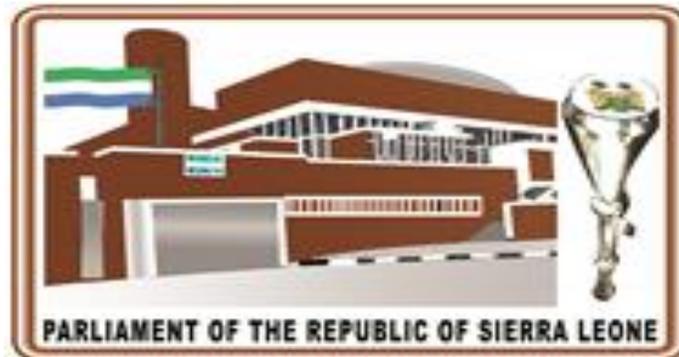




**REPORT**

**OF THE PUBLIC ACCOUNTS COMMITTEE ON THE AUDITOR  
GENERAL'S REPORT ON THE MANAGEMENT OF EBOLA FUNDS**

**MAY – OCTOBER, 2014**



**SUBMITTED BY:**

**HON. CHERNOR R.M. BAH**

**CHAIRMAN, PUBLIC ACCOUNTS COMMITTEE**

**SIERRA LEONE PARLIAMENT**

## **1.0. Forward**

Mr. Speaker, Hon. Members, the Audit Service Sierra Leone (ASSL), through the Public Accounts Committee (PAC), recently tabled a report on the management of Ebola funds. Traditionally, the auditing of the finances of any institution would normally take place when an activity for which funds have been provided from the Consolidated Fund is completed and financial statements are submitted for auditing purposes.

Mr. Speaker, Hon. Members, it could be recalled that the seriousness and intensity of the Ebola outbreak in Sierra Leone in May of 2014, resulted in a national public health emergency aimed at supporting the quick response of the Health Sector and Development Partners. This resulted in a huge surge in government expenditure in excess of Le 84billion, derived from government tax revenues, donations from institutions and individuals in and outside the country.

Mr. Speaker, Hon. Members, in such circumstances, it is not unusual for Supreme Audit Institutions such as the ASSL to carry out audits on the management of such funds. The audit of the management of Ebola funds is one such example, with ASSL taking a pro-active approach in the form of “real time audit” covering activities since the outbreak in May – October, 2014. In other words, a transaction audit was undertaken to determine whether public funds allocated to the Ministry of Health and Sanitation (MoHS), and the Emergency Operation Centre (EOC) (herein after referred to as “ the National Emergency Response Centre -NERC”) were utilised for their intended purposes.

Mr. Speaker, Hon. Members, the Committee is of the opinion that nowhere in the world has the Leadership of any Economy called for real time audit in the midst of a national crisis more so in an emergency like this, with similar crisis like floods, typhoons, earthquakes and tsunamis. Parliament is therefore encouraged to note that this Ebola audit is an exemplary act which confirms government’s commitment to the principles of transparency and accountability.

Mr. Speaker Hon. Members, it is clear that this Ebola Audit Report provoked an unprecedented level of public interest in the form of spirited and at times acrimonious discourses, often based on personal opinions, misconceptions and misinterpretations.

That situation motivated Parliament to intervene; reminding the public of the rights of officials and individuals mentioned in the report, to be respected until a fair hearing by the PAC is concluded.

Equally so, considering the challenges faced during the course of the hearings, the Auditor General's office is encouraged in the future to take more steps in making their presence more visible to the MDA's, Institutions and the general public during auditing exercises.

Mr. Speaker, Hon. Members, it is against this background and pursuant to the laws of Sierra Leone and the Standing Orders of the House of Parliament, that the PAC conducted public hearings on the Audit Report of the Ebola Funds in the House of Parliament from the 25<sup>th</sup> February to 23<sup>rd</sup> March, 2015. The hearings comprised of a review of the Auditor General's report and other relevant supporting documents. PAC also conducted interviews with officials of the MoHS and the NERC, who were the designated government officials responsible for the management of the Ebola funds

The Hearings attracted huge public interest in terms of number of attendees ranging from government officials, development partners, to non-governmental and civil society organisations and the media.

I wish to confirm that the findings, Management responses and verifications contained in the report are almost reproduced verbatim as they were stated in the Ebola Funds Management Report by ASSL.

Mr. Speaker, Hon. Members, this Report is a true representation of the proceedings and the unanimous view of the members of the PAC.

## **1.1. INTRODUCTION**

Mr. Speaker, Hon. Members, it is a fundamental tenet of parliamentary democracy that governments collect revenue and make expenditure that has been authorized by Parliament. Governments are accountable to the Legislature (the people's representatives) for the way in which they spend the funds raised from taxpayers and other sources. Before taxpayers' money is spent, the Legislature approves government income and expenditure plans, and after expenditure, the Legislature demands assurance that the money has been spent as intended and in accordance with all relevant laws and regulations.

## **1.2. ESTABLISHMENT OF THE PAC**

Mr. Speaker, Hon. Members, the PAC is established pursuant to Section 93 (1)(e) of the Constitution of Sierra Leone Act No.6 of 1991 and Section 70(6) of the Standing Orders of the Sierra Leone Parliament.

## **1.3. ROLES AND RESPONSIBILITIES OF THE PAC**

Mr. Speaker, Hon. Members, the PAC is a Standing Committee of Parliament. Its members, all of whom are MPs, are responsible for reviewing the financial statements of Government Ministries, Departments, and Agencies (MDAs) and examining issues relating to the management of public money. It focuses on the effectiveness of financial management and delivery, asking in particular:

- ✓ How does the Executive spend money?
- ✓ On what does the Executive spend money?
- ✓ Have all the revenues due been collected?
- ✓ How do we know that the money was spent as it should have been?

The Committee meets in public and publishes its proceedings and reports. Its work helps to ensure the transparency and openness of Government by providing a public arena in which government spending is explained and debated and those responsible for the spending are held to account for their actions.

## **1.4. OBJECTIVES OF THE COMMITTEE**

Mr. Speaker, Hon. Members, the duties and powers of the PAC are prescribed in the Constitution of Sierra Leone Act No. 6 of 1991 and the Standing Orders of the Sierra Leone Parliament:

The PAC in exercising its functions;

- Helps Parliament to hold the Executive to account;
- Increases the efficiency and effectiveness of Government policy implementation; and
- Increases Parliamentary and public awareness of the financial and other related operations of MDAs.

### **1.5. MEMBERSHIP**

Mr. Speaker, Hon. Members, the Committee comprises the following Members:

1. Hon. Chernor R.M. Bah- **Chairman**
2. Hon. Komba Eric Koedoyoma-**Deputy Chairman**
3. Hon. Sheriff B. Hassan
4. Hon. Alpha B. Lewally
5. Hon. Lahai Marrah
6. Hon. Alhassan Jero Kamara
7. Hon. Sulaiman Muluku Sisay
8. Hon. Dr. Foday I. Suma
9. Hon. Francis Amara Konuwa
10. Hon. Helen Kuyembah
11. Hon. P.C. Alhaji Bai Shebora Yek II

### **1.6. STAFF**

Mr. Speaker, Hon. Members, the Committee was supported by a Secretariat comprising of David Saffa, Augustine Sesay and Musa L.A. Fullah who provided the Committee with information on the necessary parliamentary practices and procedures, as well as the listing of the appropriate officials and experts required to attend the hearings.

### **1.7. THE AUDITOR GENERAL'S OFFICE**

Mr. Speaker, Hon. Members, the PAC works in collaboration with ASSL, which provides the technical assistance that enables the PAC to provide effective oversight in relation to the manner in which public resources are utilized by MDAs.

Pursuant to Section 119 (1)-(7) of the Constitution of Sierra Leone Act No. 6 of 1991 the Auditor General audits public expenditure, and expresses an independent opinion on how MDAs and other public institutions expend financial resources that are allocated to them.

## 1.8. METHODOLOGY

Mr. Speaker, Hon. Members, the Committee received and examined the Auditor General's Report on the Audit of the Management of the Ebola Funds by MoHS and NERC for the period May-October, 2014 submitted and laid before Parliament.

Mr. Speaker, Hon. Members, as stated earlier, the Committee conducted public hearings from the 25<sup>th</sup> February to 23<sup>rd</sup> March, 2015, during which relevant officials of the MoHS and NERC were rigorously questioned on the management and utilisation of the resources allocated to them for the fight against the Ebola Epidemic.

Mr. Speaker, Hon. Members, whilst, the enquiries started with questions aimed at gaining more insight into the capacity of the officials involved, their scope of responsibility, and general management of the funds; auditees were also interrogated on specific areas of major concern in line with the findings and recommendations of the Audit Report. These areas included procurement to wit: awarding of contracts, payment to contractors etc., hazard payments to workers in the health sector, withholding taxes and delivery of materials and services.

Mr. Speaker, Hon. Members, enquiries into these areas started with a presentation by the Deputy Auditor General responsible for specialized Audit who explained the findings and recommendations; and also the factors that led to those findings and recommendations. These explanations enabled Members of the Committee to better understand the issues and to further investigate specific areas of concern. Similarly, the explanations enabled the auditees to fully understand the queries against them and properly formulate their responses, and offer appropriate explanation for their actions and procedures.

Mr. Speaker, Hon. Members, examining such specific issues resulted in summoning officials of other relevant Ministries, contractors and implementing partners to respond to queries relating to their involvement in the management and disbursement of the Ebola funds.

## 1.9. GENERAL OBSERVATIONS

1. The **Internal Audit Unit** in the MoHS was ineffective. This was due to the fact that less attention was paid by the Ministry officials to **Section 6(1)-(4)** of the Government Budgeting and Accountability Act(GBAA).

2. It was also stated by Vote Controllers that political heads in the Ministry were directly involved in certain areas of operations in their Ministry outside their mandate which was in direct contravention of **Section 46(1)** of the GBAA.
3. The MoHS officials involved in the management of Ebola funds failed to apply the basic existing laws relating to procurement.
4. Withholding taxes were not deducted and paid to the National Revenue Authority (NRA) from payments made to various suppliers and contractors, thus violating the Income Tax Act.
5. The existing Procurement Committee was not charged with the responsibility of managing procurement activities. Rather, procurement activities were handled by an ad-hoc committee known as the “**Case Management Team**”. This act was in contravention of **Section 18(1-3)** of the National Public Procurement Act (NPPA).
6. There were inadequate controls over the disbursement of funds from the Emergency Accounts.
7. Most sole-source procurement methods carried out by the Ministry were done in violation of **Sections 46 and 47 of the** NPPA.
8. No evidence was provided by the auditees to support delegation of responsibilities to subordinates. This act was also in contravention of **Section 3(1)** of the Financial Management Regulations Act, 2007.

## **FINDINGS, OBSERVATIONS AND RECOMMENDATIONS**

### **2.0. CHEQUE DONATIONS VALUED AT LE1, 670,000,000 NOT HONoured BY THE SIERRA LEONE COMMERCIAL BANK (SLCB)**

#### **FINDINGS**

A review of the donations register and bank statements as at 31st October 2014, of the Health Emergency Response Accounts (No. 003001118285030109 and No. 003001118285030109) held at the Sierra Leone Commercial Bank (SLCB), revealed that Le87billion and US\$

560,000 respectively were received as donations from generous individuals, institutions as well as from the government of Sierra Leone.

A number of donations made by cheque were dishonoured. We were unable to ascertain whether or not these cheques were dishonoured either because of insufficient funds or the fact that some of them carried values reaching or exceeding the Le50 million limit which was set by the Bank of Sierra Leone (BSL) for cheque payments.

Initially, when this matter was observed at the beginning of the audit exercise, the total amount of dishonoured cheques stood at over Le3billion. However, the Ministry has since taken steps to inform the respective donors on the circumstances leading to their donations not being processed, which have led to a recovery of over Le1.5billion, with an outstanding amount of Le1,670,000,000.

#### **2.1. MANAGEMENT'S RESPONSE**

*The recommendation of the Auditor General has been strictly adhered to. However, the Director of Financial Resources had earlier written to the organisation/institutions concerned on the 22nd September, 2014. A good number of them have made payments back to the Emergency Response account by bank transfer.*

*The Emergency Response account is now controlled by the National Ebola Response Centre which is now effectively out of the purview of the Ministry*

#### **2.2. AUDITOR'S VERIFICATION**

No evidence was submitted to confirm that recoveries had been made. Therefore, the issue is unresolved.

#### **2.3. THE COMMITTEE'S COMMENTS AND RECOMMENDATIONS**

***The issues regarding donations through cheques that were dishonoured have now been settled with the full amount of Le1,670,000,000 receipt of which was confirmed by the Sierra Leone Commercial Bank and evidence submitted to and verified by the Committee. Therefore, the Committee recommends that the matter be closed.***

### **3.0. WITHHOLDING TAXES NEITHER DEDUCTED NOR PAID OVER TO THE NATIONAL REVENUE AUTHORITY (NRA)**

#### **FINDING**

Inconsistencies were observed for a number of procurement activities agreed on between the MoHS and the suppliers; with some not having any provision for the deduction and remittance of the 5% withholding tax to the NRA. As such the Ministry failed in its obligation to withhold the 5% tax estimated at Le525, 721,555.36 and US\$70,500 respectively.

#### **3.1. MANAGEMENT'S RESPONSE**

*Audit recommendations are taken in good faith and steps will be put in place to improve on the process of deducting 5% withholding taxes and pay immediately to National Revenue Authority (NRA). However, letters have been written to all concerned and will be produced for audit inspection.*

#### **3.2. AUDITOR'S VERIFICATION**

Samples of letters written to the various suppliers and contractors by the Permanent Secretary were produced for audit verification. However, recoveries of the amounts in question have still not been done. Therefore, the matter should be referred to the National Revenue Authority for necessary action and the Auditor General be advised of any action taken.

#### **3.3. THE COMMITTEE'S COMMENTS AND RECOMMENDATIONS**

*(a) The Committee observed that Section 116 (1) of the Income Tax Act was breached, meaning that in most of the contracts awarded by the MoHS and its agents during the period under review the 5% withholding taxes were not deducted. However, the Committee observed that some of the taxes that were to be withheld have now been paid to the NRA.*

*(b) As a result, the Committee recommends that NRA performs its mandate and ensure the collection of all outstanding taxes withheld or supposed to have been withheld.*

*(c) All contractors who were to pay taxes, and are still outstanding should make payment within a month after the adoption of this report by Parliament and failure to comply*

***should lead to the individuals and/or shareholders stopped from participating in any business activity within Sierra Leone directly or indirectly.***

***(d) All payment made after the stipulated grace period ( one month) must attract penalties pursuant to the relevant tax legislations/laws of Sierra Leone.***

#### **4.0. OBSERVATIONS ON FUNDS TRANSFERRED TO FOUR (4) EBOLA HOLDING CENTRES IN BOMBALI DISTRICT - OVERSTATEMENT OF LE 216,800,000 IN RESPECT OF INCENTIVE PAYMENTS TO HEALTHCARE WORKERS.**

##### **FINDING**

Review of the expenditure returns including the claims sheets for an amount of Le571, 200,000 transferred revealed the following observations:

1. The serial numbering of the names of healthcare workers provided by the Makeni Government Hospital was distorted with gaps in the numbering of the entitled beneficiaries. The serial numbering jumped from 109 to 200 (91 places/counts), and also from 209 to 300 (91 places/ counts). It was observed that these gaps were repeated throughout the list at various intervals and by various counts.
2. The anomaly in the list submitted for payments being overstated by 271 names amounted to Le216,800,000.

#### **4.1. MANAGEMENT'S RESPONSE**

*The Ministry of Health and Sanitation had earlier written to the Bombali District Medical Superintendent requesting for an adequate explanation on the above issue. The Medical Superintendent replied with relevant supporting documents which will be produced for audit inspection.*

#### **4.2 AUDITOR'S VERIFICATION**

The Ministry failed to produce the letter referred to above together with the relevant supporting documents. The matter should be referred to the appropriate authority.

#### **4.3. THE COMMITTEE'S COMMENTS AND RECOMMENDATIONS**

***The Committee observed that some public officials do not treat their responsibilities seriously. The Committee was dismayed by the statement of the Hospital Secretary of Bombali Regional Hospital that “It was an oversight regarding the inconsistencies in the spread sheet for risk allowance payment” which was observed by the auditors. However, the Committee also noted that the sum of Le216, 800,000 being overstated payment by the hospital officials for 271 names had been refunded into the Health Emergency Response A/C before the Audit Report on Ebola Management was published. Therefore, the Committee recommends that this matter be closed.***

**5.0. CONNAUGHT HOSPITAL - PAYMENT OF INCENTIVES TO UNAUTHORISED HEALTHCARE WORKERS FINDING**

Review of the expenditure returns provided by Connaught Hospital revealed the following observations on funds transferred:

1. Casual and volunteer workers received incentives of Le144,800,000 without contract or temporary appointment letters.
2. Le61, 200,000 was paid as incentives to hospital staff who were without approved PIN codes.
3. Unauthorised and unapproved payments that amounted to Le41,800,000 were made to security guards of a private security company, as incentives.
4. Incentive payments made without recipients signatures acknowledging receipt of such funds amounted to Le3,200,000.

**5.1. MANAGEMENT’S RESPONSE**

*The above issues occurred during an emergency outbreak of Ebola Virus Disease (EVD) in Sierra Leone. Casual and volunteer workers were recruited during the emergency period. However, the Hospital Care Manager will submit the relevant supporting documents for audit verifications.*

**5.2. AUDITOR’S VERIFICATION**

The Ministry/Hospital Care Manager failed to produce the relevant supporting documents. The matter should be referred to the appropriate authority.

### **5.3. THE COMMITTEE'S COMMENTS AND RECOMMENDATIONS**

*The Committee noting with conviction the explanation provided and documentary evidence submitted by the Hospital Secretary, recommends that this matter be closed.*

### **6.0. ROKUPA GOVERNMENT HOSPITAL - UNCLAIMED INCENTIVE PAYMENT OF LE1,800,000 IN RESPECT OF HEALTHCARE WORKERS**

Review of the expenditure returns revealed the following observation on funds transferred: An amount of Le3,400,000 rather than Le5,200,000 in respect of unclaimed incentives was returned or paid into the Health Emergency Response Account at Sierra Leone Commercial Bank as per the bank paying-in-slip. It was observed that the difference of Le1,800,00.00 was not refunded.

#### **6.1. MANAGEMENT'S RESPONSE**

*The Medical Superintendent is going to be contacted immediately for the outstanding amount to be paid back into Health Emergency Account and receipt or evidence of payment must be produced for audit verification.*

#### **6.2. AUDITOR'S VERIFICATION**

The Ministry failed to provide evidence of the refund; therefore this matter should be referred to the appropriate authority.

### **6.3. THE COMMITTEE'S COMMENTS AND RECOMMENADCTIONS**

*Satisfactory documentary evidence in respect of refund made by the hospital authorities to the tune of Le 1,800,000 was submitted to the Committee during the public hearings and thus recommends that this matter be closed.*

### **7.0. CONSTRUCTION OF A 90 BED TREATMENT CENTRE AT KERRY TOWN VALUED AT LE 1,760,000,000 FINDINGS**

Review of the records for the above contract revealed that the contract was awarded to CL Group. Analysis of the contract in line with the NPPA rules

regarding sole-source procurement for Emergency needs revealed significant audit observations on the lapses in the procurement process. These lapses have been summarised below:

1. Records including Procurement and Evaluation Committees' minutes, matrices, etc. were not submitted to the audit team for review in order to disclose how CL Group was selected as the sole source for the contract.
2. Although clause 52.1 of the signed contract required the provision of an unconditional bank guarantee and performance bond of 10% each, no evidence was provided to show that these requirements were met by the contractor.
3. A contingency fee is normally paid when certain events that could not have been foreseen in the contract awarding stage, do occur later at the implementation stage and are agreed upon by the contractor and employer/client. It was however observed that the contingency fee of Le160,000,000 included in the contract value had already been paid to the contractor without any record to suggest that a contingent event had happened that necessitated the payment.
4. The contract agreement provided for an advanced payment of 50% of the contract price within thirty days of the signing of the same; to be followed by further payments based on certified work done. It was however observed that, in addition to the advanced payment, the whole of the remaining 50% had been paid contrary to clause 51 of the contract agreement even though an approved work completion certificate was not submitted to justify this payment.

Contrary to section 48.1 of the General Conditions of Contract which requires that the employer should retain 10% from each payment owed to the contractor until completion of the works, retention fee of Le176,000,000 was paid to the contractor even though the construction of the treatment centre had not been completed.

#### **7.1. MANAGEMENT'S RESPONSE**

*The recommendation of the Auditor General had been strictly adhered to. The contract was awarded to CL Group in line with the NPPA rules regarding Sole-Source Procurement for Emergency needs. The lapses were*

*due to the fact that the Government of Sierra Leone gave an ultimatum of two weeks to the contractor to complete the construction. In addition, the exigencies of time in respect of the unexpected outbreak of the Ebola disease in Sierra Leone warranted the instruction from the Emergency Operation Centre (EOC) to request the balance payment of 50% including the contingency and retention fees to be paid immediately to the contractor so that the construction is completed on time. Indeed, the construction has been fully completed and site and documentations will be ready for verification by the auditors.*

## **7.2. AUDITOR'S VERIFICATION**

The Ministry failed to provide evidence that the procurement process was in accordance with the Public Procurement Act, 2004 and the Regulations on Public Procurement 2006.

For instance, the payment of contingency fees of Le160 million in advance of the contingent event is clearly a mismanagement of public funds. Therefore, this matter should be referred to the appropriate authority for necessary action.

## **7.3. THE COMMITTEE'S COMMENTS AND RECOMMENDATIONS**

***The Committee observed that the procurement committee in the MoHS was not fully functional. Consequently, all procurements for services under the period of review were authorized by an ad-hoc Committee known as the Case Management Team. Furthermore, the role of the Procurement Officer in the Ministry was not fully utilised.***

***The Committee acknowledges that CL group has paid in full the 5% withholding taxes but equally note that CL group should refund the sum of Le 160,000,000 which was the contingency fees of the contract amount paid to the group contrary to the terms and condition of the contract as same was paid to the contractor without any record to suggest that a contingent event had happened. The Committee therefore, recommends that the said amount be refunded within one month after the adoption of this report by Parliament.***

## **8.0. PROCUREMENT FOR THE SUPPLY OF TWENTY (20) AMBULANCES VALUED AT US\$ 1,050,000**

## **FINDINGS**

Review of the records for the above contract revealed that the contract was awarded to Kingdom Security Logistics. Analysis of the contract in line with the NPPA rules regarding Sole-Source Procurement for Emergency Needs revealed significant audit observations on the lapses in the procurement process. These lapses have been summarised below:

1. Records such as Procurement and Evaluation Committees' minutes and matrices to disclose how Kingdom Security Logistics was selected for sole sourcing for this contract, were not submitted for audit review.
2. Clause 16.1 of the General Conditions of Contract (GCC) required an advanced payment of 60% within thirty (30) days of the signing of the contract, to be followed by the final 40% payment within forty-five (45) days of acceptance of delivery. The final payment of 40% was however made even before the ambulances were tested or examined on delivery.
3. Even though the contract was between the MoHS and Kingdom Security and Logistics Services Ltd., we realised that payments were made to a foreign bank account of Uniworld General Trading LLC which was not a party to the agreement/contract held in the United Arab Emirates. It must be noted that the arrangement for making direct payments to Uniworld was not factored in the contract agreement and there was no evidence to show that Uniworld was a party to the contract.
4. Some of the references made in the GCC to the Special Conditions of Contract (SCC) were not specified in the SCC. For instance, specific requirements with regards to the following clauses were not found in the SCC:
  - Clause 8.1- Inspection and Tests
  - Clause 9.2- Packing
  - Clause 10.3- Delivery and Documents
  - Clause 12- Transportation

Owing to the incompleteness and vagueness of the contract, relevant clauses relating to the delivery and transportation of the ambulances

were excluded from the contract agreement; leading to the payment of an additional amount of US\$360,000 over the contract value of US\$ 1,050,000. The said amount was paid to the same supplier to air freight 17 of the 20 ambulances. It was observed upon review of the tally card maintained at the Central Medical Stores that only 16 of the 17 ambulances were air freighted and delivered. Hence, 4 of the 20 ambulances estimated at USD\$284,000 as procured were not delivered.

5. Clause 16.1 of the GCC provided for the provision of a bank guarantee to facilitate the payment of the advance 60%. It was however observed that such requirement was not met by the contractor.

### **8.1. MANAGEMENT'S RESPONSE**

(a) *The Emergency Operation Centre (EOC) based on the procurement waiver approved by National Public Procurement Authority (NPPA), authorised the procurement of twenty (20) ambulances badly needed at that time during the outbreak of the Ebola disease nationwide. There were also only five (5) ambulances in the whole country at the time. This forced the process to be expedited by the Procurement Officer. In respect of the payments, the EOC through the former Minister of Health and Sanitation approved the balance 40% and additional payments of US\$360,000 to air freight the ambulances because there was an urgent need for the ambulances during the period of the outbreak in the country. Even though the contract was between the Ministry of Health and Sanitation (MoHS) and Kingdom Security, there was a direct link between the contractor and Kingdom Security. In fact it was the contractor who authorised the payment to Uniword General Trading (LLC) account of which the request letter was attached to the contract agreement and that can be verified. However, some of the issues on procurement were carried out by the Procurement Officer and the documentation will be produced for audit inspection.*

### **8.2. AUDITOR'S VERIFICATION**

The relevant documentary evidence such as for the unconditional bank guarantee, the payment of US\$360,000 to air freight the ambulances and the status of the remaining four ambulances were not submitted for verification. Therefore, the issue is unresolved.

### **8.3. THE COMMITTEE'S COMMENTS AND RECOMMENDATIONS**

***The committee observed that:***

- *Procurement procedures were not followed;*
- *Proper inspection of the 16 ambulances was not done as initially claimed by the Transport Director of the Ministry of Transport and Aviation; and*
- *Withholding taxes were not deducted*

*The Committee recommends that the payment of withholding taxes amounting to US\$ 52,500 should be paid by the contractor within one month from the date of the adoption of this report and the remaining (4) ambulances must be delivered in Freetown also within six weeks after the adoption of this report.*

*Regarding the issues raised on Mr. Kawusu Kebbay viz DSA and Air ticket, the Committee noted with conviction that the explanation adduced by Mr. Kebbay and the documentary evidence submitted by him to the Committee during the hearings was sufficient and therefore recommends that this matter be closed.*

## **9.0. LOAN TO HEALTH FOR ALL COALITION (HFAC)**

### **FINDING [Violation of Section 37 of the GBAA,2005]**

It was observed that amounts which totalled Le 421,800,000 were disbursed from the Ministry's miscellaneous account as loan to Health for All Coalition for the scaling up of sensitisation on the current Ebola outbreak with the understanding that it will be immediately repaid when funds are received from UNICEF. Further scrutiny of the payment documents revealed that six (6) cheques totalling Le360,900,000 of the total payment disbursed between 9th June and 10th July were made in the name of Charles Mambu instead of Health for All Coalition (HFAC).

In addition, documentary evidence showing repayment terms and conditions for the loan were neither submitted for audit inspection, nor were such terms and conditions stated in the request letters signed by Charles Mambu on behalf of Health for All Coalition. It was noted that up to the time of writing this Report, the repayment of such loans had not been made.

### **9.1. MANAGEMENT'S RESPONSE**

*The total amount of Le421,800,000.00 was not the amount disbursed as loan to Health for all Coalition. The amount was only Le70,000,000 on the instruction of the former Minister of Health and Sanitation on the information that it will be refunded by UNICEF. The balance of Le351,800,000 was disbursed for emergency sensitisation programmes nationwide. The recommendation of the Auditor General to desist from such practices and that all further payments be addressed in the name of the beneficiary has been strictly adhered to. In addition, documentary evidence of such amount to Charles Mambu which amounted to Le360,900,000 in respect of Health for all Coalition will be produced for audit inspection.*

### **9.2. AUDITOR'S VERIFICATION**

During the course of the verification exercise, we confirmed that the total amount disbursed was Le360,900,000 and according to the payment vouchers, they were all paid in the name of Charles Mambu instead of HFAC.

We further confirmed that Le200,000,000 was for Ebola sensitization campaigns and the balance of Le 160,900,000 was a loan to HFAC. The Ministry provided retirement details from HFAC for the full amount of Le360,900,000 including the loan amount.

We therefore note that:

1. The Ministry has failed to provide adequate explanation of the reason for the payment to Charles Mambu and not directly to HFAC;
2. The Ministry has failed to provide the details of the loan agreement with HFAC; and
3. There was no evidence provided to us, to confirm that the loan amount of Le160,900,000 was repaid by HFAC to the Ministry.

### **9.3. THE COMMITTEE'S COMMENTS AND RECOMMENDATIONS**

***The Committee observed that:***

- ***The cheques totaling Le 160,900,000 were made in the name of Mr. Charles Mambu, instead of the organization under which he requested the loan, Health For All Coalition;***
- ***The Ministry acted in contravention of Section 118[1] of the Constitution of Sierra Leone Act No. 6 of 1991 ;***

- ***There was no loan agreement between the MoHS and Health For All Coalition;***
- ***Mr. Charles Mambu, who received funds from WHO and UNICEF, which should have been used to pay back the unlawful loan he obtained from the Ministry, did not pay back the said loan. This was viewed by the Committee as deliberate and an attempt to deprive the government of Sierra Leone of needed resources.***

***The Committee therefore, recommends that Mr. Charles Mambu repays the loan of Le 160,900,000 within one month after the adoption of this report.***

#### **10.0. PROCUREMENT FOR THE SUPPLY OF THIRTY (30) USED VEHICLES VALUED AT LE 1, 350,000,000.**

##### **FINDING**

Review of the records for the above contract revealed that the contract was awarded to Royal Inter-National Supplies. The following lapses were observed:

The procurement records including minutes were not submitted for audit inspection to show the basis on which the supplier was selected.

The specifications which should include the make, type and manufacturing dates of the used vehicles procured were neither included in the pro-forma invoices nor in the local purchase order (LPO). It must be noted that the prices of used vehicles normally differ based on the model, type and year of manufacture. Further review of the Transport Manager's report on the vehicles pro-cured for the Ebola Emergency Response revealed that these vehicles were of different types but the same prices were quoted for all the vehicles procured. According to the LPO signed between the Ministry of Transport and Aviation (MTA) and the supplier, the vehicles should have been inspected and certified by the Sierra Leone Roads Transport Authority (SLRTA) before payment could be made to the supplier. No such report was however submitted to show that inspection and/or certification was done by the SLRTA before payment for the used vehicle. Completion certificate signed by members of the Goods Receipt Committee and approved by the Permanent Secretary was not submitted for review as stipulated on the LPO. Owing to the failure of the MTA to carry out inspection of the used vehicles to confirm their roadworthiness or not before accepting delivery of the vehicles, Le25,050,000 and Le29,497,500 were paid to Marwan Malabe and Stuttgart Auto Mobile Centre on the 8th September, 2014 and 18th September, 2014 respectively for vehicle repairs, even though the vehicles were procured on the 3rd September, 2014.

### **10.1. MANAGEMENT'S RESPONSE**

*The recommendation of the Auditor General has been strictly adhered to. The procurement of the above vehicles was done by the Ministry of Transport and Aviation. The documentation in respect of that procurement will be requested from the Ministry for audit verification.*

### **10.2. AUDITOR'S VERIFICATION**

There was no evidence to suggest that the audit recommendations had been adhered to. Therefore, the issue is unresolved.

### **10.3. THE COMMITTEE'S COMMENTS AND RECOMMENDATIONS**

*The Committee observed that:*

- *The Ministry of Health and Sanitation was in a rush to make payment for the 30 used vehicles procured by the Ministry of Transport and Aviation. Payment was made before inspection;*
- *The Ministry of Transport and Aviation was in contravention of government policy regarding procurement of used vehicles by government institutions; and*
- *The vehicles procured were mini vans which were not equipped for burial purposes. Therefore, extra cost was incurred for partitioning and repairs to suit burial purposes to the tune of Le25,050,000 and Le29,497,000 respectively.*
- *The Committee further observed with concern that the vehicles were all purchased at the same unit price irrespective of their difference in make, year and model.*

*However, the Committee acknowledges the fact that the vehicles were necessary for the purpose for which they were purchased and that withholding taxes on the contract have been paid in full and thus recommends that this matter be closed.*

### **11.0. PROCUREMENT PROCEDURES NOT FOLLOWED**

#### **FINDING**

Payments of Le708,442,300 were made to the Architectural Services Manager, Ministry of Health and Sanitation for construction activities at Lakka Government Hospital on diverse dates between June and September 2014. However, records justifying the use of "Force Account" for this activity were not submitted for audit review. It was also observed that neither progress reports nor expenditure returns including invoices, receipts etc. were submitted for audit inspection.

In the same vein, two (2) payments were made to Kamasseh Construction and Engineering Services with the first being for the partial fencing and construction of two additional staff toilets and utility bay at the Lakka Government Hospital which amounted to Le229,199,000; and the second for additional work- toilet, chlorine water reticulation and extension of changing room amounting to Le288,044,000 at the same hospital. It was however observed that tendering procedures were not followed in awarding both contracts; neither were signed contract agreements between the ministry and Kamasseh Construction provided for audit inspection.

### **11.1. MANAGEMENT'S RESPONSE**

*Procurement procedures were not followed, the reasons being that the government announced a waiver on all procurement procedures since it was emergency period. The National Public Procurement Authority (NPPA) an emergency procurement waiver to the Ministry. However, the Procurement Officer will provide adequate documentary evidence for verification*

### **11.2. AUDITOR'S VERIFICATION**

There is nothing like “**procurement waiver**” in the Public Procurement Act, 2004 and the Regulations on Public Procurement 2006 as suggested by the Permanent Secretary. Section 40 (1) of Regulations on Public Procurement 2006 states: “*Where urgent circumstances or an emergency need affect the choice of procurement method, the procuring entity shall not automatically exclude competitive methods of procurement and shall obtain competition to the maximum extent practical in the circumstances.*”

The Ministry's failure to follow the procurement process and to produce retirement details should result in the matter being referred to the appropriate authority.

### **11.3. THE COMMITTEE'S COMMENTS AND RECOMMENDATIONS**

***The Committee observed that Payments in the amount of Le708, 442,300 to the Architectural Services Manager, MoHS for construction activities at Lakka Government Hospital on diverse dates between June and September 2014 were in breach of government procurement policies and procedures. The Architectural Services Manager in the MoHS was an employee of the Ministry and at the same time serving as a contractor of the Ministry. With regards to Laka Hospital, the Committee considers that the role of the Architectural Service Manager in the MoHS was inconsistent with her actions in the MoHS. And considering her primary***

*functions and professional background, the Committee believes that she can do better in her previous engagement at the Ministry of Works, Housing and Infrastructure.*

*The Committee therefore recommends that the Architectural Service Manager be immediately sent back to the Ministry of Works, Housing and Infrastructure.*

## **12.0. WITHDRAWALS MADE FROM THE EBOLA EMERGENCY OPERATIONS AND MISCELLANEOUS ACCOUNTS WITHOUT ANY SUPPORTING DOCUMENTS**

### **FINDING**

Withdrawals which amounted to Le15,815,495,120 from the Health Emergency Response Account(A/C:003001014138030145) and Le453,571,500 from MoHS Miscellaneous Account (A/C:003001115131030175) held at the Sierra Leone Commercial Bank were without any supporting documents.

### **12.1. MANAGEMENT'S RESPONSE**

*The recommendation of the Auditor General in respect of the disbursements of Le15,815,695,120 and Le453,571,500 has been strictly adhered to. However, the above disbursements were done in an emergency situation during an unexpected outbreak of the Ebola disease in Sierra Leone. Most of the funds were disbursed to the District Medical Officers. I attach herewith letter of request to all District Medical Officers and other doctors who received the above amounts for liquidations and for onward submission to the Auditor General's Office for further verification.*

### **12.2. AUDITOR'S VERIFICATION**

Of the total amount of Le15,815,495,120 withdrawn from the Health Emergency Response Account without any supporting documents or explanation, during verification supporting documents to the sum of Le1,964,950,000 were submitted and verified. This means that the Ministry has failed to account for the sum of Le 14,304,116,620 (i.e Le13,850,545,120 from the Health Emergency Response Account and Le 453,571,500 from Miscellaneous Accounts). The letter referred to above by the Permanent Secretary was neither attached to his response, nor was it produced during audit verification. Therefore, the sum of Le 14,304,116,620 stands unaccounted for by the Ministry.

### **12.3. THE COMMITTEE'S COMMENTS AND RECOMMENDATIONS**

***It was brought out during the Committee hearings that the total outstanding amount after the audit verification was Le13,850,545,120 but according to both the MoHS and NERC officials the said amount was expended as follows:***

- ***The procurement of 10(ten) Hard Top Toyota Hilux basic ambulances totalling Le 12, 700,885,120***
- ***The remaining amount of Le 1,149,660,000 was expended on hazard payments to three DHMTs (Tonkolili Government, Bombali Government and Clinetown Hospitals).***

***The Committee recommends that this matter be rolled-over to the second phase of the audit excise currently being carried out by ASSL on the Management of the Ebola Funds.***

### **13.0. PAYMENTS FROM THE EBOLA EMERGENCY OPERATIONS AND MISCELLANEOUS ACCOUNTS WITHOUT ADEQUATE SUPPORTING DOCUMENTS**

#### **FINDING**

Payments totalling Le7,513,682,150 and Le4,752,087,500 were made from the Health Emergency Response Account and Miscellaneous Accounts respectively, operated at the Sierra Leone Commercial Bank without adequate supporting documents; such as retirement details, invoices, receipts etc. to substantiate the utilisation of those funds.

#### **13.1. MANAGEMENT'S RESPONSE**

*The recommendation of the Auditor General has been strictly adhered to.*

#### **13.2. AUDITOR'S VERIFICATION**

During verifications, the Ministry provided supporting documents that were previously not made available, for the sum of Le573,753,000. This means that the Ministry failed to provide adequate supporting documents for expenditures from both accounts which totalled Le 11,692,016,650.

#### **13.3. THE COMMITTEE'S COMMENTS AND RECOMMENDATIONS**

***The Committee observed that the above stated amount of Le 11,692,016,650 was payment made in respect of food items procured for quarantine homes during the first nation-wide lock down. The Committee was also informed by the National Co-ordinator of the then EOC that the payments were made base on the approval of the fiduciary agent hired by the Ministry of***

***Finance and Economic Development. He also assured the Committee that 95% of the documents in question are available for audit verification.***

***The Committee recommends that this matter should also be rolled-over to the second phase of the exercise currently being carried out by ASSL on the Management of the Ebola Funds.***

#### **14.0. PAYMENTS FOR SERVICES THROUGH THE ICT DIRECTOR OF THE MINISTRY, RATHER THAN THE SERVICE PROVIDERS FINDING**

Amounts which totalled Le171,360,000 were paid directly to the ICT Director, for radio and television programmes for the Ebola epidemic rather than directly to the various service providers.

##### **14.1. MANAGEMENT'S RESPONSE**

*The recommendation of the Auditor General has been strictly adhered to. However, the ICT Director requested for all the radio programmes and it was his responsibility in an emergency period to make sure that the advertisement on radio was adequately broadcast. Furthermore, the Ministry accepted to desist from such practices in future.*

##### **14.2. AUDITOR'S VERIFICATION**

Although the Director was responsible for managing the radio programmes, it does not mean that the various service providers could not have been paid directly. We further observed that the Director failed to provide retirement details, therefore the issue is unresolved.

##### **14.3. THE COMMITTEE'S COMMENTS AND RECOMMENDATIONS**

***The Committee was satisfied with the responses and explanation provided by the Director of Communication in the MoHS (Mr. Sidi Yaya Tunis) and therefore recommends that this matter be closed.***

#### **15.0. INCENTIVE PAYMENTS TO HEALTH CARE VOLUNTEERS/ CASUAL WORKERS**

Payments which amounted to Le25,500,900,000.00 were made between the period to 31st October 2014 in respect of "hazard pay" to healthcare workers in various hospitals nationwide for which supporting documents such as claim sheets and paid-up vouchers, were not submitted for audit inspection.

##### **15.1. MANAGEMENT'S RESPONSE**

*The recommendation of the Auditor General has been strictly adhered to. However, the Ministry of Health and Sanitation had written to all Medical*

*Superintendents and the District Medical Officers to submit the relevant supporting documents for audit inspection. The documents will be ready for further verification.*

## **15.2. AUDITOR'S VERIFICATION**

The letter referred to above by the Permanent Secretary was neither attached to his response, nor was it produced during audit verification. During audit verification, the Ministry provided supporting documents for the sum of Le4,618,900,000. However, supporting documents for the balance of Le20,882,000,000 were not produced for audit verification. Therefore this matter is unresolved.

## **15.3. THE COMMITTEE'S COMMENTS AND RECOMMENDATIONS**

***The Committee noted that the outstanding sum totalling Le20,882,000,000 of which retirements documents were not submitted for verification by the auditors was due to lack of proper co-ordination among the stake holders within the Ministry and its components. Furthermore, the Committee learnt that the outstanding retirement amount was disbursed to various stake holders throughout Sierra Leone to implement activities on behalf of the Ministry.***

***The Committee recommends that this matter should be rolled-over to the second phase of the exercise currently being carried out by ASSL on the Management of the Ebola Funds.***

## **16.0. PROCUREMENT RECORDS NOT SUBMITTED FOR VARIOUS CONTRACTS**

### **FINDING**

Procurement documents such as a signed contract agreement, test and examination report on delivery, Procurement Committee minutes, bid documents such as bill of quantities, building plan etc. for the under-mentioned contracts were not submitted for audit review:

1. CL Group- construction of Gbomsamba, Port Loko Ebola Treatment and Isolation Centre amounting to Le 2,689,500,000
2. Premier Logistics & Supplies-Purchase of 10 Hard Top DM-SRS ambulances, 20 Hard Top Standard Basic ambulances & 20 Hard Top customised utility/hearse vehicles amounting to Le12,700,885,120
3. Amjam Company Limited –supply of chlorine powder 45Kg and 25 Kg amounting to Le646,700,000.

4. Echo Construction Enterprise-overhaul of electrical at the Kenema Hospital Treatment Centre and Operation Theatre amounting to Le709,112,500

#### **16.1. MANAGEMENT'S RESPONSE**

*The recommendations of the Auditor General have been strictly adhered to. However, the procurement unit of the Ministry of Health and Sanitation had requested a procurement waiver since the Ebola outbreak. In addition some of the relevant procurement rules were followed and the records will be produced for audit verification.*

#### **16.2. AUDITOR'S VERIFICATION**

There is nothing like **"procurement waiver"** in the Public Procurement Act, 2004 and the Regulations on Public Procurement 2006 as suggested by the Permanent Secretary above. Section 40 (1) of Regulations on Public Procurement 2006 states:

*"Where urgent circumstances or an emergency need affects the choice of procurement method, the procuring entity shall not automatically exclude competitive methods of procurement and shall obtain competition to the maximum extent practical in the circumstances."*

The Ministry's failure to produce the above procurement records should result in the matter being referred to the appropriate authority.

#### **16.3. THE COMMITTEE'S COMMENTS AND RECOMMENDATIONS**

*The Committee observed as follows:*

*That Payment to CL Group- Construction of Gbomsamba, Port Loko Ebola Treatment and Isolation Centre amounted to Le 2,689,500,000, but evidence submitted revealed that the contract was aborted and therefore the Committee recommends that this matter be rolled-over to the second phase of the Ebola funds Management Audit.*

*Payment to Premier Logistics & Supplies- purchase of 10 Hard Top DM-SRS ambulances, 20 Hard Top Standard Basic ambulances & 20 Hard Top customised utility/hearse vehicles amounted to Le12,700,885,120. Evidence revealed that only 50% of the contract fee had been disbursed and all the items requested to be procured had been supplied. The Committee urges NERC to fast-track immediate payment of this amount.*

*Payment to Amjam Company Limited -supply of chlorine powder (45Kg and 25 Kg) amounted to Le646,700,000; full payment has been made and all tax obligations settled. The Committee therefore recommends that this matter be closed.*

***Payment to Echo Construction Enterprise for overhaul of electricals at the Kenema Hospital Treatment Centre and Operation Theatre amounted to Le709,112,500. The Committee noted that, this contract was not captured in the activity plan of the NERC and the Committee believes that this was due to the fact that the said contract was awarded before the Ebola outbreak in Sierra Leone. However, the Committee urges the MoHS to fast-track this payment and/or whatever is outstanding.***

***The Committee recommends that the fiduciary agents in the NERC fast-track all payments in respect of contracts awarded by the NERC and MoHS relating to activities that were captured in their activity plan.***

#### **17.0. PROCUREMENT FOR THE SUPPLY OF AMBULANCES, TOYOTA HILUX, TOYOTA LANDCRUISER AND MOTORBIKES VALUED AT US\$1,031,000.00**

##### **FINDINGS**

Review of the records for the above contract revealed that the contract was awarded to Ramesco General Supplies and financed by the African Development Bank Group (ADB). The following lapses were observed:

1. Minutes and reports of procurement meetings held during which the selection of the suppliers and the No Objection request as decided on by members of the procurement committee(s) regarding the procurement of 10 ambulances, 5 Toyota Hilux, 1 Toyota Land cruiser and 48 motorbikes, were not provided.
2. Underlying procurement documents such as invitation to bid, adverts, acceptance letters, general & particular conditions; specifications of service and goods and evidence to show that online publications of contract details were done, were not submitted.
3. The No Objection approval provided by the ADB to the Ministry regarding the procurement of 10 ambulances, 5 Toyota Hilux, 1 Toyota Land cruiser and 48 motorbikes, was not provided.
4. No evidence was submitted to show that due diligence was conducted to ensure that the suppliers selected possessed the following:

- Technical and financial capability to carry out the contract. Records relating to the technical competence/capability and financial position of the suppliers were not provided for audit inspection.
- Evidence of liquidity status of supplier considering that they were expected to pre-finance the contracts (advanced payment guarantees); and performance securities of 20% per supplier were not provided.

#### **17.1. MANAGEMENT’S RESPONSE**

*The recommendation of the Auditor General had been strictly adhered to. In addition, the Procurement Officer as recommended will submit the relevant underlying records for audit inspection and provide the adequate documentary evidence for verification.*

#### **17.2. AUDITOR’S VERIFICATION**

The relevant documents were not submitted for verification. Therefore, the issue is unresolved.

#### **17.3. THE COMMITTEE’S COMMENTS AND RECOMMENDATIONS**

*The Committee observed that relevant documentations were submitted for the supply of Toyota Landcruiser Ambulances, Toyota Hilux Double Cabins and Motor Cycle by “Ramesco General Supplies” for a contract fee of US\$ 1,031,000 and noted that delivery had been made; nonetheless, the sum of US\$ 15,000 is still outstanding as complementary payment. It was also revealed that the 5% withholding tax was precluded due to donor funded project/activity. In this regard, the Committee recommends that the NERC through its fiduciary agents, fast-track the outstanding payment of the aforementioned amount.*

#### **18.0. PROCUREMENT OF MEDICAL SUPPLIES VALUED AT US\$6,465,423.97**

Ramesco was awarded the contract for the procurement of medical supplies, in the sum of US\$3,964,143.97. The Ministry required bidders to submit among other documents, Pharmacy Board license/registration. It was however observed that the contract was awarded to Ramesco even when the requisite license was not submitted as required by the “Invitation for Bids”. In the same vein, a market survey was not carried out to ensure that value for money was obtained. In addition, procurement documents such as Technical Evaluation Committee reports, Procurement Committee minutes, bid documents, etc. for a second contract awarded to Ramesco General Supplies for PPE kits, infrared thermometers and chlorine for Ebola Emergency Response

which amounted to US\$2,501,280 were not provided for audit inspection. It was further observed that the performance bond as per clause 7.1 of the contract was not available for audit inspection.

### **18.1. MANAGEMENT'S RESPONSE**

*The recommendation of the Auditor General has been strictly adhered to. However, the Emergency Operation Centre (EOC) based on the procurement waiver approved by the National Public Procurement Authority (NPPA) authorised the procurement of medical supplies urgently to augment the fight against Ebola disease outbreak nationwide. In that regard, the Medical items were adequately supplied to the medical stores of the Ministry of Health and Sanitation and store verification certificates obtained. In addition, the Procurement Officer will provide the relevant supporting documents to substantiate documentary evidence for the supplies for audit inspection. In fact only 30% had so far been paid and the balance 70% is still outstanding.*

### **18.2. AUDITOR'S VERIFICATION**

The relevant documents were not submitted for verification. Therefore, the issue is unresolved.

### **18.3. THE COMMITTEE'S COMMENTS AND RECOMMENDATIONS**

***The Committee observed that contract documents and other relevant documents were submitted to the Committee during the hearing and verified. However, 70% of the contract fee (amounting to US\$5,276,180.78) is yet to be paid to the contractor. Therefore, the Committee recommends that the NERC fast-tracks the outstanding payment.***

### **19.0. MANAGEMENT OF THE FUNDS BY THE NATIONAL EBOLA RESPONSE CENTRE (NERC) DISBURSEMENT PAYMENTS FROM THE EBOLA EMERGENCY OPERATIONS ACCOUNT WITHOUT ADEQUATE SUPPORTING DOCUMENTS**

#### **FINDING**

Payments totalling Le7,252,309,452 and USD\$ 6,183.53, processed by the National Ebola Response Centre (NERC) were made from the Ministry of Health Emergency Response Account (A/C:003001014138030145) held at the Sierra Leone Commercial Bank, but without adequate supporting documents: such as expenditure

returns, invoices, receipts etc., to substantiate the utilization of these funds.

**19.1. MANAGEMENT’S RESPONSE**

*Management’s responses were included in Appendix B1.*

**19.2. AUDITOR’S VERIFICATION**

The NERC failed to provide supporting documents to the sum of Le5,402,217,952 and US\$6,183.53 respectively as recommended above. Therefore this matter is unresolved.

**19.3. THE COMMITTEE’S COMMENTS AND RECOMMENDATIONS**

*The Committee noted the evidence tendered by the NERC National Co-ordinator that most of the transactions/documents referred to in Appendix B1 of the Audit Report on the Ebola Funds Management were processed by the Fiduciary Agents ( KPMG and BDO) hired by the Ministry of Finance and Economic Development. He also told the Committee that some of the transactions referred to were done during the transition period between the departure of KPMG and the arrival of BDO. By his final submission, he informed the Committee that 95% of the documents were available for verification.*

*The Committee recommends that this matter be rolled-over to the second phase of the audit exercise currently being carried out by ASSL on the Management of the Ebola Funds.*

**20.0. WITHHOLDING TAXES NEITHER DEDUCTED NOR PAID OVER TO THE NATIONAL REVENUE AUTHORITY (NRA)  
FINDING**

It was observed that the Ministry failed in its obligation to withhold 5% tax which totalled Le72,891,142 for payments made to various suppliers. See Appendix “B2” for details.

**20.1. AUDITOR’S VERIFICATION**

The taxes in question were not recovered and paid back to the NRA.

**20.2. THE COMMITTEE’S COMMENTS AND RECOMMENDATIONS**

*Please see the Committee’s comments and recommendations under 3.3*

**21.0. ADDITIONAL COSTS OF US\$60,590 AND LE39,330,000  
ADDITIONAL COSTS OF US\$60,590 AND LE39,330,000**

## **INCURRED IN RESPECT OF AIR FREIGHT; DAILY SUBSISTENCE ALLOWANCE (DSA) AND AIR FARE FOR AMBULANCES BOUGHT BY THE MOHS**

### **FINDING**

Owing to the vagueness and incompleteness of the contract agreement for the procurement of 20 ambulances priced at US\$1,050,000 by the MoHS, an amount of US\$360,000 was paid as air freight charges by the MOHS over the contract value; as clauses related to the inspection, transportation and delivery of the ambulances were not specified in the special conditions of the contract. It was further observed that an additional amount of US\$48,000 was incurred as air freight charges and fuel subsidy for the same ambulances and paid to the same supplier. Furthermore, Le39,330,000 and US\$12,590 were paid to IPC Travel Agency and Mr. Kawusu Kebbay of the MoFED respectively for air ticket and DSA for 21 days for the latter to inspect the ambulances in Dubai, United Arab Emirates. A review of the travel itinerary revealed that Mr. Kawusu Kebbay spent only 8 days on this assignment and has not provided evidence to confirm that he has refunded the unused DSA of US\$7,546.50 for the remaining 13 days.

### **21.1. MANAGEMENT'S RESPONSE**

*The contract of US\$1,050,000 was about the cheapest quote at the time and was actually negotiated from US\$1,100,000 from Dubai following inspection by Mr. Kebbay. The contract was to have these ambulances delivered at the port at Dubai since the Nigerian Government promised to help with a cargo flight to collect all medical supplies meant for Sierra Leone. The arrangement for the cargo flight did not work out and as a result government had to meet the cost to airfreight the vehicles since the whole of the health sector at the time had less than five roadworthy ambulances. It was also difficult to have a cargo flight to Sierra Leone given the country's negative international media coverage. This led to the cancellation of three flights that were to convey these ambulances that were in high demand by the health sector at the time. The fourth cargo owner contacted agreed to fly to Sierra Leone but demanded additional resources to cover fuel cost on the basis that they will be using a different route since the cargo was denied access to certain air space. This led to the additional payment of US\$28,000. Additional cost was also incurred to cover cost of air ticket and DSA for Mr. Kebbay, using existing GoSL DSA rates, who at the time pre-financed his trip following a request by the Minister of Health to perform this special national service.*

## **21.2. AUDITOR'S VERIFICATION**

The fact that the contract agreement was written with such incompetence for it to be silent on the method of inspection and delivery, warrants further investigation by the appropriate authority. In the same vein, there is no evidence to suggest that the amount of US\$7,546 was recovered from Mr. Kawusu Kebbay. Therefore, the issue is unresolved.

## **21.3. THE COMMITTEE'S COMMENTS AND RECOMMENDATIONS**

*As stated earlier under 8.3 regarding the issues raised on Mr. Kawusu Kebbay viz DSA and Airticket, the Committee noted with conviction that the explanation adduced by him and the documentary evidence submitted was sufficient and therefore recommends that this matter be closed.*

## **22.0. PROCUREMENT PROCEDURES NOT FOLLOWED**

Contracts with a total valuation of Le1,014,737,500.00 were awarded to various suppliers for the provision of food supplies to quarantined homes around the country. It was observed that the procurement processes violated the NPPA formal tendering procedures for supplies of such nature as bids were only sought from one supplier per contract even though a prequalified list of existing suppliers of diet to government hospitals was available. Even when the sole source method of procurement was used, we also observed that the Technical Evaluation and Procurement Committees' records including minutes were not provided to justify the selection of the suppliers concerned.

In the same vein, a review of procurement documents presented for the supply and delivery of furniture and cleaning materials for the Ebola Treatment Centre at the Police Training School (PTS) amounted to Le175,960,000 and the supply and installation of a 30KVA diesel generator which amounted to Le159,192,000 revealed the following lapses:

- Technical Evaluation and Procurement Committee minutes not submitted;
- The basis on which suppliers were selected was not disclosed;
- Advanced payment guarantees were not provided by contractor;
- Contract agreements were signed in October after delivery in September.

## **22.1. MANAGEMENT'S RESPONSE**

*All contracts in respect of foods to quarantined homes were awarded following approval from NPPA to use sole sourcing for suppliers on the MOHS database.*

## **22.2. AUDITOR'S VERIFICATION**

The relevant documentary evidence was not submitted for verification.

## **22.3. THE COMMITTEE'S COMMENTS AND RECOMMENDATIONS**

*The Committee recommends that responses on the supply and delivery of furniture and cleaning materials for the Ebola Treatment Centre at the Police Training School (PTS) which amounted to Le175,960,000 and the supply and installation of a 30KVA diesel generator which amounted to Le159,192,000 which were not captured in the report be delved into by ASSL in the on-going phase two Ebola audit and that the issues surrounding supply of food to guaranteed homes be rolled-over to the next Ebola audit .*

## **23.0. DUPLICATED EBOLA COMMUNITY SENSITISATION PAYMENT TO THE MEMBER OF PARLIAMENT FOR CONSTITUENCY 93**

### **FINDING**

Given that approximately Le63 million was earlier paid within the current year to each Member of Parliament for constituency sensitisation on the Ebola outbreak, we noted that an additional amount of Le110,640,000 was paid to the Honourable Member of Parliament for Constituency 93 on 22nd August 2014, in respect of daily subsistence allowance (DSA) and fuel to facilitate the same community sensitisation in the Goderich area. It was further observed that retirement details for the said amount were not submitted for audit inspection.

### **23.1. MANAGEMENT'S RESPONSE**

*Le110,640,000 was paid to the Member of Parliament of Constituency 93 on 22nd August 2014 on the instructions of the former Minister of Health and Sanitation during the emergency Ebola outbreak. However, the above amount was paid before the pronouncement of government to give approximately Le63 million to each Member of Parliament. In addition, the relevant documentary evidence for Le110,460,000 have been requested from the Member of Parliament of Constituency 93 and will be submitted for audit inspection.*

### **23.2. AUDITOR'S VERIFICATION**

During the course of the verification exercise, the audit team confirmed that the payment of Le110,460,000 by the Ministry to the Honorable Member was indeed made on the 22nd of August 2014. However, the team further confirmed that the payment of Constituency Development Fund which was later converted for Ebola sensitisation, to Honorable Members by Parliament was made on the 18th August 2014. We therefore note that the Ministry's payment was made three days after the payment by Parliament for the same activity. This indicates that due diligence was not conducted by the Ministry before payment was effected. In addition, the relevant retirement details were not made available for verification and therefore the auditors could not eliminate the possibility of a "double dip" by the Honorable Member. In conclusion, this matter is unresolved.

### **23.3. THE COMMITTEE'S COMMENTS AND RECOMMENDATIONS**

*The Committee having gone through the responses and clarification from the Honourable Member of Parliament for Constituency 93 as well as the documentations presented was satisfied that the MP did not double dip in the execution of funds allocated to him for the purpose of Ebola sensitisation. This was also cleared and verified by the then Minister who gave a brief background under oath before the Committee. The Committee therefore recommends that the matter be closed.*

### **CONCLUSION:**

*Mr. Speaker, Hon Members, the committee wishes to summarize as follows;*

- 1. That generally across the board, there was evidence of systemic failure in administrative responsibilities and management functions in the Ministry of Health, the EOC and other institutions involved in the disbursement of the Ebola funds. This may be an indication for alertness in government institutions. The Committee therefore recommends that more attention and support be given to the aforementioned institutions, as well as other service providing institutions and the NPPA to prevent future occurrences of this nature.*
- 2. That Government officials lack the culture of proper record keeping management and adherence to financial regulations. Therefore, the political leadership of MDAs should provide enhanced oversight, over officials in their MDAs but not interference with their work.*

3. *The Committee also wants Parliament and the General Public to note that the transactions on the Ebola occurred within a difficult period and under unprecedented circumstances.*
4. *The Committee acknowledges, applauds and appreciates Government, our Development Partners, NGOs, INGOs, Civil Society, the General Public and all friends of Sierra Leone who stood by us during this dark period of Country's history. However, we are encouraging all institutions and individuals who handled and/or managed funds meant for the Ebola; to open their books and make them available to ASSL for auditing so as to support a more transparent and accountable system.*
5. *That recommendations relating to specific issues be given immediate attention and action taken as per the Report.*

## **RECOMMENDATIONS**

1. *The Committee found out that key Senior Officials in the MoHS who were given official responsibilities to supervise, monitor and manage the disbursement of Ebola funds failed to do so. As a result the Committee recommends that those officers be reprimanded. This, the Committee believes will serve as a deterrent to other institutions entrusted with public funds.*
2. *In this regard, the Committee recommends that the then:*
  1. *Permanent Secretary Mr. Sadiq M. Kapuwa be suspended immediately for a period of six (6) months without pay.*
  2. *Director of Financial Resources Mr. Festus A. Kuyembeh be suspended immediately for a period of six (6) months without pay.*
  3. *Senior Procurement Officer Mr. Ibrahim B. Swarray be suspended immediately for a period of six (6) months without pay. Furthermore Mr. Ibrahim B. Swarray should not serve as a Procurement Officer or perform any procurement functions for the next five (5) years within the following Ministries and their departments or agencies to wit:*
    - (i) *Ministry of Health and Sanitation*
    - (ii) *Ministry of Defence*
    - (iii) *Ministry of Agriculture, Forestry and Food Security*

- (iv) *Ministry of Education, Science and Technology*
- (v) *Ministry of Transport and Aviation*

4. *The Committee recommends that the office of the Attorney-General upon receipt of the PAC Report briefs Parliament within six (6) weeks upon ratification, on all compliances and implementation.*
5. *The Committee hereby advises that this report is not a bar to other actors or/and other competent bodies or authorities that might consider other actions as appropriate.*

**APPRECIATION:**

*Mr. Speaker, Honourable Members, I would like to unreservedly thank Members of the Committee who sat during the hearings and worked very hard to produce this report.*

*I would also like to express my sincere thanks and appreciation to Parliament and the Parliamentary Administration, ASSL, NGOs and INGOs, CSOs, SLBC and other Media Houses who were present during the exercise and the General Public, all of whom contributed in one way or the other to the success of the hearings.*

*Hon. Chernor R.M. Bah*



**CHAIRMAN, PUBLIC ACCOUNTS COMMITTEE**