTAX Mobile Software and is proven to be economical and effective.	<i>revenue collection.</i>
		In relation to 'contract for revenue collection not reviewed,' the Committee noted from the review of documents presented that the said contract agreement between Council and Ndoma Enterprise in respect of surveys or assessments of market dues collection has been recently reviewed.	<i>With that in mind, the Committee marked this issue resolved and recommended that it be deleted from the audit report. The Committee heartened Management that in future, similar contract be reviewed regularly.</i>
		In relation to 'invitation to bid not published,' the PO submitted the bids to the Committee, stating that the delay for the submission of the bids to the auditors was due to misfiling.	<i>The Committee pronounced this audit query resolved and recommended that it be removed from the audit report. Nevertheless, Management was encouraged to ensure that in future, procurement documents are properly filed for reference purposes, otherwise disciplinary action would be taken for disregard and negligence.</i>
14.	KAILAHUN DISTRICT COUNCIL - 2021	With regard 'faulty Cadastre System,' the Committee observed that the System has been fixed and is currently working. The Committee, however, discovered that Council is challenged with electricity; and worst of all, the standby generator consumes 50 liters per day.	<i>Whilst declaring this issue resolved, the Committee recommended that it be removed from the audit report. Management was however advised to make adequate budgetary provision for the procurement of a cost effective generator or solar light, so as to address Council's electricity challenge.</i>

No	Local Council	Audit Findings & Committee's Observation	Committee's Recommendations /Conclusions
	KAILAHUN DISTRICT COUNCIL - 2022	On the issue relating to 'salary below the minimum wage,' evidence tendered therein revealed that the Council is now paying the minimum wage of NLe 800.	<i>On the basis of the above, the Committee declared this query resolved and therefore recommended its removal from the audit report.</i>
		In relation to 'own source revenue not collected, the Committee observed several factors to have caused poor collection of revenue, such as unrealistic revenue projections, lack of comprehensive database of property and faulty property CADASTRE Software. Nonetheless, the Committee noted that the CADASTRE System is now functional and effective, and an MoU has been developed with the Paramount Chiefs regarding collection and sharing of local tax precepts.	<i>The Committee considered this issue resolved, and therefore recommended its deletion from the audit report. However, Management was encouraged to develop a comprehensive database of all revenue streams and conduct a thorough valuation exercise of taxable property within the district to enable Council provides realistic revenue projections. Management was also advised to put measures in place that geared towards ensuring effective revenue collection.</i>
	BO CITY COUNCIL - 2021	With regard 'procurement of specialised drugs not included in the approved procurement plan,' the Committee observed from the review of the procurement plan that it has been revised and that the said drugs have been included in the plan.	<i>With that being confirmed, the Committee pronounced the query closed and therefore recommended that it be deleted from the audit report. Nevertheless, Management was warned not to undertake any activity that is not in the procurement plan, otherwise they would bear the brunt of the Committee.</i>
	BO CITY COUNCIL - 2022	In relation to the 'use of wrong method for the procurement of stationery and equipment,' the Committee discovered that Management was on track because the Act was amended in 2019 which sets the threshold to Le100,000,000 for RfQ,	<i>In view of the above, the Committee proclaimed this query resolved and therefore recommended that it be deleted from the audit report.</i>

No	Local Council	Audit Findings & Committee's Observation	Committee's Recommendations /Conclusions
		instead of Le50,000,000 before 2019.	
		With regard to 'own source revenue not collected,' the Committee observed a number of factors that caused poor collection of revenue, such as unrealistic revenue projections, lack of comprehensive database of property and faulty property CADASTRE Software. Nonetheless, the Committee noted that the CADASTRE System is now functional and effective, and an MoU has been developed with Paramount Chiefs regarding the collection and sharing of local tax precepts.	<i>The Committee declared this issue resolved, and recommended its deletion from the audit report. However, Management was instructed to develop a comprehensive database of all revenue streams and conduct a thorough valuation exercise of taxable property within the city to enable Council provides realistic revenue projections. Management was also advised to put measures in place that geared towards ensuring effective revenue collection.</i>
		Relating to 'uncompleted work in the BoQ for the construction of box culverts and embankment at Johnny layout,' the Committee noted that the contract was abandoned by the contractor, but no payment was made in that regard.	<i>In this regard, the Committee declared this query resolved and recommended that ASSL follow-up on this issue in their next audit engagement.</i>
	BO DISTRICT COUNCIL - 2021	With regard 'faulty Cadastre System,' the Committee found out that the System is still posing challenges and it is one of the reasons for the fall in revenue collection. The Committee also noted that the Council did not have enough staff in the Valuation Unit and therefore decided to outsource.	<i>In consideration of the above, the Committee recommended that:  this query be deleted from the audit report and Management should search for user friendly Software that is reliable and economical; and  Management should make adequate budgetary provision for the recruitment of at least five [5] additional Valuation Officers in the Valuation Unit and these staff should be adequately trained.</i>

No	Local Council	Audit Findings & Committee's Observation	Committee's Recommendations /Conclusions
		Regarding ' <i>poor lease agreement management in respect of Bo Club House,</i> ' the Committee examined the Bo District Council's mismanagement of a lease agreement for a piece of land at Hospital Road, Bo, occupied by the Bo Club House. The Council failed to respond to a request from the landholding families in August 2020 regarding the lease expiration and did not submit the agreement for audit.	<p>A review of submissions from Bo District Council and Albertson Investments confirmed that Albertson Investments Company had initially leased the property from Bo District Council in 2011 under a structured payment plan, which included an upfront payment of Le 100 million and another payment to the tune of Le 200 million in December 2011, covering the first 15 years (2011–2026). The lease also required annual payments beyond the first 15 years.</p> <p>The Committee observed that:</p> <ul style="list-style-type: none"> <li>⇒ Bo District Council failed to secure the land when approached by the land-holding families;</li> <li>⇒ the landholding families acted lawfully in selling the property after notifying the Council of their intention to sell same, but the Council failed to respond; and</li> <li>⇒ Albertson Investments is the rightful owner, having acquired the land through a valid purchase agreement.</li> </ul> <p><i>In view of the foregoing, the Committee found no wrongdoing by Albertson Investments the landholding families and therefore declared the issue resolved and recommended its deletion from the audit report.</i></p>

No	Local Council	Audit Findings & Committee's Observation	Committee's Recommendations /Conclusions
	BO DISTRICT COUNCIL - 2022	With regard to 'revenue below target,' the Committee observed a number of factors that caused poor collection of revenue, such as unrealistic revenue projections, lack of comprehensive database of property and faulty property CADASTRE Software.	<i>The Committee declared this issue resolved, and therefore recommended its deletion from the audit report. However, Management was advised to develop a comprehensive database of all revenue streams, involving every Councillor in the valuation exercise and conducts a thorough valuation of taxable property within the district, so as to enable Council to provide realistic revenue projections.</i>
		Regarding 'no evidence of salary payment to staff,' the Committee noted that the Accountant and the Procurement Officer were not on Council's payroll. It was however noted that they have been recently been included and they are now receiving salaries.	<i>Consequent upon the above, the Committee pronounced this query resolved and therefore recommended its deletion from the audit report.</i>
	KENEMA DISTRICT COUNCIL - 2021	Regarding 'stale cheques not cancelled,' the Committee noted that it was a systemic problem, but the issue has now been corrected.	<i>Therefore the Committee pronounced this audit query as resolved and therefore recommended that it be removed from the audit report.</i>
	KENEMA DISTRICT COUNCIL - 2022	In relation to 'own source revenue not collected,' the Committee discovered a number of factors that have resulted in the poor collection of revenue, such as unrealistic revenue projections, lack of comprehensive database of businesses and mining companies, and ineffectual property CADASTRE	<i>The Committee declared this issue resolved, and recommended its deletion from the audit report. Nonetheless, Management was heartened to develop a comprehensive database of all revenue streams, involving the Councillors in the valuation of taxable property within the</i>

No	Local Council	Audit Findings & Committee's Observation	Committee's Recommendations /Conclusions
		System.	<i>district, so as to enable Council provides realistic revenue projections.</i>
		On 'no evidence of payments to contractors for work done,' the Committee noted that it was a donor funded project for the construction of a multipurpose hall and it has been completed and payment has also been made.	<i>In this regard, the Committee considered this audit query resolved and therefore recommended its removal from the audit report.</i>
		Regarding 'fixed assets procured in 2022 not available for physical verification,' the Committee observed from its discussions with the resident auditors that the matter has been addressed.	<i>Consequently, the Committee announced this query as resolved and therefore recommended that it be deleted from the audit report.</i>
	MOYAMBA DISTRICT COUNCIL - 2021	On 'contract for the rehabilitation of MCHP at Moforay Community,' the engineer tendered in evidence the completion certificate to the Committee, revealing that the rehabilitation had been done. Management further disclosed that the delay was due to the uncompleted septic tanks and that electricity had been restored at the District Medical Stores and all the leakages have been corrected.	<i>In view of the above, the Committee declared this query resolved and recommended that it is deleted from the audit report.</i>
		With regard 'own source revenue below budgeted figure,' the Committee discovered lots of reasons that caused the fall in the collection of revenue, such as unrealistic revenue projections, lack of a comprehensive database of all revenue streams, and interference of Paramount Chiefs in the collection of revenue from certain streams.	<i>The Committee declared this issue resolved, and therefore recommended its removal from the audit report. However, Management was advised to develop a comprehensive database of all revenue streams, involve the Councillors in the valuation of taxable property within the district, so as to enable it provide realistic revenue projections.</i>

No	Local Council	Audit Findings & Committee's Observation	Committee's Recommendations /Conclusions
	MOYAMBA DISTRICT COUNCIL - 2022	In relation to 'intended outcome of the contract not achieved,' the Committee observed that the three latrines at the Al-Qudus Islamic Community School have been constructed and the lockers have been fixed.	<i>The Committee took the CA at his words and therefore recommended that this issue be dropped. Management was nevertheless cautioned that if this query reappears in the 2023 audit report, serious penalty would be imposed.</i>
	KOIDU NEW SEMBEHUN CITY COUNCIL - 2021	With regard 'non-payment of statutory obligation,' in respect of NASSIT to the tune of Le 65,843,325.00 the Committee discovered from the review of receipts presented to the PAC that the full amount has been paid to NASSIT.	<i>The Committee announced this query resolved and therefore recommended its removal from the audit report. Management was however advised that in future, statutory obligations should be honoured in order to avoid the risk of penalty charges.</i>
		About the 'account not disclosed in the FS,' the Committee observed that it has been disclosed.	<i>With that being confirmed, the Committee pronounced this query resolved and thus recommended that it be closed.</i>
	KOIDU NEW SEMBEHUN CITY COUNCIL - 2022	With regard 'own source revenue not collected,' the Committee discovered lots of reasons that caused the poor collection of revenue, such as unrealistic revenue targets, lack of a comprehensive database of all revenue streams, ineffective property CADASTRE System and lack of commitment by Management.	<i>The Committee declared this issue resolved, and therefore recommended its removal from the audit report. However, Management was advised to develop a comprehensive database of all revenue streams, involve Councillors in the valuation of taxable property within the district, so as to enable it provides realistic revenue projections.</i>
		Regarding 'payment without supporting documents' to the tune of NLe 884,670.00, the Committee observed from the review of documents submitted that the issue has been addressed.	<i>With that confirmation, the Committee declared this audit query resolved and thus recommended that it be deleted from the audit report. The Committee however deplored the</i>

No	Local Council	Audit Findings & Committee's Observation	Committee's Recommendations /Conclusions
			<i>inordinate delay in submitting accountable documents to the auditors, disclosing that payments without supporting documents could not be considered as genuine disbursements.</i>
		In relation to 'non-payment of statutory obligations' in respect of withholding tax to the tune of NLe 153,951.00, the Committee observed from the review of receipts presented that the full amount has been paid to NRA.	<i>In light of the above, the Committee acknowledged this audit query resolved and therefore recommended that it be deleted from the audit report. The Committee however expressed disappointment over Council's inordinate delay in availing accountable documents to the auditors, stating that the PAC would start surcharging officials for failing to submit documents to the auditors.</i>
	WESTERN AREA RURAL DISTRICT COUNCIL – 2021	With regard 'ineligible payment of Councillors' sitting fees and allowances,' the Committee noted the impossibility of a healthy Councillor to absent from attending meetings for a long time without formal excuse.	<i>With this in mind, the Committee declared this query resolved and therefore recommended that it be removed from the audit report.</i>
		Regarding 'non-payment of statutory obligations,' the FO presented a receipt dated 13 <sup>th</sup> September, 2024 totalling NLe38,418, disclosing that the issue has been settled.	<i>In view of the above, the Committee noted that the query resolved and therefore recommended that it be removed from the audit report. Management was however cautioned that in future, statutory obligations are honoured on time, so as to avoid the risk of penalty charges.</i>
		With regard to the 'construction of four rooms recycling and Agricultural Grain Store,' the	<i>Based on the foregoing, the Committee declared this query resolved and therefore recommended</i>

No	Local Council	Audit Findings & Committee's Observation	Committee's Recommendations /Conclusions
		Committee observed from the review of documents presented that the project has been completed.	<i>its removal from the audit report.</i>
	WESTERN AREA RURAL DISTRICT COUNCIL - 2022	Regarding 'irregularities with financial impact' to the tune of Le56,368,550.00, the Committee noted from the review of documents presented that the issue has been addressed.	<i>In view of the foregoing, the Committee announced this query resolved and therefore recommended that it be deleted from the audit report. However, the Committee expressed dissatisfaction over Council's failure to avail documents to the auditors at the time of audit due to poor records management and therefore informed Management that in future, such failure would attract severe punishment.</i>

### 35.1 Unresolved Issues

While only **4 issues** remained unresolved in **2021**, this number surged to **14 unresolved issues** in **2022**. This sharp increase indicates emerging challenges and persistent gaps in the implementation of audit recommendations. The cumulative total of **18 unresolved issues** underscores the need for enhanced oversight, stricter follow-up mechanisms, and improved accountability frameworks.

#### 35.1.1 Partially Resolved Issues

In **2021**, **5 issues** were categorised as partially resolved. By **2022**, the number of partially resolved issues increased to **8**, resulting in a cumulative total of **13 partially resolved issues** for both years. This category highlights the need for consistent follow-up actions and targeted interventions to ensure full resolution of audit findings.

### 35.2 Key Observations

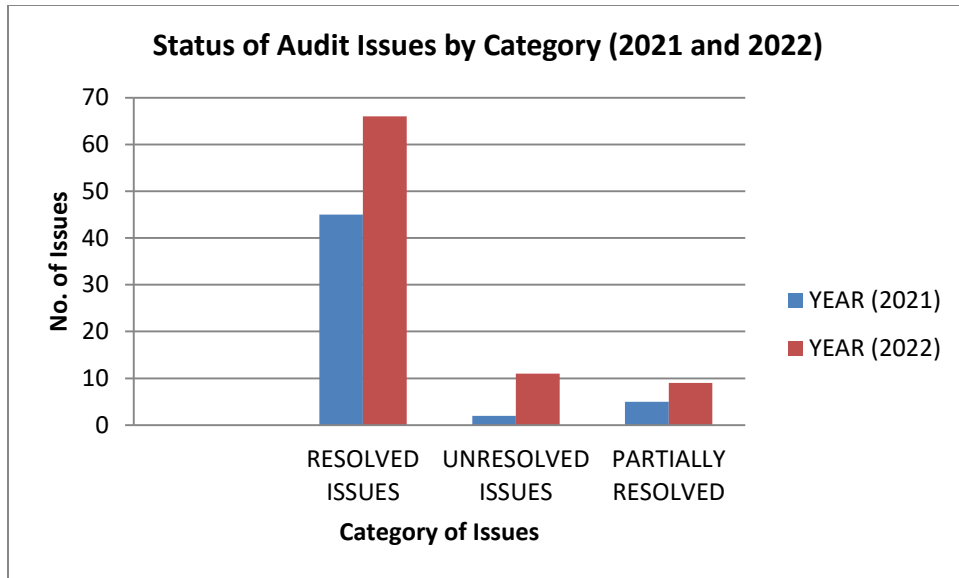
- ⇒ **Improved Performance in Resolutions:** The increase in resolved issues from **44** in **2021** to **64** in **2022** demonstrates enhanced collaboration and proactive measures taken by Councils, ASSL and PAC.
- ⇒ **Emerging Challenges:** The rise in unresolved issues from **4** in **2021** to **14** in **2022** points to structural and operational weaknesses that need urgent attention.
- ⇒ **Follow-up Mechanisms:** The growth in partially resolved issues emphasises the need for continuous follow-ups and capacity building to ensure that issues are not left unresolved.

### 35.3 Committee Recommendations

- ⇒ **Improved Performance in Resolutions:** The PAC recommends maintaining the momentum of resolving audit issues by strengthening collaboration between Councils, management teams, and relevant stakeholders. Regular performance reviews and audits should be conducted to ensure sustained progress.
- ⇒ **Emerging Challenges:** To address the rise in unresolved issues, the PAC recommends implementing robust internal control systems, enhancing financial management trainings for Council staff, and introducing strict penalties for non-compliance with audit recommendations.
- ⇒ **Follow-up Mechanisms:** The PAC recommends the need for strengthening monitoring mechanisms within councils to track the implementation of audit recommendations. Capacity-building initiatives, including training workshops for finance and administrative officers, should also be prioritised to address skill gaps and ensure timely resolution of outstanding issues.

Comparative analyses of **2021 and 2022** audit issues highlight the following trends:

- **Resolved Issues:** A clear upward trajectory, signifying improved responsiveness.
- **Unresolved Issues:** A concerning rise indicating emerging challenges.
- **Partially Resolved Issues:** A moderate increase, signaling gaps in follow-up measures.



The PAC hearings on the AG's reports on Local Councils for **2021 and 2022** demonstrate significant advancements in addressing audit findings, particularly within the Resolved Issues category. However, the rise in Unresolved and Partially Resolved Issues highlights persistent challenges that necessitate ongoing monitoring, targeted strategies, and improved governance structures.

The PAC is committed to collaborating with all stakeholders to ensuring accountability, transparency, and the resolution of all outstanding issues identified in previous audit reports.

## UNRESOLVED AUDIT QUERIES

The Committee conducted its public hearings on 18 Local Councils and thus made specific observations and recommendations as mentioned below:

### FREETOWN CITY COUNCIL [FCC] - 2021

Regarding ‘*abnormalities in accounting for property tax and business licenses revenue*,’ the Committee observed that the MOPTAX Software Consultant has not submitted the contract agreement to Council for onward presentation to the audit team.

*Thus, the Committee recommends that Council’s Management team exercises urgency and ensures that the contract agreement be retrieved from the Consultant and presented same to the auditors.*

### TONKOLILI DISTRICT COUNCIL - 2022

With regard to ‘*own source revenue not collected*,’ the Committee observed that:

- ⇒ Council’s revenue projections were unrealistic and Council did not even have a comprehensive database of their various revenue streams; and
- ⇒ the Paramount Chiefs were apathetic to the course; and as a result, they failed to cooperate and some even instructed their subjects not to pay tax.

*In light of the above, the Committee recommends the following:*

- ⇒ *Council develops a comprehensive database of all revenue streams and conducts a thorough valuation exercise of taxable property within the district; and*
- ⇒ *funds from the Central Government to Chiefdom Councils should be withheld until the Paramount Chiefs cooperate with Local Councils.*

### FALABA DISTRICT COUNCIL - 2021

In relation to ‘*physical verification of staff*,’ the Committee observed that the projects were suspended due to lack of funds and the Civil Works Engineer who was appointed to supervise Council’s project sites also abandoned the worksites because there was nothing going on there.

In respect of the above, the Committee declared this issue partially resolved, but Management was encouraged to liaise with the Ministry of Finance for additional funding for the said projects.

### KAMBIA DISTRICT COUNCIL - 2021

i. Regarding ‘*non-payment of statutory obligations to the tune of Le138,581,558.41*,’ the Committee observed that a payment plan has been put in place with NASSIT and the sum of NLe20,000,000 has already been paid.

Pronouncing this issue partially resolved, the Committee encouraged Management to ensure that in future, withholding taxes are immediately deducted and paid to the relevant institution[s] and receipts are maintained for reference purposes.

ii. On 'contract relating to brushing and the construction of culverts, bridges and Rokel Community Health Centre not executed,' the Committee observed that the construction projects were completed except the brushing aspect. The Committee further noted that Council used the wrong threshold for works contract amounting to NLe248,742,482.31, above the threshold of NLe200,000,000.

**In view of the above, the Committee informed the auditors to follow-up on this audit query in their next audit exercise before PAC declares the query resolved.**

#### **KAMBIA DISTRICT COUNCIL - 2022**

On 'lack of control over receipt books and revenue collection,' PAC noted that the CADASTRE System created lots of problems and the CA had to collect the money from taxpayers and paid same into Council's account, which was deplored by the Committee. The Committee further observed from the review of the lists of taxpayers that many taxpayers have deliberately refused to pay taxes.

***In view of the above, the Committee recommended that the CA desists henceforth from collecting moneys from taxpayers because it is the responsibility of the Accounts Clerk or FO. The Committee also recommended that Council undertakes massive sensitisation campaigns on the importance of paying taxes.***

#### **KOINADUGU DISTRICT COUNCIL - 2021**

On 'fixed assets not verified,' the Committee noted from the review of documents presented and its discussions with Management that the assets were purchased, but the stores clerk locked the store and took the key away while on sick bed.

***Whilst recommending that Management avails the said assets to the auditors during the 2023 audit exercise for physical verification, the Committee however discarded Management's excuse because they failed to retrieve the key from the stores clerk; and thus warned that if such behaviour is repeated, the CA and team would be penalised.***

#### **KOINADUGU DISTRICT COUNCIL - 2022**

i. On 'payment without supporting documents' to the tune of NLe49,414.05, the FO submitted the documents to the auditors, adding that some of the said documents were misfiled, which was the reasons they were not presented to the audit team.

***The Committee expressed grave concern over the manner Council disbursed huge sums of money without the relevant supporting documents, contrary to the regulations governing financial management and therefore recommended that in future disciplinary action would be taken against the responsible officer[s], including those who authorised such disbursements.***

ii. In relation to 'other matters in the payroll administration and human resource management,' the Committee observed from the review of the 2022 Audit Report that one support staff was not registered with NASSIT, even though contributions were deducted during the period under review.

*In view of the above, the Committee instructed the CA to ensure that the said staff be registered with NASSIT without further delay and that the NASSIT contributions be paid. The Committee promised to follow-up on this issue during its public hearings on the 2023 audit report.*

#### **BOMBALI DISTRICT COUNCIL - 2022**

i. Regarding 'lack of control over receipt books and revenue collection,' Management disclosed that the issue had been settled.

*In view of the above, the Committee recommended that the auditors should follow-up on the status of this issue in their next audit exercise, but cautioned that action would be taken against the entire team if this issue is not adequately resolved.*

ii. In relation to 'uncompleted contracts and untimely completion of contracts,' the Committee noted that the contracts for the construction of culverts have been completed, but one of the channels was not properly done due to the refusal of the landowner to give the water passage thereby causing serious flooding when it is raining.

**In light of the above, the Committee recommended that Management engages the landowner in a fruitful conversation for him to relinquish that portion of the land, even if it requires payment or compensation for the land.**

iii. With regard to 'payment for services and works but no evidence of work done,' the Committee observed that projects are still ongoing at the various project sites; and as a result, no completion certificate has been issued.

*Given the above, the Committee recommended that Management exercises urgency and ensures that the projects are completed and that value for money is attained.*

#### **MAKENI CITY COUNCIL - 2022**

On 'fixed assets not available for physical verification,' the Committee noted that most of the vehicles and motorbikes were grounded as they have outlived their usefulness.

*In consideration of the fact that some motorbikes and vehicles are no longer roadworthy, the Committee recommended that Management expedites the disposal of all unusable assets in line with Sections 66 and 67 of the Public Procurement Act, 2016.*

#### **PUJEHUN DISTRICT COUNCIL - 2021**

Regarding 'no agreement for the collection of local tax precept,' the Committee noted from the review of the AG's report and its discussions with Management that:

- ⇒ of the 14 Chiefdoms within Pujehun District, only 7 paid local tax precepts to Council and there is no binding agreement between Council and the Chiefdoms;
- ⇒ an Escrow Account has now been opened where local tax precepts are deposited before sharing between the Council and the Chiefdoms; and

⇒ the Council has established an MoU with the Paramount Chiefs, which clearly states that the Paramount Chiefs collect and pay into the Escrow Account and later share the proceeds.

*Owing to the fact that an MoU has been established with the Paramount Chiefs, the Committee recommended the following:*

⇒ *the provisions in the MoU be fully implemented to the satisfaction of both parties; and*

⇒ *Council should actively involve in the collection of revenue and valuation of taxable property, identification of new revenue sources and that Paramount Chiefs should be revered at every stage of the revenue mobilisation chain.*

#### **KENEMA CITY COUNCIL - 2022**

The Committee expressed great satisfaction over Kenema City Council's extraordinary performance in every stratum of its administrative tiers, unveiling that the PAC showers praises where they are due, but where abysmal performance is noticed, it would not hesitate to condemn or even impose penalties. Thus, the Committee called on other Councils to 'take a leaf' from Kenema City Council.

#### **KAILAHUN DISTRICT COUNCIL - 2022**

i. With regard 'payment without supporting documents' to the tune of NLe213,207.00, and irregularities in revenue management, the Committee was reliably informed that the CA, who was in post at that time, was out of the country and the current CA could not provide answers to this issue.

*In consideration of the fact that the current Management is not familiar with the details of this query and there was no handing over notes for the current team, the Committee advised the auditors to follow-up on this issue in their next audit exercise.*

ii. On 'fixed assets procured in 2022 not available for physical verification,' the Committee observed that some of the assets were with the devolved sectors. The Committee also noted that Council has started coding and updating the assets register.

*With that being ascertained, the Committee recommended that Management submits to the auditors evidence of assets transferred to the devolved sectors to enable them [auditors] carry out proper verification of the existence of the said assets. The Committee also recommended that Management should carry out a full-blown assets coding and inclusion in the assets register.*

iii. With respect to 'receipt books not submitted,' the Committee noted that of the five missing receipt books worth NLe 25,000, two were submitted to the Committee, leaving a balance of three receipt books unaccounted for. The Committee noted negligence in Council's financial records management.

*Declaring this issue partially resolved, the Committee recommended that Management exercises urgency and ensure that the remaining receipt books be presented to the audit team, otherwise the CA and FO would be asked to pay after valuation of the three receipt books. The Committee also recommended that Council improves on their records management systems.*

iv. Regarding ‘non-payment of statutory obligations’ the Committee discovered from the review of the AG’s report and its engagements with Management that:

⇒ Council has paid **Le 13,330,500** as NASSIT for 2021, leaving **NLe 126,942.00** withholding tax and **NLe 17,370.00** NASSIT for 2022; and

⇒ Council has developed payment plans with NRA and NASSIT.

*In light of the above, the Committee announced the 2021 issue resolved and therefore recommended its deletion from the audit report. Management was however admonished to stick to the provisions in the payment plans and to also ensure that in future, statutory deductions are paid on time in order to avoid the risk of penalty charges.*

#### **BO CITY COUNCIL - 2022**

Regarding the ‘contract for the construction of a slaughterhouse and water well at Buemei,’ the Committee also noted that the contractor abandoned the contract, but no money was spent.

*With that being noted, after an unannounced visit, the Committee instructed Management to use the money [NLe 298,500] to renovate the existing facility [slaughterhouse] and construct new water well without further delay, otherwise Management would be severely penalised.*

#### **MOYAMBA DISTRICT COUNCIL - 2022**

Regarding ‘fixed assets not coded and others procured in 2022 not made available for physical verification,’ the Committee discovered from Management’s submission that the assets have been marked and the unverified assets related to the two motorbikes that were taken by Councillor Kebbie Kamara [SLPP] and Councillor Sorieba Kamara [APC] would be retrieved.

The Committee noted that unmarked assets with unique identification codes are susceptible to theft and therefore advised Management to ensure that every asset is uniquely marked and recorded in the assets register. The Committee further instructed Management that the two motorbikes should be retrieved [with the help of the police] from those Councillors with immediate effect; and in future, Management enters into Service Level Agreement with all Councillors before motorbikes are given.

#### **MOYAMBA DISTRICT COUNCIL - 2021**

Regarding ‘lack of mobility at the Council,’ the Committee noted that Council has only one old vehicle that is prone to constant breakdowns, thereby luring Council into perpetual repairs or maintenance.

*On the basis of the above, the Committee advised Management to make adequate budgetary provision, so that Council’s mobility challenge is addressed.*

#### **WESTERN AREA RURAL DISTRICT COUNCIL - 2022**

With regard ‘revenue not paid by three consultants’ to the tune of **Le5,610,000,000**, [Sigma Ventures **Le2,410,000,000**; New Generation Solution **Le650,000,000**; Shaadeen Enterprise **Le2,550,000,000**], the Committee observed that the issue is under investigation by the ACC.

*In view of the fact that the investigation is still ongoing, the Committee recommended that ACC speeds up the process, otherwise the PAC would intervene and recover those funds if they failed to present their report.*

ii. In relation to 'fixed assets procured not physically verified,' Management disclosed that the three laptops were available for verification.

*In that regard, the Committee advised the auditors to follow-up on this query in their next audit exercise. Management was cautioned that if this issue reappears in the next audit report, serious actions would be taken against the team.*

iii. With regard 'payment for the rehabilitation works on CHP not done,' the Committee noted that the project has been completed.

*In consideration of the above, the Committee advised the auditors to follow-up on the status of this project in their next audit exercise.*

iv. On 'revenue receipt books not submitted,' the Committee discovered that the revenue collectors failed to account for the 15 receipt books, including the revenue already collected, but administrative actions have been taken against them.

*Consequent upon the above, the Committee pronounced this issue unresolved and therefore instructed Management to value the 15 receipt books and share the penalty among the defaulters.*

## CONCLUSION

This report is an abridged form of what transpired during public hearings on the 2021 and 2022 AG's Reports. The deliberations were interactive, participatory, educating, useful and timely as they gave the witnesses the opportunity to defend or exonerate themselves completely from the audit queries. In instances where certain transactions were not satisfactorily executed or the explanations were unclear and doubtful, the Committee either imposed fines or made referrals to the appropriate authorities. Owing to its uncompromising stance, huge amounts in respect of statutory obligations was recovered and paid to the respective institutions.

The Committee would like to state that its recent activities have helped to restore public confidence in the workings of Parliament and Audit Service Sierra Leone as accountable institutions that are capable of dealing with the excesses of the Executive to the extent that whistle-blowers are now working with the PAC.

At this juncture, I ask with humility that you grant me leave to thank all those who bore a part in ensuring that the public hearings were successful. In this regard, I would first of all like to wholeheartedly thank Members of this Committee who sat during the hearings and the PAC Secretariat that worked very hard to put the findings in the form of this report. The Committee would also like to thank the general public whose comments on electronic, print and social media adequately informed the Committee's approaches to the public hearings.

This report reflects the unanimous view of the Committee. I therefore move that the recommendations contained therein be adopted by this Honourable House. I thank you.

# APPENDIX-A

RESOLUTION MATRIX COVERING 2021 AND 2022 FOR SELECTED  
LOCAL COUNCILS, MDAs, DONOR-FUNDED PROJECTS, PUBLIC  
ENTERPRISES, AND COMMISSIONS.

## RESOLUTION MATRIX FOR 2021 AND 2022 AUDIT QUERIES ON MDAs, DONOR-FUNDED PROJECTS, PUBLIC ENTERPRISES, AND COMMISSIONS

MDAs	AUDIT ISSUES	RESOLUTION STATUS	AUDIT PERIOD
MINISTRY OF FINANCE	Actual expenditure exceeded budgeted expenditure from Le 95,503,411 to Le 105,256,990.	Resolved	2022
	Le19,208,923 was budgeted for recurrent and Capital expenditure, but spent was Le 65,566,956.	Resolved	2022
	Five vehicles procured and furniture and equipment were not recorded in the Assets Register or marked with unique identification codes.	Resolved	2022
	Information Technology [IT] Audit of the Integrated Financial Management Information System [IFMIS] - 2022	Resolved	2022
SIERRA LEONE ROADS AUTHORITY (SLRA)	Delay in the Execution of Contracts	Unresolved	2022
	Poor Revenue Collection from Rights of Way	Implementation is ongoing	2022
	General Finding	Implementation is ongoing	2022
NATIONAL REVENUE AUTHORITY (NRA)	Cash Advance for a Cancelled Contract	Resolved	2022
	Assets Not Coded	Resolved	2022
	Personal Assets in Offices	Resolved	2022
MINISTRY OF TECHNICAL & HIGHER EDUCATION	Ineffective Contract Management	Unresolved	2021
	Imprest without Adequate Retirement documents	Resolved	2021
	Expenditure Returns not Submitted	Partially Resolved	2021
	TVET Education not Sufficiently funded	Resolved	2021
	Use of wrong Procurement Method	Resolved	2021
	Allowances paid to Sierra Leoneans Studying Abroad	Resolved	2022

<b>MINISTRY OF BASIC &amp; SENIOR SECONDARY EDUCATION</b>	No Evidence of Procurement Processes Followed	Resolved	2021
	Non-delivery or Short Supply of Educational Items	Resolved	2021
	Unauthorised Changes to Ministry of Finance [MoF] Terms of Payments	Resolved	2021
	Irregular addendum to the original contracts for supply of diets	Resolved	2021
	Other Non-compliance in the Procurement Management and Contract Administration	Resolved	2021
	Double Salaries Paid to a Public Servant	Resolved	2021
	Unverified Fixed Assets	Resolved	2021
	Staff not Available for Physical Verification	Partially Resolved	2021
	Pay-As-You-Earn [PAYE] Tax not deducted from Contract Staff Salaries	Resolved	2021
	Payment without Supporting Documents	Partially Resolved	2021
	Payments without Adequate Supporting Documents	Resolved	2021
	Ineligible Payments to an Entity	Resolved	2021
	Inadequate Controls Over Local Travel Expenses	Unresolved	2021
	Uncompetitive Recruitment of Consultants	Resolved	2021
<b>NATIONAL COMMISSION FOR SOCIAL ACTION (NaCSA)</b>	Contract Terms not met for the Reconstruction of RC Primary School – Tihun	Unresolved	2022
	Payment of Sitting Fees and Other Related Expenses to Board Members	Partially Resolved	2022
	Ineffectiveness of the Internal Audit Unit	Resolved	2022
	Poor Management of Regional and District Offices	Partially Resolved	2022
	Construction of Grain Stores	Resolved	2022
	Defective 2,000 Litre Water Tank Provided	Resolved	2022
	Construction of Cocoa & Coffee Processing Centre	Unresolved	2022
	Omissions of Transactions from the Financial Statements	Resolved	2022

	Inconsistencies in the Financial Statements	Resolved	2022
	Comprehensive Fixed Assets Register not submitted	Resolved	2022
	Statutory Deductions not Paid	Partially Resolved	2022
<b>MINISTRY OF HEALTH &amp; SANITATION</b>	Advance Payment Received without Evidence of Delivery	Unresolved	2021
	Payment Without Supporting Documents	Resolved	2021
	Inadequate Controls over the Management of Fixed Assets	Unresolved	2021
	Operational Effectiveness in Selected Hospitals	Resolved	2021
	Works Contracts not monitored	Unresolved	2022
	Expenditure Returns not Available for Overseas Training	Resolved	2022
	Bank Statements not submitted for Audit	Resolved	2022
	Missing Fixed Assets	Unresolved	2022
	Key Deliverables not Achieved	Partly resolved	2022
	Recurring Audit Issues on Service Delivery	Partially Resolved	2022
	Statutory Deductions not Paid	Partially Resolved	2022
<b>ELECTRICITY DISTRIBUTION AND SUPPLY AUTHORITY (EDSA)</b>	Sustainability of Services	Resolved	2022
	Ineffective Management of Prepaid Revenue	Resolved	2022
	Inadequate Controls over the Disbursement of Funds	Resolved	2022
	Bank Reconciliation Statements of Bank Accounts	Resolved	2022
	Poor Controls over the Management of Receivables	Unresolved	2022
	Differences Identified in Creditor Balances	Unresolved	2022
	Management and Security of Assets	Unresolved	2022
	Management of Inventory	Resolved	2022
	Issues Identified During Provincial Visit	Partially Resolved	2022

<b>SIERRA EONE AIRPORT AUTHORITY</b>	Payments without Adequate Supporting Documents	resolved	2022
	Non-availability of an Approved Credit Control Policy	Partially resolved	2022
	Inadequate Provision for Bad and Doubtful Debt	unresolved	2022
	Restricted Access to Offices	Resolved	2022
	End-of-Service Benefits not Paid	Resolved	2022
	Cost of the Build Operate and Transfer Contract	unresolved	2022
	Improper Arrangement for the Transfer of Assets and Liabilities	Unresolved	2022
<b>UNIVERSAL ACCESS DEVELOPMENT FUND (UADF)</b>	Financial Statements not Submitted by MNOs and ISPs	Resolved	2021
	Management of Receivables	Resolved	2021
	Installation of Rural Telephony Systems	Resolved	2021
<b>ROAD MAINTENANCE FUND ADMINISTRATION (RMFA)</b>	Audit Verification Exercise on Road Works	Resolved	
	Funds Transferred by the Road Maintenance Fund Administration (RMFA) to SLRA	Resolved	
	Ageing Payables	Unresolved	
	Ageing Receivables	Unresolved	
<b>SIERRA LEONE COMMERCIAL BANK (SLCB)</b>	Loans and Advances	Resolved	2022
	Trial Balance and Schedule	Unresolved	2022
	Non Compliance with Prudential Guidelines	Resolved	2022
	Accounting for Loan Balances	Resolved	2022
	Non Adherence to Bank Policies	Resolved	2022
	Overdrawn Advances without approval	Resolved	2022

	Weaknesses noted in Granting Loans and Overdraft	MPs' Loans resolved	2022
	Fixed Assets Register not Updated	Resolved	2022
	Staff Handbook not Reviewed	Resolved	2022
	Valuation Reports of Investment Property not Provided	Resolved	2022
	Bank Policies not Approved for Deposits from Customers	Resolved	2022
	Accounting Software	Resolved	2022
	Reporting of Fraud	Resolved	2022
<b>ROKEL COMMERCIAL BANK (RCB)</b>	Duplicate User IDs	Resolved	2022
	Access Administration - Modification/Deactivation	Resolved	2022
	Commission on Turnover Charge	Resolved	2022
	Issues with Transaction Codes	Resolved	2022
	The Project Management- Programme Change	Resolved	2022
<b>MINISTRY OF MINES AND MINERAL RESOURCES (MMMR)</b>	General Observations	Unresolved	
<b>IMMIGRATION DEPARTMENT</b>	Staffing Challenge	Implementation is Ongoing	2022
	Outstanding Royalty not Paid by Netpage	Resolved	2022
<b>GPFS - 2021</b>	Tax Liabilities Due - 524,785,966,669.69		
	GST - 49,529,936,564.67		
	EDSA - 31bln	unresolved	2021
	Q'cell	Resolved	2021

	Musa Antta - 48bln	Partly resolved	2021
	Martin Micheal	Resolved	2021
	PC and Sons	Resolved	2021
	Corporation Tax - 9,356,953,102.00	Unresolved	2021
	PAYE - 13,931,270,522.58	Unresolved	2021
	Personal Income Tax - 830,084,846.70	Unresolved	2021
	Withholding Tax - 351,670,918,692.56	Partly Resolved	2021
	Domestic Excise Tax - 40,246,426,725.84	Resolved	2021
	Extractive Industry [PAYE] - 1,158,084,357.60		
	Albom Company	Resolved	2021
	PCMI	Resolved	2021
	HDF	Unresolved	2021
	Sierra Diamond Limited	Resolved	2021
	Sierra Mineral Holding Limited	Unresolved	2021
	DIG Company	Resolved	2021
	Afro-Asia Company	Unresolved	2021
	Non-inclusion of Revenue Arrears in the GPFS	Resolved	2021
	PRA - Le 2.3bln	Resolved	2021
<b>AGRICULTURAL VALUE CHAIN DEVELOPMENT PROJECT (AVDP)</b>	Budget Overspent without Authority	Unresolved	
	Payment of Salary to Former Employee	Unresolved	2021
	Assets Management	Resolved	2021
	Intended Outcome of the Contracts for the Supply of Groundnut Shellers not Achieved	Resolved	2021
	Payment Without Adequate Supporting Documents	Resolved	2021

	Withholding Tax Deducted, but not Paid to NRA	Resolved	2021
<b>GUMA VALLEY WATER COMPANY</b>	Fixed Assets Register not Submitted	Resolved	2022
	Bills Paid into the Wrong Account	Resolved	2022
	Non-Payment of Withholding Tax	Unresolved	2022
	Non-Payment of Statutory Deductions to NRA	Unresolved	2022
	Ineffective Staff Management	Resolved	2022
	Ineffective Stores Management	Resolved	2022
	Poor Stores Condition	Resolved	2022
	Inadequate Control over the Management of Payables	Unresolved	2022
<b>MINISTRY OF LANDS HOUSING &amp; COUNTRY PLANNING</b>	No Evidence of Banking of Revenue [2021]	Unresolved	2022
	Failure to Present Documents for Audit Inspection	Unresolved	2022
	Revenue Collected, but not Paid into the CRF	Partially Resolved	2022
	No Reconciliation	Unresolved	2022
	Reconciliation between the Ministry's and the NRA's Revenue Records not Submitted	Resolved	2022
	Payments without Supporting Documents	Unresolved	2022
	Beneficiary Lists not Submitted to Support Payments	Unresolved	2022
	Staff Receiving DSA without Evidence of Attending Functions	Resolved	2022
	Salary Paid to Staff not Available for Verification	Partially Resolved	2022
	Artificially Procurement Splitting to Evade National Competitive Bidding Method	Resolved	2022
	Assets not Marked and Recorded in the Fixed Assets Register	Partially Resolved	2022

<b>MINISTRY OF PLANNING AND ECONOMIC DEVELOPMENT</b>	NGOs in the national gazatte without evidence of payments to NRA	Resolved	2022
	Increament in the Ministry's Pay Roll	Resolved	2022
	Actual Expenditure Exceeding Budgeted Expenditure	Resolved	2022
	Procurement Records Not Submitted	Resolved	2022
	Bank Withdrawals without Adequate Supporting Documents	Resolved	2022
	Key Deliverables	All Resolved [except the Board]	2022
	Payments without Supporting documents	Partially Resolved	2021
<b>MINISTRY OF SOCIAL WELFARE</b>	Contract Awarded to the Same Supplier Using Different Names	Resolved	2021
	Contract Not Awarded to the Lowest Bidder	Resolved	2021
	Selection Criteria for Grant to Welfare Institutions not Fully Followed	Resolved	2021
	Imprest Not Retired	Resolved	2021
	Payment without Supporting Documents	Partially resolved	2021
	No Limit on Imprest Spending	Yet to be Heard	2021
	Inadequate Control over Assets Management	Yet to be Heard	2021
<b>MINISTRY OF YOUTH AFFAIRS</b>	Withholding Taxes Deducted but not Paid to NRA	Resolved	2021
	Payment without Supporting Documents	Resolved	2021
	National Youths Apprenticeship Programme not Developed	Resolved	2021
	Contract Renewal without appraisal and non-registration of staff with NASSIT	Resolved	2021
	Revenue not Received from Fishing Groups	Unresolved	2022

	Failure to Present Procurement Documents for Audit	Resolved	2022
	Payments without Supporting Documents	Resolved	2022
<b>MINISTRY OF MINES AND MINERAL RESOURCES (MMMR)</b>	Payment without Supporting Documents	Resolved	2021
	Cheque and Cash Payment without Adequate Supporting Documents	Resolved	2021
	Payments without Adequate Supporting Documents	Resolved	2022
	General Issues	Resolved	2022
	Payments without Supporting Documents	Resolved	2021
	Cheque and Cash Payments without Adequate Supporting Documents	Resolved	2021
<b>MINISTRY OF GENDER AND CHILDREN'S AFFAIRS</b>	No Evidence of Competitive Recruitment of Contract Staff	Resolved	2022
	Salary Paid to Non-Staff	Resolved	2022
	Payments without Supporting Document	Resolved	2022
	Withholding Taxes not Paid to NRA	Resolved	2022
<b>SIERRA LEONE CORRECTIONAL SERVICE</b>	Lack of Surveillance System at the Correctional Centtrs within the Western Area	Resolved	2022
	Overcrowding at the Male and Female Correctional Centres	Resolved	2022
	Inmates not Segregated in the Correctional Centres in the Western Area	Resolved	2022
	Lack of Inbuilt Toilet Facilities in Prisons Cells	Resolved	2022
	Physical Inspection of Correctional Facilities	Resolved	2022
<b>MINISTRY OF FISHERIES AND MARINE RESOURCES</b>	Unpaid Statutory Fees for the Registration and Licensing of Fishing Vessels	Unresolved	2021
	Excess Daily Subsistence Allowance Paid to Staff	Resolved	2022
	Assets Not Available For Physical Verification	Partially	2022

		Resolved	
<b>ELECTRICAL GENERATION AND TRANSMISSION COMPANY (EGTC)</b>	Ineffective Management of Fixed Assets	Unresolved	2022
	Responses not Received for Debt Circularisation	Resolved	2022
	Dodo Hydropower Station not operational	Unresolved	2022
<b>SIERRA LEONE ROADS SAFETY AUTHORITY</b>	Payment without Adequate Supporting documents	Resolved	2022
	Payment made as Corporate Social Responsibility	Resolved	2022
	Ineffective Management and Control of Property, Plant, and Equipment	Unresolved	2022
	Management of Revenue	Resolved	2022
<b>NATIONAL SOCIAL SECURITY AND INSURANCE TRUST (NASSIT)</b>	Ineffective Management of Land and Property	Unresolved	2021
	Ineffective Management of Disbursement	Resolved	2021
	Steering Committee's Terms of Reference	Unresolved	2021
	NAPOS Application Software	Partially Resolved	2021
	Vehicles Loan to Staff	Resolved	2021
	Ineffective Payroll and Staff Management	Resolved	2021
	Unpresented Cheques	Resolved	2021
<b>MINISTRY OF AGRICULTURE AND FOOD SECURITY (MAFS)</b>	Operational Effectiveness of Service Delivery	Resolved	2021
	Operational Effectiveness of Service Delivery	Partially Resolved	2021
	Contract Terms not Met by Contractors	Resolved	2021
	Changes in the Price Quotation without Justification	Resolved	2021

	Payments without Adequate Supporting documents	Resolved	2021
	Withholding Taxes not Deducted and Paid to the NRA	Resolved	2021
	Special Imprest not fully Retired	Resolved	2021
	Expenditure Returns not Submitted for Audit Inspection	Resolved	2021
	Non-compliance with Contract Agreement for Machine Rings Operation	Unresolved	2022
	Distribution Lists not Available to Account for Uniforms	Resolved	2022
	Standing Imprest not Retired	Resolved	2022
	Payments without Adequate Supporting documents	Resolved	2022
	Rehabilitation Work not Done	Resolved	2022
<b>SIERRA LEONE PORT AUTHORITY</b>	Dilapidated Administrative Building Walls at the Queen Elizabeth II Quay	Partially Resolved	2022
	Prohibited Haulage Vehicles Using the Ports	Resolved	2022
	Depleted Fire-fighting Resources at the Ports	Partially Resolved	2022
	Poor Debts Collection Mechanism	Implementation Ongoing	2022

## RESOLUTION MATRIX FOR 2021 AND 2022 AUDIT QUERIES ON LOCAL COUNCILS

NAME OF COUNCIL	AUDIT ISSUE	RESOLUTION STATUS	PERIOD
KENEMA DISTRICT COUNCIL			
	Stale Cheques Not Cancelled	Resolved	2021
	European Union Project Implementation	Resolved	2022
	Fixed Assests Procured in 2022 were Not Available for Physical Verification	Resolved	2022
	No Evidence of Payments to Contractors for Work done	Resolved	2022
	Own Source Revenue not Collected		
BO DISTRICT COUNCIL	Faulty Cadastre System	Resolved	2021
	Poor Lease Agreement Management [Bo Club House]	Resolved	2021
	Revenue Below Target	Resolved	2022
	No evidence of Salary Payment to Staff	Resolved	2022
BO CITY COUNCIL	Procurement of Specialised Drugs not included in the Approved Procurement Plan	Resolved	2021
	Procurement of Stationery and Equipment	Resolved	2021
	Own Source Revenue not Collected	Resolved	2022
	Uncompleted Work in the BoQ	Resolved	2022
	Contract for the Construction of a Slaughterhouse and Water Well	Partially Resolved	2022
	Construction of Shed for Vehicles	Partially Resolved	2022

<b>KENEMA CITY COUNCIL</b>	Own Source Revenue not Collected	Resolved	2022
	Contract for Revenue Collection not Reviewed	Resolved	2022
	Invitation to Bid not Published	Resolved	2022
<b>KAILAHUN DIST. COUNCIL</b>	Faulty Cadastre System	Resolved	2021
	Payment of Statutory Obligation	Resolved	2021
	Own Source Revenue not Collected	Resolved	2022
	Irregularities in Revenue, and Cash and Bank Management	Unresolved	2022
	NASSIT Payment	Resolved	2022
	Salary below the Minimum Wage	Resolved	2022
	Payment without Supportinng Documents	Unresolved	2022
	Non-Payment of Statutory Obligations	Partially resolved	2022
	Receipt Books not Submitted	Unresolved	2022
	Fixed Assets Procured in 2022 not Made Available for Physical Verification	Unresolved	2022
<b>PUJEHUN DIST. COUNCIL</b>	No Agreement for the Collection of Local Tax Precept	Partially Resolved	2021
	Own Source Revenue	Resolved	2021
<b>BONTHE DIST. COUNCIL</b>	No Evidence of a functional Cadastre System	Resolved	2021
	Own Source Revenue not Collected	Resolved	2021
	Stale Cheques not Removed from the PETRA System	Resolved	2021
	Own Source Revenue Below Budgeted Figure	Resolved	2022
	Failure to Account for Revenue Collected	Resolved	2022

MOYAMBA DIST. COUNCIL	Own Source Revenue Below Budgeted Figure	Resolved	2021
	Electrification not fully done	Unresolved	2021
	Contract for the Rehabilitation of MCHP at Moforay Community	Resolved	2021
	Fixed Assets procured in 2022 not made Available for Physical Verification	Unresolved	2022
	Intended Outcome of the Contracts not Achieved	Resolved	2022
	Lack of Mobility at the Council	Unresolved	2022
KONINADUGU DIST. COUNCIL	Irregularities with Financial Impact [Stores, and Contract and Procurement]	Resolved	2021
	Malfunctioning Revenue Cadastre System	Resolved	2021
	Unbalanced Budget in the Financial Statement	Resolved	2021
	Fixed Assets not Verified	Unresolved	2021
	Contract not Executed	Partially Resolved	2021
	Own Source Revenue not Collected	Resolved	2022
	Payment without Supporting Documents	Unresolved	2022
	Other Matters in the Payroll Administration and Human Resource Management	Unresolved	2022
BOMBALI DIST. COUNCIL	Irregularities with Financial Impact	Resolved	2021
	Value for Money not Achieved in Developing a Revenue Collection	Resolved	2021
	Budget Overspent	Resolved	2021
	Own Source Revenue not Collected	Resolved	2022
	Payment without Supporting Documents	Resolved	2022
	Uncompleted Contracts [Feeder Roads]	Resolved	2022
	Untimely Completion of Contracts	Unresolved	2022

	Salary paid to Absentee Staff	Resolved	2022
	Payment for Services and Works not Executed	Partially Resolved	2022
	Lack of Control over Receipt Books and Revenue Collection	Partially Resolved	2022
	Construction of Submersible Water Pump without Electricity	Resolved	2022
	No Segregation of Responsibilities within the Procurement Process	Resolved	2022
<b>MAKENI CITY COUNCIL</b>	Irregularities with Financial Impact	Resolved	2021
	Dormant Accounts Not Closed	Resolved	2021
	Own Source Revenue not Collected	Resolved	2022
	Payment of Sitting Allowances	Resolved	2022
	Fixed Assets not Available for Physical Verification	Partially Resolved	2022
	Salary Paid to two Core Staff	Resolved	2022
	Bid Security	Resolved	2022
<b>KONO DISTRICT COUNCIL</b>	CADASTRE System	Resolved	2022
	Own Source Revenue not Collected	Resolved	2022
	Failure to Account for Revenue Collected	Resolved	2022
	Misstatement of Cash and Cash Equivalent in the FS	Resolved	2022
	Non-Payment of Statutory Obligations	Resolved	2022
	Payment without Support Documents	Resolved	2022
	Fixed Assets not Verified	Resolved	2022
	Irregularities in the NCB Contract Administration	Resolved	2022
	Irregularities in the RFQ Contract Administration	Resolved	2022

<b>FALABA DISTRICT COUNCIL</b>	Irregularities with Financial Impact	Resolved	2021
	Flawed Payment System for Contracts undertaken by Council	Resolved	2021
	Payment without Supporting Documents	Resolved	2021
	Assets Procured but not put in Use due to Poor Priority Needs Assetments	Resolved	2021
	Delay in the Implementation of Key Activities I the EU Project	Resolved	2021
	Road Maintenance Work	Resolved	2021
	Physical Verification of Staff	Partially Resolved	2021
	Own Source Revenue not Collected	Resolved	2022
	Revenue Receipt Books not Collected	Resolved	2022
	CADASTRE System	Resolved	2022
	Statutory Obligation not Paid	Resolved	2022
	Payment without Supporting Documents	Resolved	2022
	Fuel Purchased not Accounted for	Resolved	2022
	Drugs not Supplied	Resolved	2022
	Bid Rigging	Resolved	2022
	Non-Delivery of Medical Equipment and Essential Drugs to Beneficiaries	Resolved	2022
<b>KAMBIA DISTRICT COUNCIL</b>	Malfunctioning CADASTRE System	Resolved	2021
	Payment without Supporting Documents	Resolved	2021
	Improper Use of Receipt Books in the Collection of Own Source Revenue	Resolved	2021
	Non-Payment of Statutory Obligations	Partially Resolved	2021
	Grants not Transferred to the Ministry of Youths Affairs	Resolved	2021
	Delay in the Implementation of EU Project	Resolved	2021
	Contract not Executed	Partially Resolved	2021

	Repairs of Community Health Centres, Culverts, Bridges and Road Works	Resolved	2021
	Own Source Revenue Below Budgeted Figure	Resolved	2022
	Lack of Control Over Receipt Books and Revenue Collection	Partially Resolved	2022
	Fuel Purchased not Accounted for	Resolved	2022
	Assets Procured not Available for Physical Verification	Resolved	2022
	Irregularities in Expenditure Management	Resolved	2022
<b>KOIDU NEWSEMBEHUN CITY</b>	Non-payment of Statutory Obligation	Resolved	2021
	Account not Disclosed in the FS	Resolved	2021
	Own Source Revenue not Collected	Resolved	2022
	Non-payment of Statutory Obligation	Resolved	2022
	Payment without Supporting Documents	Resolved	2022
	Fixed Assets	Resolved	2022
<b>TONKOLILI DIST. COUNCIL</b>	Payment without Supporting Documents	Resolved	2021
	Contract not Executed [Construction of Culverts, Bridges & Rehab. Od Mile 91 Market	Unresolved	2021
	Own Source Revenue not Collected	Resolved	2022
	Annual Budget Prepared and Executed without a Development Plan	Resolved	2022
	Non-Payment of Statutory Obligation	Resolved	2022
	Payments without Supporting Documents	Resolved	2022
	Irregularities in Expenditure Management	Resolved	2022
	Fixed Assets Procured not made Available for Physical Verification	Resolved	2022
	Procurement Documents not Submitted	Resolved	2022

	Payment for Services and Work not Executed	Resolved	2022
	Control Weak Management	Resolved	2022
WARD-C	Ineligible Payment of Councillors' Sitting Dees and Allowances	Resolved	2021
	Non-Payment of Statutory Obligations	Resolved	2021
	Construction of Four Rooms Recycling and Agricultural Grain Store	Resolved	2021
	Revenue Receipt Books not Submitted	Unresolved	2022
	Failure to Account for Revenue Collected	Unresolved	2022
	Fixed Assets Procured not Physically Verified [Three Laptops not verified]	Unresolved	2022
	Existing Fixed Assets not Available for Physical Verification	Unresolved	2022
	Payment for the Rehabilitation of Work on CHP not Done	Unresolved	2022
	Irregularities with Financial Impact	Resolved	2022
FCC	Non-Payment of Statutory Obligations	Resolved	2022
	Difference Between Framework Contract and Invoice Prices	Resolved	2022
	Irregularities with Financial Impact	Resolved	2021
	Abnormalities in Accounting for property Tax and Business Licenses Revenue	Partially Resolved	2021
	Payment without Supporting Documents	Resolved	2021
	Non-Payment of Statutory Obligations	Resolved	2021
	Contract not Executed	Resolved	2021
	Use of Wrong Procurement Method to Avoid Competition	Resolved	2021

# APPENDIX- B

SCHEDULE SHOWING BREAKDOWN OF PAC RECOVERIES

### PAC General Recoveries from Financial Irregularities (2021 & 2022 Auditor General's Reports)

No	NAME OF INSTITUTION/BUSINESS ENTERPRISE	AMOUNT OWED [NLe]	AMOUNT RECOVERED [NLe]	OUTSTANDING AMOUNT [NLe]	DATE OF PAYMENT	BANK
1	Machine Ring Services (FSRP)		1,030,000.00			BSL
2	Machine Ring Services (RRVCP)		1,094,440.23			BSL
3	Universal Access Development Fund (UADF)	10,564,228.66	10,564,228.66	-		UADF
4	Hon. Mustapha Sellu	75,000.00	75,000.00	-		BSL
5	Freetown City Council [PAYE for Staff]	274,179.00	274,179.00	-	13/08/2024	RCB
6	Freetown City Council [Withholding Tax]	63,828.65	63,828.65	-	13/08/2024	RCB
7	Joseph A. Fatoma [Surcharge, MoF]	5,000.00	5,000.00	-		CRF/BSL
9	Union Trust Bank on SLRSA	460,600.00	460,600.00	-	06/09/2024	BSL
10	Western Area Rural Diostrict Council(WHT)	38,418.00	38,418.00			NRA
11	PRA to NRA		2,300,000.00			CRF/BSL
12	Commercial Banks iro Transit Accounts		3,300,000.00			BSL
13	MBSSE on Double Salaries Paid to Public Servant	89,302.14	89,302.14			CEF/BSL
14	MBSSE on Double Salaries Paid to Public Servant	118,063.09	118,063.09			CRF/BSL
15	MBSSE on PAYE tax not paid to NRA	179,635.00	179,635.00			NRA
15	NRA		30,000.00			
17	Mack Pharmacy on Advance Payment Received without Evidence of Delivery	424,497.91	50,000.00			BSL
	<b>Total</b>	<b>12,292,752.45</b>	<b>19,672,694.77</b>	<b>-</b>		

## PAC Medium Tax Payers Recoveries from Financial Irregularities (2021 & 2022 Auditor General's Reports)

Name of Institution/ Business Enterprise	Tax Payer Tin Number	Amount Owed [NLE]	Amount Recovered (NLE)	Difference /Outstand ing [NLE]	Bank	Bank Transaction Reference	Account Deposit ed	Tax Type	Date
Global Communication Consultant Ltd.	1000003035	9,244.32	9,244.32	-	UBA	UBA0000000032540 7	GST Account	GST 2021	13- Aug-24
Chicken Town SL Ltd.	1000011070	32,439.79	32,439.79	-	GTB	5549546196	GST Account	GST 2021	19- Aug-24
Anil Kumar Chandwani	1000014118	34,758.56	34,758.56	-	Zenith	NRA240814-137	GST Account	GST 2021	14- Aug-24
IC Sierra Leone Diplomatic Security	1000057135	104,235.37	104,235.37	-	Zenith	NRA240814-95	GST Account	GST 2021	14- Aug-24
Office World Group SL Ltd.	1000003191	238,695.70	125,000.00	213,696	Zenith	NRA240816-75	GST Account	GST 2021	16- Aug-24
Martin Michael Motors		52,563.55	52,563.55	-					
Dycar Vending Services Ltd	1000139840	95,764.79	95,764.79	-	ECO	DTDTRX0120240042 890	GST Account	GST 2021	01- Aug-24
E.A Bamin	1000000524	3,163.87	3,179.98	- 16	Zenith	NRA240705-27	GST Account	GST 2021	04-Jul- 24
Eustace Collier	1000004392	24,835.88	24,835.88	-	SLCB		GST Account	GST 2021	11-Jul- 24
GMC Services SL LTD	1000008436	21,514.08	21,518.00	- 4	CMB	10164469	GST Account	GST 2021	04-Jul- 24
Essam Trading & General Services	1000004521	61,711.73	63,531.39	- 1,820	UBA	UBA0000000031386 9	GST Account	GST 2021	15-Jul- 24
Greenfield Farm	1000003051	9,525.23	9,525.23	-	GTB	2297215677	GST Account	GST 2021	11-Jul- 24
Moore Stephens Sierra Leone	1000002306	616,062.72	616,500.00	- 437	UTB		GST Account	GST 2021	05-Jul- 24
Sea Bird Express	1000002934	7,656.64	7,656.64	-			GST Account	GST 2021	10-Jul- 24

<b>Welfare Logistics/Melwani Haresh</b>	1000056651	6,317.52	6,317.52	-			GST Account	GST 2021	09- Aug-24
<b>Abdul Sankoh</b>	1000004295	8,372.53	8,372.53	-			GST Account	GST 2021	17-Jul- 24
<b>Total</b>		<b>1,326,862.28</b>	<b>1,215,443.55</b>	<b>211,419</b>					

## PAC Large Tax Payers Recoveries from Financial Irregularities (2021 & 2022 Auditor General's Reports)

N o	Name of Institution/ Business Enterprise	Tax Payer Tin Number	Amount Owed [NLe]	Amount Recovered	Difference/ Outstandin g [NLe]	Banks										
						CMB (SLE)	BLOO M (SLE)	BLO OM (USD )	VISTA	ECO	FIRST	ACCES S (SLE)	ACC ESS (USD )	SCB (SLE)	SCB (USD)	Other/ Not identif y by NRA
1	DIG International Group Limited	100000095	4,059,693.58	6,391.89	4,053,301.69	-	-			5,815.95	-	575.94		-	-	-
2	Koidu Limited	100000109	9,679,779.66	-	9,679,779.66						-	-		-	-	-
3	Dalan Development Consultants Limited	1000000435	439,640.21	-	439,640.21						-	-		-	-	-
4	Leone Construction and General Services	1000000486	30,408.00	2,387.21	28,020.79	1,353.40				126.81	-	907.00		-	-	-
5	SOCFIN Agricultural Company SL LTD	1000002373	4,153,659.50	882,054.27	3,271,605.23					150,789.85	731,004.20	-	260.22	-	-	-
6	Home Suite Hotel	1000002561	338,104.75	83,585.65	254,519.10				1,300.00	79,554.36	-	-		2,731.29	-	-
7	Mackie Building Materials	1000002578	4,920,209.51	1,164,930.64	3,755,278.87		1,818.53	80.40	511,328.08	51,000.00	2,888.43	3,786.35	115.00	57,081.53	-	535,000.00
8	Emkay Store	1000002756	3,856,599.94	94,092.33	3,762,507.61	7,989.15	77,497.52			2,871.65	-	5,734.01			-	-
9	Mr. Abass Huballah Matrix 101	1000003787	83,851.92	-	83,851.92						-	-			-	-
10	Capitol Foods Limited	1000005623	9,642,731.74	31,362.36	9,611,369.38						2,768.01	13,774.16		11,055.89	1,882.15	-
11	K3 Telecom Sierra Leone Limited	1000009300	1,518,252.91	-	1,518,252.91						-	-		-	-	-
	<b>Total</b>		<b>38,722,931.72</b>	<b>2,264,804.35</b>	<b>36,458,127.37</b>	<b>9,342.55</b>	<b>79,316.05</b>		<b>512,628.08</b>	<b>290,158.62</b>	<b>736,660.64</b>	<b>24,777.46</b>		<b>70,868.71</b>	<b>1,882.15</b>	

<b>TOTAL RECOVERIES</b>	
<b>Category</b>	<b>Amount (NLe)</b>
<b>General Recoveries</b>	<b>19,672,694.77</b>
<b>Medium Tax Payers</b>	<b>1,215,443.55</b>
<b>Large Tax Payers</b>	<b>2,264,804.35</b>
<b>TOTAL RECOVERIES</b>	<b>23,152,942.66</b>

# APPENDIX- C

MINUTES OF THE PUBLIC ACCOUNTS COMMITTEE (PAC) MEETING  
ON THE CONSIDERATION AND ADOPTION OF IT REPORT ON THE  
AUDITOR-GENERAL'S REPORTS ON THE ACCOUNTS OF SIERRA  
LEONE FOR THE FINANCIAL YEARS 2021 AND 2022

Second Session of the Sixth Parliament of the Second Republic of Sierra Leone

MINUTES OF THE PUBLIC ACCOUNTS COMMITTEE (PAC) MEETING ON THE  
CONSIDERATION AND ADOPTION OF IT REPORT ON THE AUDITOR-GENERAL'S  
REPORTS ON THE ACCOUNTS OF SIERRA LEONE FOR THE FINANCIAL YEARS 2021  
AND 2022 HELD ON THURSDAY 13<sup>TH</sup> MARCH 2025 AT 3:00 P.M., CONFERENCE  
ROOM, ADMINISTRATIVE BUILDING OF PARLIAMENT

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**1. Attendance**

**Members Present:**

Hon. Ibrahim Tawa Conteh - **Chairperson:**  
Hon. P.C. Desmond Mahayei Kargobai - **Deputy Chair**  
Hon. Aaron Aruna Koroma  
Hon. Abdul karim Kamara - Kambia  
Hon. Emilia Lolloh Tongi  
Hon. Jibrila Sur Moijueh  
Hon. Joseph Abdul Bash-Kamara  
Hon. Ibrahim Aziz Bangura  
Hon. Musa Moigua

**In Attendance:**

Augustine Sesay, Deputy Director and Head of Secretariat, [PAC]  
Musa L.A. Foullah, Deputy Director, Hansards Department, [PAC]  
Hon. Alieu Ibrahim Kamara, Consultant, Office of the Deputy Speaker [PAC]  
Sheku Lamin Turay, Director, Parliamentary and Public Relations Department [PAC]  
Mohamed Mustapha, Principal Auditor, PAC Division, ASSL  
Christian Chinsman-Williams, Auditor, PAC Division, ASSL  
Lovinda Marie Kanu, Consultant, Stenographer [PAC]  
Lucian Lamin, Principal Stenographer [PAC]  
Edward B. Koroma, Videographer Officer [PAC]  
Sulaiman Bah, Media Relation Officer [PAC]  
Salieu G. A. Kamara, ICT Technician [PAC]  
Mustapha Sheriff, Sound Technician [PAC]

**2. Opening Remarks**

The Chairperson, Hon. Ibrahim Tawa Conteh, called the meeting to order at 3:00 p.m. and welcomed members. He outlined the purpose of the meeting, which was to consider and adopt the PAC's final draft report on the Auditor-General's Reports on the Accounts of Sierra Leone for the financial years 2021 and 2022.

He noted that the Committee had held four closed-door sessions to review the report and had now reached the final stage of adoption. He commended the Committee Members for their commitment

and resilience in handling this critical task and thanked the Secretariat staff for their professionalism and diligence in compiling the report. He also acknowledged the Audit Service staff for their technical support.

### 3. Adoption of the Agenda

The agenda for the meeting was presented and adopted without amendments.

### 4. Consideration of the PAC Report

- The Clerk of the Committee provided a summary of the key findings and recommendations of the PAC report.
- The Committee reviewed and discussed unresolved audit queries, financial irregularities, responses from MDAs and Local Councils, and recommendations for strengthening public financial management.
- Amendments were made where necessary to ensure accuracy and clarity.

### 5. Adoption of the Report

Following deliberations, the Chairperson put the question pursuant to **Order 73(22d) of the Stranding Orders of Parliament** that the report be adopted as the official report of the Committee to the House. It was **unanimously agreed upon**, and the Chairperson **declared the report adopted and ready for submission to Parliament**.

### 6. Any Other Business (AOB)

- Members discussed follow-up actions on outstanding audit queries.
- The Committee agreed to set a timeline for implementing recommendations.

### 7. Closing Remarks and Adjournment

The **Chairperson thanked members** for their contributions and emphasized the importance of **strengthening accountability mechanisms**. The meeting was adjourned at **3:30 p.m.**

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A handwritten signature in blue ink, appearing to read "Augustine Sesay".

**Prepared by:** Augustine Sesay  
Deputy Director and Head of Secretariat, PAC  
Date:

A handwritten signature in blue ink, appearing to read "Hon. Ibrahim Tawa Conteh".

**Approved By:** Hon. Ibrahim Tawa Conteh  
Deputy Speaker, Chairman, & Chairman, PAC  
Date: